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

# FORM 10-Q

(Mark One)

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

**For the quarterly period ended September 30, 2024**

OR

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

# Lantern Pharma Inc.

(Exact name of registrant as specified in its charter)

| **Delaware** | **001-39318** | **46-3973463** |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| **1920 McKinney Avenue, 7th Floor Dallas, Texas** | **75201** |
|---|---|
| (Address of Principal Executive Offices) | (Zip Code) |

(972) 277-1136

(**Registrant's telephone number, including area code**)

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

| **Title of each class** | **Trading Symbol** | **Name of each exchange on which registered** |
|---|---|---|
| Common Stock, $0.0001 par value | LTRN | The Nasdaq Stock Market |

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| Emerging growth company | ☒ | | |

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

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

As of November 1, 2024 the registrant had 10,784,725 shares of common stock, $0.0001 par value per share outstanding.

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## FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. We make such forward-looking statements pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act, Section 21E of the Securities Exchange Act of 1934, as amended, and other federal securities laws. All statements, other than statements of historical fact, contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future preclinical studies and clinical trials, future expectations for existing preclinical studies and clinical trials, future financial position, projected costs, prospects, plans and objectives of management, are forward-looking statements. The words "anticipate," "believe," "contemplate," "could," "estimate," "expect," "intend," "seek," "may," "might," "plan," "potential," "predict," "project," "target," "model", "objective", "aim," "upcoming", "should," 'will" "would," or the negative of these words or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties.

The forward-looking statements in this Quarterly Report on Form 10-Q include, among other things, statements relating to:

- the potential advantages of our RADR® platform in identifying drug candidates and patient populations that are likely to respond to a drug candidate;
- our strategic plans to advance the development of any of our drug candidates;
- our strategic plans to expand the number of data points that our RADR® platform can access and analyze;
- our research and development efforts of our internal drug discovery and development programs and antibody drug conjugate (ADC) development program and the utilization of our RADR® platform to streamline the drug development process;
- the initiation, timing, progress, and results of our preclinical studies or clinical trials for any of our drug candidates;
- our intention to leverage artificial intelligence, machine learning and biomarker data to streamline the drug development process and to identify patient populations that would likely respond to a drug candidate;
- our plans to discover and develop drug candidates and to maximize their commercial potential by advancing such drug candidates ourselves or in collaboration with others;
- our expectations regarding our ability to fund our operating expenses and capital expenditure requirements with our existing cash and cash equivalents;
- our ability to secure sufficient funding and alternative sources of funding to support our existing and proposed preclinical studies and clinical trials;
- our estimates regarding the potential market opportunity for our drug candidates we or any of our collaborators may in the future develop;
- our anticipated growth strategies and our ability to manage the expansion of our business operations effectively;
- our expectations related to future expenses and expenditures;
- our ability to keep up with rapidly changing technologies and evolving industry standards, including our ability to achieve technological advances;

- our ability to source our needs for skilled labor in the fields of artificial intelligence, genomics, biology, oncology and drug development; and

- the impact of government laws and regulations on the development and commercialization of our drug candidates and ADC development program.

We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions, and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this Quarterly Report on Form 10-Q and in the Risk Factors section of our Annual Report on Form 10-K ("2023 Form 10-K"), for the year ended December 31, 2023 filed with the Securities and Exchange Commission, or the SEC, on March 18, 2024, and have identified other factors such as the results of our clinical trials, and the impact of competition, that we believe could cause actual results or events to differ materially from the forward-statements that we make. Furthermore, we operate in a competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q.

You should read this Quarterly Report on Form 10-Q and the documents that we file with the SEC with the understanding that our actual future results may be materially different from what we expect. These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed elsewhere in this Quarterly Report on Form 10-Q and those listed under the Risk Factors section of our 2023 Form 10-K. You may access our 2023 Form 10-K under the investor SEC filings tab of our website at www.lanternpharma.com or on the SEC's website at www.sec.gov. Given these uncertainties, you should not rely on these forward-looking statements as predictions of future events. The forward-looking statements contained in this Quarterly Report on Form 10-Q are made as of the date of this Quarterly Report, and we do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Unless the context requires otherwise, references to the "Company," "Lantern," "we," "us," and "our" in this Quarterly Report on Form 10-Q refer to Lantern Pharma Inc., a Delaware corporation, and, where appropriate, its wholly-owned subsidiaries.

## PART I – FINANCIAL INFORMATION

**Item 1. Financial Statements.**

**Lantern Pharma Inc. and Subsidiaries**
**Condensed Consolidated Balance Sheets**

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| | (Unaudited) | |
| **CURRENT ASSETS** | | |
| Cash and cash equivalents | $ 8,102,819 | $ 21,937,749 |
| Marketable securities | 19,950,946 | 19,364,923 |
| Prepaid expenses & other current assets | 1,867,195 | 2,038,653 |
| **Total current assets** | 29,920,960 | 43,341,325 |
| | | |
| Property and equipment, net | 48,931 | 52,127 |
| Operating lease right-of-use assets | 286,635 | 228,295 |
| Other assets | 36,738 | 25,869 |
| | | |
| **TOTAL ASSETS** | $ 30,293,264 | $ 43,647,616 |
| | | |
| **CURRENT LIABILITIES** | | |
| Accounts payable and accrued expenses | $ 3,403,799 | $ 2,505,211 |
| Operating lease liabilities, current | 197,291 | 172,975 |
| **Total current liabilities** | 3,601,090 | 2,678,186 |
| | | |
| Operating lease liabilities, net of current portion | 93,953 | 61,496 |
| | | |
| **TOTAL LIABILITIES** | 3,695,043 | 2,739,682 |
| | | |
| COMMITMENTS AND CONTINGENCIES (NOTE 4) | | |
| | | |
| **STOCKHOLDERS' EQUITY** | | |
| Preferred Stock (1,000,000 authorized at September 30, 2024 and December 31, 2023; $.0001 par value) (Zero shares issued and outstanding at September 30, 2024 and December 31, 2023) | - | - |
| Common Stock (25,000,000 authorized at September 30, 2024 and December 31, 2023; $.0001 par value) (10,784,725 shares and 10,721,192 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively) | 1,078 | 1,072 |
| Additional paid-in capital | 96,772,824 | 96,258,726 |
| Accumulated other comprehensive loss | (25,264) | (107,460) |
| Accumulated deficit | (70,150,417) | (55,244,404) |
| **Total stockholders' equity** | 26,598,221 | 40,907,934 |
| | | |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | $ 30,293,264 | $ 43,647,616 |

See accompanying Notes to Condensed Consolidated Financial Statements

**Lantern Pharma Inc. and Subsidiaries**
**Condensed Consolidated Statements of Operations (Unaudited)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Operating expenses: | | | | |
| General and administrative | $ 1,462,930 | $ 1,313,727 | $ 4,463,869 | $ 4,679,128 |
| Research and development | 3,716,646 | 2,209,894 | 11,856,169 | 8,321,058 |
| Total operating expenses | 5,179,576 | 3,523,621 | 16,320,038 | 13,000,186 |
| Loss from operations | (5,179,576) | (3,523,621) | (16,320,038) | (13,000,186) |
| Interest income | 191,352 | 246,394 | 580,962 | 497,999 |
| Other income, net | 482,527 | 115,777 | 833,063 | 726,574 |
| NET LOSS | $ (4,505,697) | $ (3,161,450) | $ (14,906,013) | $ (11,775,613) |
| Net loss per share of common shares, basic and diluted | $ (0.42) | $ (0.29) | $ (1.39) | $ (1.08) |
| Weighted-average number of common shares outstanding, basic and diluted | 10,763,351 | 10,857,366 | 10,755,015 | 10,857,150 |

See accompanying Notes to Condensed Consolidated Financial Statements

**Lantern Pharma Inc. and Subsidiaries**
**Condensed Consolidated Statements of Comprehensive Loss (Unaudited)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| NET LOSS | $ (4,505,697) | $ (3,161,450) | $ (14,906,013) | $ (11,775,613) |
| Other comprehensive (loss) income | | | | |
| Unrealized gain on available-for-sale securities | 38,057 | 81,004 | 108,486 | 165,540 |
| Unrealized (loss) gain on foreign currency translation | (56,736) | 42,041 | (26,290) | 67,054 |
| Other comprehensive (loss) income | (18,679) | 123,045 | 82,196 | 232,594 |
| Comprehensive loss | $ (4,524,376) | $ (3,038,405) | $ (14,823,817) | $ (11,543,019) |

