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

# FORM 10-Q

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

**FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2023**

**or**

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

**Commission File Number 000-50549**

# Oncternal Therapeutics, Inc.

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **62-1715807** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(IRS Employer Identification No.)** |

**12230 El Camino Real, Suite 230**
**San Diego, CA 92130**
**(858) 434-1113**
**(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)**

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.001 par value | ONCT | The Nasdaq Capital Market |

**Securities registered pursuant to Section 12(g) of the Act: None**

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 3, 2023, the registrant had 58,968,902 shares of common stock outstanding.

**Oncternal Therapeutics, Inc.**

**FORM 10-Q**

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**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**Oncternal Therapeutics, Inc.**
**Condensed Consolidated Balance Sheets**
**(in thousands, except par value)**

| | September 30, 2023 (Unaudited) | December 31, 2022 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 14,925 | $ 37,142 |
| Short-term investments | 25,380 | 26,582 |
| Prepaid and other | 2,187 | 3,566 |
| Total current assets | 42,492 | 67,290 |
| Right-of-use asset | 291 | 87 |
| Other assets | 412 | 1,274 |
| Total assets | $ 43,195 | $ 68,651 |
| **Liabilities and Stockholders' Equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 2,133 | $ 2,917 |
| Accrued liabilities | 2,868 | 4,678 |
| Lease liability | 151 | 87 |
| Total current liabilities | 5,152 | 7,682 |
| Deferred compensation | 856 | — |
| Lease liability, net of current | 191 | — |
| Total liabilities | 6,199 | 7,682 |
| Commitments and contingencies (Note 4) | | |
| Preferred stock, $0.001 par value, authorized shares – 5,000 at September 30, 2023 and December 31, 2022; issued and outstanding shares – none | — | — |
| Common stock, $0.001 par value; authorized shares – 120,000; issued and outstanding shares – 58,969 and 57,464 at September 30, 2023 and December 31, 2022, respectively | 59 | 57 |
| Additional paid-in capital | 225,552 | 219,203 |
| Accumulated comprehensive income | — | 9 |
| Accumulated deficit | (188,615) | (158,300) |
| Total stockholders' equity | 36,996 | 60,969 |
| Total liabilities and stockholders' equity | $ 43,195 | $ 68,651 |

*See accompanying notes.*

**Oncternal Therapeutics, Inc.**
**Condensed Consolidated Statements of Operations and Comprehensive Loss**
**(Unaudited; in thousands, except per share data)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Grant revenue | $ 179 | $ 382 | $ 488 | $ 1,319 |
| Operating expenses: | | | | |
| Research and development | 7,475 | 8,442 | 23,083 | 24,182 |
| General and administrative | 3,094 | 3,265 | 9,483 | 10,169 |
| Total operating expenses | 10,569 | 11,707 | 32,566 | 34,351 |
| Loss from operations | (10,390) | (11,325) | (32,078) | (33,032) |
| Interest income | 528 | 200 | 1,763 | 262 |
| Net loss | $ (9,862) | $ (11,125) | $ (30,315) | $ (32,770) |
| Comprehensive Income: | | | | |
| Unrealized gain / (loss) on available-for-sale securities, net | 6 | — | (9) | — |
| Comprehensive loss | $ (9,856) | $ (11,125) | $ (30,324) | $ (32,770) |
| Net loss per share, basic and diluted | $ (0.17) | $ (0.21) | $ (0.52) | $ (0.64) |
| Weighted-average shares outstanding, basic and diluted | 58,964 | 54,212 | 58,738 | 51,252 |

*See accompanying notes.*

**Oncternal Therapeutics, Inc.**
**Condensed Consolidated Statements of Cash Flows**
**(Unaudited; in thousands)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2023** | **2022** |
| **Cash flows from operating activities** | | |
| Net loss | $ (30,315) | $ (32,770) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock-based compensation | 5,282 | 5,629 |
| Amortization of premiums (accretion of discounts) on short-term investments | (1,266) | — |
| Non-cash lease expense | 149 | 144 |
| Changes in operating assets and liabilities: | | |
| Prepaid and other | 2,241 | (2,675) |
| Accounts payable | (784) | 497 |
| Accrued liabilities | (1,810) | 1,499 |
| Deferred compensation | 856 | — |
| Change in lease liability | (98) | (144) |
| Deferred grant revenue | — | 118 |
| Net cash used in operating activities | (25,745) | (27,702) |
| **Cash flows from investing activities** | | |
| Purchases of available-for-sale securities | (52,541) | — |
| Maturities of available-for-sale securities | 55,000 | — |
| Net cash provided by investing activities | 2,459 | — |
| **Cash flows from financing activities** | | |
| Proceeds from issuance of common stock in public offerings, net | 1,224 | 7,568 |
| Repurchases of common stock for tax withholding obligations | (155) | (3) |
| Net cash provided by financing activities | 1,069 | 7,565 |
| **Net decrease in cash and cash equivalents** | (22,217) | (20,137) |
| Cash and cash equivalents at beginning of period | 37,142 | 90,765 |
| Cash and cash equivalents at end of period | $ 14,925 | $ 70,628 |
| **Supplemental disclosure of non-cash financing activities:** | | |
| Right-of-use assets obtained in exchange for operating lease liabilities | $ 353 | $ 191 |

*See accompanying notes.*

**Oncternal Therapeutics, Inc.**
**Condensed Consolidated Statements of Stockholders' Equity**
**(Unaudited; in thousands)**

| | Three Months Ended September 30, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-In | Accumulated Comprehensive Income | Accumulated | Total Stockholders' |
| | Shares | Amount | Capital | | Deficit | Equity |
| **Balance at June 30, 2023** | 58,728 | $ 59 | $ 223,884 | $ (6) | $ (178,753) | $ 45,184 |
| Issuance of common stock upon vesting of restricted stock units | 371 | — | — | — | — | — |
| Shares repurchased for settlement of minimum statutory tax withholdings | (130) | — | (49) | — | — | (49) |
| Unrealized gain on available-for-sale securities | — | — | — | 6 | — | 6 |
| Stock-based compensation | — | — | 1,717 | — | — | 1,717 |
| Net loss | — | — | — | — | (9,862) | (9,862) |
| **Balance at September 30, 2023** | 58,969 | $ 59 | $ 225,552 | $ — | $ (188,