See accompanying Notes to Condensed Consolidated Financial Statements

**Lantern Pharma Inc. and Subsidiaries**
**Condensed Consolidated Statements of Stockholders' Equity (Unaudited)**

**Three and Nine Months Ended September 30, 2023**

| | Preferred Stock Number of Shares | Preferred Stock Amount | Common Stock Number of Shares | Common Stock Amount | Additional Paid-in-Capital | Accumulated Other Comprehensive Loss | Accumulated Deficit | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance, December 31, 2022** | - | $ - | 10,857,040 | $ 1,086 | $95,691,194 | $ (371,386) | $ (39,282,870) | $ 56,038,024 |
| Stock-based compensation | - | - | - | - | 333,530 | - | - | 333,530 |
| Net loss | - | - | - | - | - | - | (3,867,765) | (3,867,765) |
| Other comprehensive income | - | - | - | - | - | 71,709 | - | 71,709 |
| **Balance, March 31, 2023** | - | - | 10,857,040 | 1,086 | 96,024,724 | (299,677) | (43,150,635) | 52,575,498 |
| | | | | | | | | |
| Stock-based compensation | - | - | - | - | 392,390 | - | - | 392,390 |
| Issuance of restricted common stock awards | - | - | 12,000 | 1 | (1) | - | - | - |
| Net loss | - | - | - | - | - | - | (4,746,398) | (4,746,398) |
| Other comprehensive income | - | - | - | - | - | 37,840 | - | 37,840 |
| **Balance, June 30, 2023** | - | - | 10,869,040 | 1,087 | 96,417,113 | (261,837) | (47,897,033) | 48,259,330 |
| | | | | | | | | |
| Stock-based compensation | - | - | - | - | 190,755 | - | - | 190,755 |
| Net loss | - | - | - | - | - | - | (3,161,450) | (3,161,450) |
| Other comprehensive income | - | - | - | - | - | 123,045 | - | 123,045 |
| **Balance, September 30, 2023** | - | $ - | 10,869,040 | $ 1,087 | $96,607,868 | $ (138,792) | $ (51,058,483) | $ 45,411,680 |

**Three and Nine Months Ended September 30, 2024**

| | Preferred Stock Number of Shares | Preferred Stock Amount | Common Stock Number of Shares | Common Stock Amount | Additional Paid-in-Capital | Accumulated Other Comprehensive Income (Loss) | Accumulated Deficit | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance, December 31, 2023** | - | $ - | 10,721,192 | $ 1,072 | $96,258,726 | $ (107,460) | $ (55,244,404) | $ 40,907,934 |
| Common stock issued from warrant exercises | - | - | 37,613 | 4 | 54,712 | - | - | 54,716 |
| Stock-based compensation | - | - | - | - | 134,057 | - | - | 134,057 |
| Net loss | - | - | - | - | - | - | (5,440,810) | (5,440,810) |
| Other comprehensive income | - | - | - | - | - | 109,320 | - | 109,320 |
| **Balance, March 31, 2024** | - | - | 10,758,805 | 1,076 | 96,447,495 | 1,860 | (60,685,214) | 35,765,217 |
| | | | | | | | | |
| Stock-based compensation | - | - | - | - | 134,171 | - | - | 134,171 |
| Net loss | - | - | - | - | - | - | (4,959,506) | (4,959,506) |
| Other comprehensive loss | - | - | - | - | - | (8,445) | - | (8,445) |
| **Balance, June 30, 2024** | - | - | 10,758,805 | 1,076 | 96,581,666 | (6,585) | (65,644,720) | 30,931,437 |
| | | | | | | | | |
| Stock-based compensation | - | - | - | - | 179,166 | - | - | 179,166 |
| Common stock issued from warrant exercises | - | - | 5,920 | - | 11,994 | - | - | 11,994 |
| Issuance of restricted common stock awards | - | - | 20,000 | 2 | (2) | - | - | - |
| Net loss | - | - | - | - | - | - | (4,505,697) | (4,505,697) |
| Other comprehensive loss | - | - | - | - | - | (18,679) | - | (18,679) |
| **Balance, September 30, 2024** | - | $ - | 10,784,725 | $ 1,078 | $96,772,824 | $ (25,264) | $ (70,150,417) | $ 26,598,221 |

See accompanying Notes to Condensed Consolidated Financial Statements

**Lantern Pharma Inc. and Subsidiaries**
**Condensed Consolidated Statements of Cash Flows (Unaudited)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2024** | **2023** |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | $ (14,906,013) | $ (11,775,613) |
| Adjustments to reconcile net loss to cash used in operating activities: | | |
| Depreciation and amortization | 12,708 | 10,640 |
| Non-cash lease adjustments | 126,561 | 119,886 |
| Stock-based compensation | 447,394 | 916,675 |
| Accretion of discounts on available for sale debt securities, net | (179,673) | (115,395) |
| Foreign currency remeasurement (gain) loss | (27,746) | 129,686 |
| Realized (gain) loss on redemptions of available for sale debt securities | (8,366) | 76,820 |
| Unrealized (gain) loss on equity securities | (221,124) | 17,300 |
| Changes in assets and liabilities: | | |
| Prepaid expenses and other current assets | 155,282 | 442,076 |
| Accounts payable and accrued expenses | 898,560 | (656,096) |
| Operating lease liabilities | (128,128) | (119,197) |
| Other assets | (10,869) | (7,980) |
| Net cash flows used in operating activities | (13,841,414) | (10,961,198) |
| | | |
| INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (9,512) | (13,653) |
| Purchases of marketable securities | (17,476,707) | (6,640,738) |
| Redemptions of marketable securities | 17,408,333 | 5,468,000 |
| Net cash flows used in investing activities | (77,886) | (1,186,391) |
| | | |
| FINANCING ACTIVITIES | | |
| Proceeds from warrant exercises | 66,710 | - |
| Net cash flows provided by financing activities | 66,710 | - |
| | | |
| Effect of foreign exchange rates on cash | 17,660 | (23,649) |
| | | |
| CHANGE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD | (13,834,930) | (12,171,238) |
| | | |
| CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD | 21,937,749 | 37,742,966 |
| | | |
| CASH AND CASH EQUIVALENTS END OF PERIOD | $ 8,102,819 | $ 25,571,728 |
| | | |
| Non-cash investing and financing activities | | |
| Operating lease right-of-use asset acquired through operating lease liability | $ 348,623 | $ 141,989 |
| Remeasurement of operating lease right-of-use asset and operating lease liability | - | 198,847 |
| Removal of operating lease right-of-use assets and related operating lease liabilities upon early termination of leases | 163,722 | - |
| Unrealized gain on available-for-sale debt securities | 108,486 | 165,540 |

See accompanying Notes to Condensed Consolidated Financial Statements

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Note 1. Organization, Principal Activities, and Basis of Presentation

Lantern Pharma Inc., and Subsidiaries (the "Company") is a clinical stage biopharmaceutical company, focused on leveraging artificial intelligence ("A.I."), machine learning and biomarker data to streamline the drug development process and to identify the patients that will benefit from its targeted oncology therapies. The Company's portfolio of therapies consists of small molecule drug candidates that others have tried, but failed, to develop into an approved commercialized drug, as well as new compounds that it is developing with the assistance of its A.I. platform and its biomarker driven approach. The Company's A.I. platform, known as RADR®, uses big data analytics (combining molecular data, drug efficacy data, data from historical studies, data from scientific literature, phenotypic data from trials and publications, and mechanistic pathway data) and machine learning. The Company's data-driven, genomically-targeted and biomarker-driven approach allows it to pursue a transformational drug development strategy that identifies, rescues or develops, and advances potential small molecule drug candidates.

Lantern Pharma Inc. was incorporated under the laws of the state of Texas on November 7, 2013, and thereafter reincorporated in the state of Delaware on January 15, 2020. The Company's principal operations are located in Texas. The Company formed a wholly owned subsidiary, Lantern Pharma Limited, in the United Kingdom in July 2017 and a wholly owned subsidiary, Lantern Pharma Australia Pty Ltd, in Australia in September 2021. In January 2023, the Company formed a wholly owned subsidiary, Starlight Therapeutics Inc. ("Starlight"), to continue with advancing the development of drug candidate LP-184's central nervous system (CNS) and brain cancer indications.

Since inception, the Company has devoted substantially all its activity to advancing research and development, including efforts in connection with preclinical studies, clinical trials and development of its RADR® platform. This now includes three lead drug candidates and an Antibody Drug Conjugate (ADC) program directed towards 11 disclosed therapeutic targets:

- LP-300 (Tavocept), which we are advancing in a Phase 2 clinical trial, the Harmonic™ trial, focused on never smokers with advanced non-small cell lung cancer;
- LP-184, which we are advancing in a Phase 1 clinical trial and has potential for treatment of solid tumors including pancreatic, breast, bladder, and lung cancers, and glioblastoma and other CNS cancers. Following the formation of Starlight, the Company may now also refer to the molecule LP-184, as it is developed in CNS indications, as "STAR-001";
- LP-284, the stereoisomer (enantiomer) of LP-184, is advancing in a Phase 1 clinical trial, and has shown promising *in-vitro* and *in vivo* anticancer activity in multiple hematological cancers, which are distinct from the indications targeted by LP-184; and
- Our ADC program is focused on developing highly specific ADCs with highly potent drug payloads.

The Company's fiscal year ends on December 31 of each calendar year. The accompanying interim condensed consolidated financial statements are unaudited and have been prepared on substantially the same basis as the Company's annual consolidated financial statements for the fiscal year ended December 31, 2023. In the opinion of the Company's management, these interim condensed consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement of the Company's financial position, results of operations and cash flows for the periods presented. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from these estimates.

The December 31, 2023 year-end condensed consolidated balance sheet data in the accompanying interim condensed consolidated financial statements was derived from audited consolidated financial statements. These condensed consolidated financial statements and notes do not include all disclosures required by U.S. generally accepted accounting principles and should be read in conjunction with the Company's audited consolidated financial statements as of and for the year ended December 31, 2023 and the notes thereto included in the Company's Annual Report on Form 10-K, dated March 18, 2024, on file with the Securities and Exchange Commission.

The results of operations and cash flows for the interim periods included in these condensed consolidated financial statements are not necessarily indicative of the results to be expected for any future period or the entire fiscal year.

Any reference in these notes to applicable guidance refers to Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB"). To date, the Company has operated its business as one segment. The Company's condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Lantern Pharma Limited, Lantern Pharma Australia Pty Ltd. and Starlight Therapeutics Inc. All intercompany balances and transactions have been eliminated in consolidation.

**Note 2. Liquidity**

The Company incurred a net loss of approximately $14,906,000 and $11,776,000 during the nine months ended September 30, 2024 and 2023, respectively. As of September 30, 2024, the Company had working capital of approximately $26,320,000. The Company plans to continue to explore periodic capital raises and also plans to apply for grant funding in the future to assist in supporting its capital needs. We may also explore the possibility of entering into commercial credit facilities as an additional source of liquidity. We believe that our existing cash, cash equivalents, and marketable securities as of September 30, 2024, and our anticipated expenditures and capital commitments, will enable us to fund our operating expenses and capital expenditure requirements for at least 12 months from the date this quarterly report is filed.

**Note 3. Summary of Significant Accounting Policies**

**Use of Estimates and Assumptions**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant areas of estimation include determining research and development accruals, the inputs in determining the fair value of equity-based awards and warrants issued, the inputs in determining present value of lease payments, and determining the fair value of marketable securities. Actual results could differ from those estimates.

**Risks and Uncertainties**

The Company operates in an industry that is subject to intense competition, government regulation and rapid technological change. Operations are subject to significant risk and uncertainties including financial, operational, technological, regulatory, and other risks, including the potential risk of business failure.

Our marketable securities have had and may in the future have their market value fluctuate due to rises or falls in interest rates. While we believe our cash, cash equivalents and marketable securities do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are federally insured. Interest bearing and non-interest bearing accounts we hold at these banking institutions are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per depositor, per FDIC-insured bank, per ownership category. Substantially all of our cash balances held at banking institutions at September 30, 2024 are in excess of FDIC coverage.

**Research and Development**

Research and development costs are expensed as incurred. These expenses primarily consist of payroll, contractor expenses, research study expenses, costs for manufacturing and supplies, clinical site costs and other costs for the conduct of clinical trials, costs for technical infrastructure on the cloud for the purposes of developing the Company's RADR® platform, and other costs for identifying, developing, and testing drug candidates. Development costs incurred by third parties are expensed as the work is performed. Costs to acquire technologies, including licenses, that are utilized in research and development and that have no alternative future use are expensed when incurred.

**Cash and Cash Equivalents**

The Company considers money market funds and other highly liquid instruments with a short-term maturity of 3 months or less to be cash equivalents. Cash equivalents at September 30, 2024 and December 31, 2023 were approximately $6,970,000 and $20,881,000, respectively, and are included along with cash under the caption cash and cash equivalents on the Company's condensed consolidated balance sheets.

**Leases**

The Company determines whether an arrangement contains a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, current portion of operating lease liabilities, and net of current portion of operating lease liabilities on our condensed consolidated balance sheets. Lease ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As the Company's leases do not provide an implicit rate, an incremental borrowing rate is used based on the information available at the commencement date in determining the present value of lease payments. The Company does not include options to extend or terminate the lease term unless it is reasonably certain that the Company will exercise any such options. Rent expense is recognized under the operating leases on a straight-line basis. The Company does not recognize right-of-use assets or lease liabilities for short-term leases, which have a lease term of twelve months or less, and instead will recognize lease payments as expense on a straight-line basis over the lease term.

**Marketable Securities**

The Company's marketable securities consist of government and agency securities, corporate bonds, common stock and mutual funds. We classify our marketable debt securities as available-for-sale at the time of purchase and reevaluate such classification as of each balance sheet date. We may sell these securities at any time for use in current operations even if they have not yet reached maturity. As a result, we classify our investments, including securities with maturities beyond twelve months, as current assets in the accompanying condensed consolidated balance sheets. Available-for-sale debt securities and equity securities are recorded at fair value each reporting period. Unrealized gains and losses on available-for-sale debt securities are excluded from earnings and recorded as a separate component within "Accumulated other comprehensive income" or "Accumulated other comprehensive loss" on the condensed consolidated balance sheets and condensed consolidated statements of comprehensive loss until realized. Unrealized gains and losses on equity securities are reported within "Other income, net" on the condensed consolidated statements of operations. Interest is reported within "Interest income" and dividend income is reported within "Other income, net" on the condensed consolidated statements of operations. We evaluate our investments to assess whether the amortized cost basis is in excess of estimated fair value and determine what amount of that difference, if any, is caused by expected credit losses. Allowance for credit losses are recognized as a charge in "Other income, net" on the condensed consolidated statements of operations, and any remaining unrealized losses are included in "Accumulated other comprehensive income (loss)" on the condensed consolidated balance sheets and condensed consolidated statements of comprehensive loss. There were no credit losses recorded during the three and nine months ended September 30, 2024 and 2023, and there is no allowance for credit losses reported on the condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023. We determine realized gains and losses on the sale of marketable securities based on the specific identification method and record such gains and losses in "Other income, net" on the condensed consolidated statements of operations.

**Recent Accounting Pronouncements**

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which improves reportable segment disclosure requirements, primarily through enhanced disclosures related to significant segment expenses. The guidance in this ASU is effective for all public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The guidance is applied retrospectively to all periods presented in the financial statements, unless it is impracticable. While this ASU will increase and enhance disclosures, the Company believes this ASU will not have a material impact on the Company's consolidated financial statements.

The Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

**Note 4. Commitments and Contingencies**

***General***

The Company has entered into, and expects to enter into from time to time in the future, license agreements, strategic alliance agreements, assignment agreements, research service agreements, and similar agreements related to the advancement of its product candidates and research and development efforts. Significant agreements (collectively, the "License, Strategic Alliance, and Research Agreements") are described in detail in the Company's 2023 Form 10-K. While specific amounts will fluctuate from quarter to quarter based on clinical trials progress, advancement and completion of research studies and manufacturing projects, and other factors, the Company believes its overall activities regarding License, Strategic Alliance, and Research Agreements are materially consistent with those described in the 2023 Form 10-K, as supplemented by the discussion in the following paragraph.

As described in the 2023 Form 10-K, the Company has previously entered into agreements with Fortrea Inc. ("Fortrea") to provide contract research organization (CRO) services in connection with the Company's Phase 2 clinical trial for LP-300 and the Company's Phase 1 clinical trial for LP-184. In addition, the Company previously entered into a start-up work order with Fortrea regarding start-up assistance services to be provided by Fortrea relating to the LP-284 Phase 1 trial, which start-up work order terminated in the first quarter of 2024. In addition, in May 2024 the Company entered into an amendment to the work order with Fortrea relating to the LP-184 Phase 1 trial in order to reflect additional services to be provided by Fortrea relating to this clinical trial. The Company is currently discussing with Fortrea a potential amendment to make certain adjustments to the work order with Fortrea relating to the LP-300 Phase 2 clinical trial. The Company expects to finalize and enter into the amendment to the LP-300 work order in the fourth quarter of 2024.

In addition to the specific agreements described in the 2023 Form 10-K and the Fortrea work order amendment and potential amendment described above, the Company has entered into, and will in the future enter into, other research and service provider agreements for the advancement of its product candidates and research and development efforts. The Company expects to pay additional amounts in future periods in connection with existing and future research and service provider agreements.

Set forth below are the approximate amounts expensed for License, Strategic Alliance, and Research Agreements during the three and nine months ended September 30, 2024 and 2023, respectively. These expensed amounts are included under research and development expenses in the accompanying condensed consolidated statements of operations.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Amount Expensed for License, Strategic Alliance, and Research Agreements | $ 1,657,000 | $ 669,000 | $ 5,399,000 | $ 4,017,000 |

Set forth below at September 30, 2024 and December 31, 2023, respectively, are (1) the approximate amounts accrued and payable under License, Strategic Alliance, and Research Agreements, and (2) the approximate amount of prepaid expenses and other current assets under License, Strategic Alliance, and Research Agreements. These amounts are included in the accompanying condensed consolidated balance sheets.

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| Amount accrued and payable under License, Strategic Alliance, and Research Agreements | $ 855,000 | $ 1,563,000 |
| Prepaid expenses and other current assets under License, Strategic Alliance, and Research Agreements | $ 748,000 | $ 511,000 |

***Actuate Therapeutics***

In May 2021, the Company entered into a Collaboration Agreement with Actuate Therapeutics, Inc. ("Actuate"), a clinical stage private biopharmaceutical company focused on the development of compounds for use in the treatment of cancer, and inflammatory diseases leading to fibrosis. Pursuant to the agreement, the Company and Actuate have collaborated on utilization of the Company's RADR® platform to develop novel biomarker derived signatures for use with one of Actuate's product candidates. As part of the collaboration, the Company received 25,000 restricted shares of Actuate stock, subject to meeting certain conditions of the collaboration, as well as the potential to receive additional Actuate stock if results from the collaboration are utilized in future development efforts. In 2023, the term of the Collaboration Agreement was extended to continue until March 31, 2024. We are currently in discussions with Actuate to extend the Collaboration Agreement. Certain affiliates of Bios Partners beneficially own greater than 10% of the Company's common stock and also hold substantial beneficial ownership interests in Actuate. Through September 30, 2024, no revenues have been recognized under the Collaboration Agreement.

The restricted shares of Actuate stock had a nominal value when acquired and, therefore, were recorded at a cost of $0. In August 2024, Actuate announced the closing of its initial public offering ("IPO"), which also included a reverse stock split. Following the reverse stock split and the IPO, the Company holds 13,889 shares of common stock, which include a restriction that Actuate must be a public company for at least 90 days before the shares can be sold by the Company in accordance with Rule 144 of the Securities Act of 1933. At September 30, 2024, the Actuate common stock held by the Company had a fair value of approximately $103,000, which was reported as an unrealized gain in other income, net on the Company's condensed consolidated statements of operations during the three and nine months ended September 30, 2024.

**Note 5. Leases**

The following provides balance sheet information related to leases as of September 30, 2024 and December 31, 2023:

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| **Assets** | | |
| Operating lease, right-of-use asset, net | $ 286,635 | $ 228,295 |
| **Liabilities** | | |
| Current portion of operating lease liabilities | $ 197,291 | $ 172,975 |
| Operating lease liabilities, net of current portion | 93,953 | 61,496 |
| Total operating lease liabilities | $ 291,244 | $ 234,471 |

At September 30, 2024, the future estimated minimum lease payments under non-cancelable operating leases are as follows:

| | |
|---|---|
| 2024 (remaining three months) | $ 54,129 |
| 2025 | 205,315 |
| 2026 | 54,744 |
| Total minimum lease payments | 314,188 |
| Less amount representing interest | 22,944 |
| Present value of future minimum lease payments | 291,244 |
| Less current portion of operating lease liabilities | 197,291 |
| Operating lease liabilities, net of current portion | $ 93,953 |

In April 2021, the Company entered into two operating leases for office space that commenced in May 2021. The lease terms were set to expire in April 2023, subject to automatic renewal on a month-to-month basis unless the Company provided three-months written notice to the landlord prior to initial expiration. In January 2023, the Company renewed one of the operating leases ("Colony Square Lease") for an additional two years and notified the landlord of its intent not to renew the other lease. In January 2023, the Company also entered into two new leases that commenced in March 2023 and May 2023, respectively, and continued through April 2025 ("Legacy West Leases").

Effective April 30, 2024, the Legacy West Leases were terminated in conjunction with a new lease with the same landlord. The new lease began May 1, 2024 for a period of 19 months, requires payments of approximately $11,200 per month, and is subject to automatic renewal on a month-to-month basis unless the Company provides three-months written notice to the landlord. The exercise of lease renewal options is at the Company's sole discretion and is assessed as to whether to include any renewals in the lease term at inception.

Effective August 31, 2024, the Colony Square Lease was terminated in conjunction with a new lease with the same landlord. The new lease began September 1, 2024 for a period of 24 months, requires payments of approximately $6,800 per month, and is subject to automatic renewal on a month-to-month basis unless the Company provides three-months written notice to the landlord. The exercise of lease renewal options is at the Company's sole discretion.

The following table provides a reconciliation for our operating right-of-use assets and operating lease liabilities:

| | Operating Right-of- Use Assets | Operating Lease Liabilities |
|---|---|---|
| Balance at December 31, 2023 | $ 228,295 | $ 234,471 |
| Operating right-of-use asset acquired through operating lease liability | 348,623 | 348,623 |
| Early termination of operating leases | (163,722) | (163,722) |
| Amortizations and reductions | (126,561) | (128,128) |
| Balance at September 30, 2024 | $ 286,635 | 291,244 |

Other supplemental information related to operating leases is as follows:

| | As of September 30, | |
|---|---|---|
| | 2024 | 2023 |
| Weighted average remaining term of operating leases (in years) | 1.54 | 1.58 |
| Weighted average discount rate of operating leases | 9.50% | 7.36% |

The Company also leased office space in Dallas, Texas under month-to-month lease arrangements during the nine months ended September 30, 2024 and 2023. In April 2023, the Company entered into a two-year lease for material storage and handling. The lease is cancellable with 45-days written notice. Under these short-term leases, the Company elected the short-term lease measurement and recognition exemption under ASC 842 and recorded rent expense as incurred.

The components of lease expense were approximately as follows for the three and nine months ended September 30, 2024 and 2023:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Operating lease cost | $ 48,300 | $ 45,000 | $ 138,300 | $ 154,000 |
| Short-term lease cost | 4,800 | 4,000 | 14,100 | 9,000 |
| | $ 53,100 | $ 49,000 | $ 152,400 | $ 163,000 |

During the nine months ended September 30, 2024 and 2023, cash used in operating activities associated with operating leases was approximately $140,000 and $156,000, respectively.

**Note 6. Stockholders' Equity**

**Common Stock**

During the nine months ended September 30, 2023, the Company issued 12,000 shares of restricted common stock to consultants with a grant date fair value of approximately $63,000 ("2023 Restricted Common Stock"). Half of the shares of restricted stock vested in September 2023, resulting in approximately $32,000 of expense during the three and nine months ended September 30, 2023, which is included in general and administrative expenses in the accompanying condensed consolidated statements of operations. No expense was recorded related to the 2023 Restricted Common Stock during the three and nine months ended September 30, 2024.

During the nine months ended September 30, 2024, the Company issued 20,000 shares of restricted common stock to a consultant with a grant date fair value of approximately $81,000 ("2024 Restricted Common Stock"). The restricted shares vested on October 4, 2024. No expense was recorded related to the 2024 Restricted Common Stock during the three and nine months ended September 30, 2024.

As of September 30, 2024 and December 31, 2023, the Company had 25,000,000 authorized shares of Common Stock, of which 10,784,725 shares and 10,721,192 shares were issued and outstanding as of September 30, 2024 and December 31, 2023, respectively.

**Warrants**

During the three months ended September 30, 2024, the Company issued 2,088 shares of common stock relating to the cashless exercise of warrants to purchase 7,664 shares, which warrants were expiring. During the nine months ended September 30, 2024, the Company issued 22,220 shares of common stock relating to the cashless exercise of warrants to purchase 86,685 shares, which warrants were expiring. During the three months ended September 30, 2024, the Company issued 3,832 shares of common stock for aggregate proceeds of $11,994 relating to the exercise of warrants that were expiring. During the nine months ended September 30, 2024, the Company issued 21,313 shares of common stock for aggregate proceeds of $66,710, relating to the exercise of warrants that were expiring. There were no warrant exercises during the three and nine months ended September 30, 2023. The Company has warrants to purchase 70,000 shares of common stock outstanding and exercisable as of September 30, 2024 at an exercise price of $18.75 per share, expiring on June 10, 2025

**Options**

The number of shares available under the Lantern Pharma Inc. 2018 Equity Incentive Plan, as amended and restated (the "Plan"), was increased by 125,000 shares at the Company's Annual Meeting of Stockholders on June 13, 2024. A summary of stock option activity under the Plan during the nine months ended September 30, 2024 is presented below:

| | Options Outstanding | |
|---|---|---|
| | Number of Shares | Weighted-Average Exercise Price Per Share |
| Outstanding December 31, 2023 | 1,091,196 | $ 6.11 |
| Granted | 241,000 | 4.63 |
| Cancelled or expired | (57,650) | 5.97 |
| Outstanding September 30, 2024 | 1,274,546 | $ 5.83 |

Options were exercisable for 960,785 shares of common stock at September 30, 2024 at a weighted average exercise price of $6.20 per share.

Stock-based compensation was as follows for the three and nine months ended September 30, 2024 and 2023:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| General and administrative | $ 86,786 | $ 95,189 | $ 199,082 | $ 540,260 |
| Research and development | 92,380 | 95,566 | 248,312 | 376,415 |
| Total stock-based compensation | $ 179,166 | $ 190,755 | $ 447,394 | $ 916,675 |

**Note 7. Marketable Securities**

At September 30, 2024, marketable securities consisted of the following:

| | Amortized Cost | Unrealized Gains | Unrealized Losses | Aggregate Fair Value |
|---|---|---|---|---|
| Government & Agency Securities | $ 10,271,625 | $ 7,999 | $ (8,025) | $ 10,271,599 |
| Corporate Bonds | 3,884,331 | 4,750 | (3,307) | 3,885,774 |
| Marketable Securities – Debt | 14,155,956 | 12,749 | (11,332) | 14,157,373 |
| | | | | |
| Mutual Funds – Fixed Income | 4,002,704 | - | (194,354) | 3,808,350 |
| Mutual Funds – Alternative Investments | 2,015,467 | - | (133,717) | 1,881,750 |
| Common Stock (a) | - | 103,473 | - | 103,473 |
| Marketable Securities – Equity | 6,018,171 | 103,473 | (328,071) | 5,793,573 |
| | $ 20,174,127 | $ 116,222 | $ (339,403) | $ 19,950,946 |

(a) In May 2021, the Company received shares of common stock in Actuate as discussed in Note 4. The shares did not have a readily determinable value until Actuate's IPO on August 13, 2024.

The contractual maturities of the investments classified as Government & Agency Securities and Corporate Bonds are as follows:

| | As of September 30, 2024 |
|---|---|
| Due within one year | $ 14,157,373 |

The following table presents gross unrealized losses and fair values for those marketable securities that were in an unrealized loss position as of September 30, 2024, aggregated by investment category and the length of time that individual securities have been in a continuous loss position:

| | As of September 30, 2024 | | | |
|---|---|---|---|---|
| | Less than 12 months | | More than 12 months | |
| | Fair Value | Unrealized Loss | Fair Value | Unrealized Loss |
| Government & Agency Securities | $ 492,980 | $ (45) | $ 1,288,299 | $ (7,980) |
| Corporate Bonds | 299,154 | (277) | 544,354 | (3,030) |
| Mutual Funds – Fixed Income | - | - | 3,808,350 | (194,354) |
| Mutual Funds – Alternative Investments | - | - | 1,881,750 | (133,717) |
| | $ 792,134 | $ (322) | $ 7,522,753 | $ (339,081) |

We do not believe the unrealized losses represent credit losses based on our evaluation of available evidence as of September 30, 2024, which includes an assessment of whether it is more likely than not we will be required to sell the investment before recovery of the investment's amortized cost basis.

**Note 8. Fair Value Measurements**

We determine the fair values of our financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value assumes that the transaction to sell the asset or transfer the liability occurs in the principal or most advantageous market for the asset or liability and establishes that the fair value of an asset or liability shall be determined based on the assumptions that market participants would use in pricing the asset or liability. The classification of a financial asset or liability within the hierarchy is based upon the lowest level input that is significant to the fair value measurement. The fair value hierarchy prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 - Inputs are unadjusted quoted prices 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 our assumptions.

***Financial Assets***

When available, our marketable securities are valued using quoted prices for identical instruments in active markets. If we are unable to value our marketable securities using quoted prices for identical instruments in active markets, we value our investments using broker reports that utilize quoted market prices for comparable instruments. As of September 30, 2024 our available-for-sale debt securities were valued through use of quoted prices for comparable instruments in active markets and are classified as Level 2, and our money market accounts, mutual funds and common stock were valued using quoted prices in active markets for identical assets and are classified as Level 1.

Based on our valuation of our marketable securities, we concluded that they are classified in either Level 1 or Level 2, and we have no financial assets measured using Level 3 inputs. The following table presents information about our assets that are measured at fair value on a recurring basis using the above input categories.

| | Fair Value Measurements as of September 30, 2024 | | | |
|---|---|---|---|---|
| **Description** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| Government & Agency Securities | $ 10,271,599 | $ - | $ 10,271,599 | $ - |
| Corporate Bonds | 3,885,774 | - | 3,885,774 | - |
| Money Markets | 5,285,406 | 5,285,406 | - | - |
| Mutual Funds – Fixed Income | 3,808,350 | 3,808,350 | - | - |
| Mutual Funds – Alternative Investments | 1,881,750 | 1,881,750 | - | - |
| Common Stock | 103,473 | 103,473 | - | - |
| | $ 25,236,352 | $ 11,078,979 | $ 14,157,373 | $ - |

**Note 9. Loss Per Share of Common Shares**

Basic loss per share is derived by dividing net loss applicable to common stockholders by the weighted average number of shares of common stock outstanding during each period (excluding unvested shares of restricted common stock). Diluted loss per share includes the effect, if any, from the potential exercise or conversion of securities, such as warrants and stock options, which would result in the issuance of incremental shares of common stock unless such effect is anti-dilutive. In calculating the basic and diluted net loss per share applicable to common stockholders, the weighted average number of shares remained the same for both calculations due to the fact that when a net loss exists, dilutive shares are not included in the calculation. Potentially dilutive securities outstanding that have been excluded from diluted loss per share due to being anti-dilutive include the following:

| | Outstanding at September 30, | |
|---|---|---|
| | **2024** | **2023** |
| Warrants to purchase common stock | 70,000 | 177,998 |
| Unvested restricted shares of common stock | 20,000 | 6,000 |
| Stock options | 1,274,546 | 1,060,708 |
| | 1,364,546 | 1,244,706 |

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

*You should read the following discussion and analysis of our financial condition and plan of operations together with our condensed consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from the plans, intentions, expectations and other forward-looking statements included in the discussion below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those factors discussed in the Risk Factors section of our 2023 Form 10-K on file with the SEC.*

**Overview**

We are a clinical stage biotechnology company, focused on leveraging artificial intelligence ("A.I."), machine learning and genomic data to streamline the drug development process and to identify the patients that will benefit from our targeted oncology therapies. Our portfolio of therapies consists of small molecules that others have tried, but failed, to develop into an approved commercialized drug, as well as new compounds that we are developing with the assistance of our proprietary A.I. platform and our biomarker driven approach. Our A.I. platform, known as RADR®, currently includes more than 100 billion data points, and uses big data analytics (combining molecular data, drug efficacy data, data from historical studies, data from scientific literature, phenotypic data from trials and publications, and mechanistic pathway data) and machine learning to rapidly uncover biologically relevant genomic signatures correlated to drug response, and then identify the cancer patients that we believe may benefit most from our compounds. This data-driven, genomically-targeted and biomarker-driven approach allows us to pursue a transformational drug development strategy that identifies, rescues or develops, and advances potential small molecule drug candidates at what we believe is a fraction of the time and cost associated with traditional cancer drug development.

We now have active clinical programs for our three lead small molecule drug candidates: LP-300, LP-184, and LP-284. These programs are focused on multiple important cancer indications, including both solid tumors and blood cancers. We have established a wholly-owned subsidiary, Starlight Therapeutics, to focus exclusively on the clinical development of our promising opportunities for central nervous system ("CNS") and brain cancers, many of which have no effective treatment options. We are also advancing an antibody-drug conjugate ("ADC") program focused on developing highly specific ADCs with highly potent drug-payloads.

Our strategy is to both develop new drug candidates using our RADR® platform, and other machine learning driven methodologies, and to pursue the development of drug candidates that have undergone previous clinical trial testing or that may have been halted in development or deprioritized because of insufficient clinical trial efficacy (i.e., a meaningful treatment benefit relevant for the disease or condition under study as measured against the comparator treatment used in the relevant clinical testing) or for strategic reasons by the owner or development team responsible for the compound. Importantly, these historical drug candidates appear to have been well-tolerated in many instances, and often have considerable data from previous toxicity, tolerability and ADME (absorption, distribution, metabolism, and excretion) studies that have been completed. Additionally, these drug candidates may also have a body of existing data supporting the potential mechanism(s) by which they achieve their intended biologic effect, but often require more targeted trials in a stratified group of patients to demonstrate statistically meaningful results. Our dual approach to both develop de-novo, biomarker-guided drug candidates and "rescue" historical drug-candidates by leveraging A.I., recent advances in genomics, computational biology and cloud computing is emblematic of a new era in drug development that is being driven by data-intensive approaches meant to de-risk development and accelerate the clinical trial process. In this context, we intend to create a diverse portfolio of oncology drug candidates for further development towards regulatory and marketing approval with the objective of establishing a leading A.I.-driven methodology for treating the right patient with the right oncology therapy.

A key component of our strategy is to target specific cancer patient populations and treatment indications identified by leveraging our RADR® platform, a proprietary A.I. enabled engine created and owned by us. We believe the combination of our therapeutic area expertise, our A.I. expertise, and our ability to identify and develop promising drug candidates through our collaborative relationships with research institutions in selected areas of oncology gives us a significant competitive advantage. Our RADR® platform has been developed and refined over the last five years and integrates billions of data points immediately relevant for oncology drug development and patient response prediction using artificial intelligence and proprietary machine learning algorithms. By identifying clinical candidates, together with relevant genomic and phenotypic data, we believe our approach will help us design more efficient pre-clinical studies, and more targeted clinical trials, thereby accelerating our drug candidates' time to approval and eventually to market. Although we have not yet applied for or received regulatory or marketing approval for any of our drug candidates, we believe our RADR® platform has the ability to reduce the cost and time to bring drug candidates to specifically targeted patient groups. We believe we have developed a sustainable and scalable biopharma business model by combining a unique, oncology-focused big-data platform that leverages artificial intelligence along with active clinical and preclinical programs that are being advanced in targeted cancer therapeutic areas to address today's treatment needs.

Our current portfolio consists of three lead drug candidates that are in clinical phases (known as LP-300, LP-184 and LP-284) and an Antibody Drug Conjugate (ADC) program that is in preclinical research optimization. In January 2023, we formed a wholly owned subsidiary, Starlight Therapeutics Inc. ("Starlight"), to develop drug candidate LP-184's central nervous system (CNS) and brain cancer indications – including glioblastoma (GBM), brain metastases (brain mets.), and several rare pediatric CNS cancers. Following the formation of Starlight, we may also refer to the molecule LP-184, as it is developed in CNS indications, as "STAR-001". All of these drug candidates and our ADC program are leveraging precision oncology, A.I. and genomic driven approaches to accelerate and direct development efforts.

We are currently conducting a targeted phase 2 trial (the Harmonic™ trial) for LP-300 in never smoking patients with advanced non-small cell lung cancer ("NSCLC") in combination with chemotherapy, under an existing investigational new drug application. Our candidate LP-184 has shown promising *in-vitro* and *in vivo* anticancer activity in multiple solid tumor indications (including pancreatic, glioblastoma and triple negative breast cancer), and it is advancing in a Phase 1A clinical trial that commenced in mid-2023. Our candidate LP-284 has shown promising *in-vitro* and *in vivo* anticancer activity in multiple hematological cancers, which are distinct from the indications targeted by LP-184. LP-284 is advancing in a Phase 1A clinical trial that commenced in the fourth quarter of 2023.

Our ADC program has also continued to advance. In 2023, we entered into a research collaboration with Bielefeld University in Germany focused on development of ADCs utilizing cryptophycin as the ADC drug-payload. Cryptophycins are promising antitumor molecules that have demonstrated potency at ultra-low, picomolar, concentrations. In a broad range of preclinical studies, the cryptophycin-ADC synthesized as part of the Bielefeld collaboration demonstrated promising picomolar level potency and anti-tumor activity in multiple solid tumor cell lines, including breast, bladder, colorectal, gastric, pancreatic and ovarian.

In addition to our lead drug candidates and ADC program, we also have an additional drug candidate, LP-100, that we believe has potential for future development in combination with the class of anticancer agents known as PARP inhibitors (PARPi). For LP-100, as well as our lead drug candidate LP-300, we are leveraging data from prior preclinical studies and clinical trials, along with insights generated from our A.I. platform, to target the types of tumors and patient groups we believe will be most responsive to the drug. Both LP-100 and LP-300 showed promise in important patient subgroups, but failed pivotal Phase 3 trials when the overall results did not meet the predefined clinical endpoints. We believe that this was due to a lack of biomarker-driven patient stratification.

LP-300 has been studied in multiple randomized, controlled, multi-center non-small cell lung cancer, or NSCLC, trials that included administration of either paclitaxel and cisplatin and/or docetaxel and cisplatin. LP-100 has previously been in a genomic signature guided phase 2 clinical trial in Denmark for patients with metastatic castration resistant prostate cancer (mCRPC). 9 patients (out of a targeted enrollment of 27) were treated in the trial. The median overall survival (OS) for the initial group of 9 patients was approximately 12.5 months, which is an improvement over other similar fourth-line treatment regimens for mCRPC. Based on our evaluation of the synergies of LP-100 with PARP inhibitors, the decision was made in the first quarter of 2023 to close the phase 2 clinical trial in Denmark, to allow the focus of LP-100-directed resources on positioning the molecule for development in earlier lines of therapy with potentially larger market opportunities. LP-100 was previously out-licensed by us to Allarity Therapeutics A/S. In July 2021, we entered into an Asset Purchase Agreement to reacquire global development and commercialization rights for LP-100 from Allarity.

Our development strategy is to pursue an increasing number of oncology focused, molecularly targeted therapies where artificial intelligence and genomic data can help us provide biological insights, reduce the risk associated with development efforts and help clarify potential patient response. We plan on strategically evaluating these on a program-by-program basis as they advance into clinical development, either to be done entirely by us, or with licensing partners, to maximize the commercial opportunity and reduce the time it takes to bring the right drug to the right patient.

To date, except for a prior research grant, we have not generated any revenue, we have incurred net losses and our operations have been financed primarily by sales of our equity securities. Our net losses were approximately $14,906,000 and $11,776,000 for the nine months ended September 30, 2024 and 2023, respectively.

Our net losses have primarily resulted from costs incurred in licensing and developing the drug candidates in our pipeline, planning, preparing and conducting preclinical studies and clinical testing, and general and administrative activities associated with our operations. We expect to continue to incur significant expenses and corresponding increased operating losses for the foreseeable future as we continue to develop our pipeline. Our costs may further increase as we conduct additional preclinical studies and clinical trials and potentially seek regulatory clearance for and prepare to commercialize our drug candidates. We expect to incur significant expenses to continue to build the infrastructure necessary to support our expanded operations, preclinical studies, clinical trials, and commercialization, including manufacturing, marketing, sales and distribution functions. We have experienced and will continue to experience substantial costs associated with operating as a public company.

**Components of Our Results of Operations**

**Revenues**

We did not recognize revenues for the three and nine-month periods ended September 30, 2024 and 2023.

**Expenses**

Our research and development expenses by project category for the three and nine months ended September 30, 2024 are as follows:

| | Three Months Ended September 30, 2024 | Nine Months Ended September 30, 2024 |
|---|---|---|
| LP-300 | $ 914,266 | $ 2,977,561 |
| LP-184 | 1,772,428 | 5,775,257 |
| LP-284 | 392,248 | 1,400,289 |
| LP-100 | 16,679 | 47,079 |
| ADC Program | 42,961 | 121,383 |
| RADR® Platform | 305,113 | 892,903 |
| Other | 272,951 | 641,697 |
| Total research and development expenses | $ 3,716,646 | $ 11,856,169 |

We expect that our research and development expenses will continue to increase as we progress our clinical trials for LP-300, LP-184, and LP-284, and advance our other drug candidates and programs. We expect this increase to include additional expenses associated with research and service provider agreements for the advancement of our drug candidates and research and development efforts.

Because of the numerous risks and uncertainties associated with product development, we cannot determine with certainty the duration and completion costs of these or other current or future clinical trials of LP-300, LP-184, LP-284 or our other drug candidates. We may never succeed in achieving regulatory approval for LP-300, LP-184, LP-284, LP-100, or any of our other drug candidates. The duration, costs and timing of clinical trials and development of our drug candidates will depend on a variety of factors, including the uncertainties of future clinical and preclinical studies, uncertainties in clinical trial enrollment rates, significant and changing government regulation, and geopolitical risk, including in Taiwan where we are pursuing clinical testing of LP-300. In addition, the probability of success for each drug candidate will depend on numerous factors, including competition, manufacturing capability and commercial viability.

**General and Administrative**

General and administrative expenses consist primarily of salaries and related costs for employees in executive, finance and administration, corporate development and administrative support functions, including stock-based compensation expenses and benefits. Other significant general and administrative expenses include accounting and legal services, insurance, the cost of various consultants, occupancy costs, investor relations and information systems costs.

We expect increased administrative costs resulting from our existing and anticipated clinical trials and the potential commercialization of our drug candidates. We believe that these increases will likely include increased costs for hiring additional administrative personnel to support future market research and future product commercialization efforts and increased fees for outside consultants and other administrative service providers.

**Summary Results of Operations for the Three and Nine Months Ended September 30, 2024 and 2023 (unaudited)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Operating expenses: | | | | |
| General and administrative | $ 1,462,930 | $ 1,313,727 | $ 4,463,869 | $ 4,679,128 |
| Research and development | 3,716,646 | 2,209,894 | 11,856,169 | 8,321,058 |
| Total operating expenses | 5,179,576 | 3,523,621 | 16,320,038 | 13,000,186 |
| Loss from operations | (5,179,576) | (3,523,621) | (16,320,038) | (13,000,186) |
| Interest income | 191,352 | 246,394 | 580,962 | 497,999 |
| Other income, net | 482,527 | 115,777 | 833,063 | 726,574 |
| NET LOSS | $ (4,505,697) | $ (3,161,450) | $ (14,906,013) | $ (11,775,613) |

**Comparison of the Three Months Ended September 30, 2024 and 2023**

**General and Administrative Expenses**

General and administrative expenses increased approximately $149,000, or 11%, from approximately $1,314,000 for the three months ended September 30, 2023 to approximately $1,463,000 for the three months ended September 30, 2024. The increases are primarily attributable to increased professional fees of approximately $134,000, increased patent and legal fees of approximately $42,000 and increased business development costs of approximately $8,000, offset in part by reductions in travel costs of approximately $21,000 and reductions in salaries and benefits of approximately $17,000. General and administrative expenses for the three months ended September 30, 2024 and 2023 included administrative expenses relating to our wholly-owned subsidiaries, including Starlight Therapeutics Inc., which was formed in January 2023.

**Research and Development Expenses**

Research and development expenses increased approximately $1,507,000, or 68%, from approximately $2,210,000 for the three months ended September 30, 2023 to approximately $3,717,000 for the three months ended September 30, 2024. The increase is primarily attributable to increased research study and material costs of approximately $1,189,000 relating to the conduct and support of our clinical trials, increased salaries and benefits of approximately $263,000, and increased consulting expenses of approximately $88,000, offset in part by reductions in product candidate manufacturing expenses of approximately $33,000.

**Interest and Other Income, Net**

Interest income decreased approximately $55,000, or 22%, from approximately $246,000 for the three months ended September 30, 2023 to approximately $191,000 for the three months ended September 30, 2024. Other income, net increased approximately $367,000 from a gain of approximately $116,000 for the three months ended September 30, 2023 to a gain of approximately $483,000 for the three months ended September 30, 2024. This increase was primarily attributable to net appreciation in the fair value of our mutual funds and common stock of approximately $224,000 during the three months ended September 30, 2024, as opposed to a net depreciation of approximately $45,000 in the fair value of our investment securities during the three months ended September 30, 2023. We also recognized a gain on foreign currency remeasurement of approximately $79,000 during the three months ended September 30, 2024, as opposed to a loss on foreign currency remeasurement of approximately $79,000 during the three months ended September 30, 2023. These increases in other income, net were offset, in part, by a decrease in research and development tax incentives related to our Australia subsidiary of approximately $33,000 and declines in dividend income of approximately $27,000.

**Comparison of the Nine Months Ended September 30, 2024 and 2023**

**General and Administrative Expenses**

General and administrative expenses decreased approximately $215,000, or 5%, from approximately $4,679,000 for the nine months ended September 30, 2023 to approximately $4,464,000 for the nine months ended September 30, 2024. The primary cause in the decline in general and administrative expenses relates to reductions in salaries and benefit costs of approximately $285,000, reductions in insurance costs of approximately $211,000, and reductions in office and administrative expenses of approximately $86,000, offset, in part, by increased professional fees of approximately $169,000, increased patent and legal costs of approximately $159,000, and increased business development expenses of approximately $37,000. General and administrative expenses for the nine months ended September 30, 2024 and 2023 included administrative expenses relating to our wholly-owned subsidiaries, including Starlight Therapeutics Inc., which was formed in January 2023.

**Research and Development Expenses**

Research and development expenses increased approximately $3,535,000, or 42%, from approximately $8,321,000 for the nine months ended September 30, 2023 to approximately $11,856,000 for the nine months ended September 30, 2024. The increase is primarily attributable to increased research study and material costs of approximately $3,457,000 relating to the conduct and support of our clinical trials, increased salaries and benefits costs of approximately $674,000, and increased consulting expenses of $344,000, offset in part by reductions in product candidate manufacturing costs of approximately $939,000.

**Interest and Other Income, Net**

Interest income increased approximately $83,000 from approximately $498,000 for the nine months ended September 30, 2023 to approximately $581,000 for the nine months ended September 30, 2024. Other income, net increased approximately $106,000 from a gain of approximately $727,000 for the nine months ended September 30, 2023 to a gain of approximately $833,000 for the nine months ended September 30, 2024. This increase was primarily attributable to net appreciation in the fair value of our mutual funds and common stock of approximately $229,000 during the nine months ended September 30, 2024, as opposed to a net depreciation of approximately $94,000 in the fair value of our investment securities during the nine months ended September 30, 2023. We also recognized a gain on foreign currency remeasurement of approximately $28,000 during the nine months ended September 30, 2024, as opposed to a loss on foreign currency remeasurement of approximately $130,000 during the nine months ended September 30, 2023. Dividend income increased by approximately $58,000 for the nine months ended September 30, 2024. These increases in other income, net were offset, in part, by a decrease in research and development tax incentives related to our Australia subsidiary of approximately $432,000 for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023.

**Cash Flows**

The following table summarizes our cash flow for the periods indicated:

| | For the Nine Months ended September 30, | |
|---|---|---|
| | 2024 | 2023 |
| | (Unaudited) | |
| Net cash flows used in operating activities | $ (13,841,414) | $ (10,961,198) |
| Net cash flows used in investing activities | (77,886) | (1,186,391) |
| Net cash flows provided by financing activities | 66,710 | - |
| Effect of foreign exchange rates on cash | 17,660 | (23,649) |
| Net decrease in cash and cash equivalents | $ (13,834,930) | $ (12,171,238) |

**Operating Activities**

For the nine months ended September 30, 2024, net cash used in operating activities was approximately $13,841,000 compared to approximately $10,961,000 for the nine months ended September 30, 2023. The increase in net cash used in operating activities was primarily due to the increase in the net loss for the nine months ended September 30, 2024, offset in part by an increase in accounts payable and accrued expenses during the nine months ended September 30, 2024, which reduced the use of cash.

**Investing Activities**

For the nine months ended September 30, 2024, net cash used in investing activities was approximately $78,000 compared to approximately $1,186,000 of net cash used in investing activities for the nine months ended September 30, 2023. The decrease in cash used in investing activities is primarily related to a reduced level of net investments in marketable securities during the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023.

**Financing Activities**

Net cash provided by financing activities was approximately $67,000 during the nine months ended September 30, 2024, which is attributable to proceeds from warrant exercises. No cash was provided by or used in financing activities during the nine months ended September 30, 2023.

**Operating Capital and Capital Expenditure Requirements**

As of September 30, 2024, we had total assets of approximately $30.3 million and working capital of approximately $26.3 million. As of September 30, 2024, our liquidity included approximately $28.1 million of cash, cash equivalents and marketable securities. We believe that our existing cash, cash equivalents, and marketable securities as of September 30, 2024, and our anticipated expenditures and capital commitments, will enable us to fund our operating expenses and capital expenditure requirements for at least 12 months from the date this quarterly report is filed. We expect to continue to incur significant and increasing operating losses at least for the next several years as we continue our clinical trials for LP-300, LP-184 and LP-284, advance our other drug candidates and programs, and seek potential future marketing approval for our drug candidates, which could be several years in the future, if at all. We do not expect to generate revenue, other than possible license and grant revenue, unless and until we successfully complete development and obtain regulatory approval for our therapeutic candidates. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our existing and planned clinical trials and our expenditures on other research and development activities.

We have based our projections of operating capital requirements on assumptions that may prove to be incorrect and we may use all of our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amount of our operating capital requirements. We anticipate that our expenses will increase substantially as we:

- continue the development, including preclinical studies and clinical trials, of our drug candidates;
- initiate preclinical studies and clinical trials for any additional indications for our current drug candidates and any future drug candidates that we may pursue;
- continue to build our portfolio of drug candidates through the acquisition or in-license of additional drug candidates or technologies;
- continue to develop, maintain, expand and protect our intellectual property portfolio;
- pursue regulatory approvals for those of our current and future drug candidates that successfully complete clinical trials;
- ultimately establish a sales, marketing, distribution and other commercial infrastructure to commercialize any drug candidate for which we may obtain marketing approval;
- hire additional clinical, regulatory, scientific and accounting personnel;
- incur additional legal, accounting and other expenses in operating as a public company; and
- continue to develop, maintain, and expand our RADR® platform.

We expect that we will need to obtain substantial additional funding in order to complete our clinical trials. To the extent that we raise additional capital through the sale of common stock, convertible securities or other equity securities, the ownership interests of our existing stockholders may be materially diluted and the terms of these securities could include liquidation or other preferences that could adversely affect the rights of our existing stockholders. In addition, debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends, that could adversely impact our ability to conduct our business. If we are unable to raise capital when needed or on attractive terms, we could be forced to significantly delay, scale back or discontinue the development or commercialization of LP-300, LP-184, LP-284, and/or our other drug candidates and programs, seek collaborators at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available, and relinquish or license, potentially on unfavorable terms, our rights to LP-300, LP-184, LP-284, and/or other drug candidates and programs that we otherwise would seek to develop or commercialize ourselves.

**Critical Accounting Estimates**

There have been no changes to our critical accounting estimates during the nine months ended September 30, 2024.

**Quantitative and Qualitative Disclosure About Market Risk**

Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. Fixed rate securities may have their market value adversely affected due to a rise in interest rates. Accordingly, our future investment income may fluctuate as a result of changes in interest rates, or we may suffer losses in principal if we are forced to sell securities that decline in market value as a result of changes in interest rates.

Historically, we have raised capital through the issuance of equity securities. We had no long-term debt outstanding as of September 30, 2024 and December 31, 2023.

We do not believe that our cash and cash equivalents have significant risk of default or illiquidity. Our cash and cash equivalents consist primarily of cash and money market funds. Our exposure to market risk relating to cash and cash equivalents due to changes in interest rates is limited because our cash and cash equivalents have a short-term maturity and are used primarily for working capital purposes. Our marketable securities have had and may in the future have their market value adversely affected due to rises in interest rates. While we believe our cash, cash equivalents and marketable securities do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits. Interest bearing and non-interest bearing accounts we hold at banking institutions are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. Substantially all of our cash balances held at banking institutions are in excess of FDIC coverage. We consider this to be a normal business risk.

We formed a wholly owned subsidiary, Lantern Pharma Australia Pty Ltd, in Australia in September 2021 and experienced foreign currency gains of approximately $28,000 for the nine months ended September 30, 2024 and foreign currency losses of approximately $130,000 for the nine months ended September 30, 2023 in connection with this subsidiary. We will remain subject to the risk of foreign currency losses in future periods, although we do not expect the impact of any foreign currency losses to be material. We do not participate in any foreign currency hedging activities, and we do not have any other derivative financial instruments.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation has had a material effect on our results of operations during the periods presented. Inflation has increased substantially in recent periods and could have a greater impact on our future results of operations if it remains at current levels or increases further.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

As a Smaller Reporting Company, we are exempt from the requirements of Item 3.

**Item 4. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures.**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2024. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, 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. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclosure controls and procedures as of September 30, 2024, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures, as defined above, are effective.

**Changes in Internal Control Over Financial Reporting.**

There were no changes in our internal control over financial reporting that occurred during the three months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Inherent Limitations on Effectiveness of Controls.**

Our management, including our principal executive officer and principal financial officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## PART II – OTHER INFORMATION

**Item 1A. Risk Factors.**

As a Smaller Reporting Company we are exempted from the requirements of Item 1A.

**Item 6. Exhibits.**

| Exhibit No. | Exhibit Description | Method of Filing |
|---|---|---|
| 3.1 | Amended and Restated Certificate of Incorporation | Incorporated by reference from the Registrant's Current Report on Form 8-K filed June 17, 2020 |
| 3.2 | By-Laws | Incorporated by reference from the Registrant's Registration Statement on Form S-1 filed April 16, 2020 |
| 3.3 | Amendment No. 1 to By-Laws | Incorporated by reference from the Registrant's Current Report on Form 8-K filed May 24, 2024 |
| 31.1 | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | Filed electronically herewith |
| 31.2 | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | Filed electronically herewith |
| 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. | Furnished electronically herewith |
| 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. | Furnished electronically herewith |
| 101.INS | Inline XBRL Instance Document. | Filed electronically herewith |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. | Filed electronically herewith |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. | Filed electronically herewith |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. | Filed electronically herewith |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. | Filed electronically herewith |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. | Filed electronically herewith |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). | Filed electronically herewith |

**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.

Lantern Pharma Inc.,

A Delaware Corporation

Dated: November 7, 2024

By: */s/ Panna Sharma*
Panna Sharma, Chief Executive Officer

Dated: November 7, 2024

By: */s/ David R. Margrave*
David R. Margrave, Chief Financial Officer

**EXHIBIT 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**
**PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES**
**EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Panna Sharma, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lantern 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.

Date: November 7, 2024

*/s/ Panna Sharma*
Chief Executive Officer *(Principal Executive Officer)*

**EXHIBIT 31.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**
**PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES**
**EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David R. Margrave, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lantern 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.

Date: November 7, 2024

*/s/ David R. Margrave*
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**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Lantern Pharma Inc. (the "Company") hereby certifies, to his knowledge, that:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Date: November 7, 2024

*/s/ Panna Sharma*

Chief Executive Officer *(Principal Executive Officer)*

**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**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Lantern Pharma Inc. (the "Company") hereby certifies, to his knowledge, that:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Date: November 7, 2024

*/s/ David R. Margrave*
Chief Financial Officer *(Principal Financial Officer)*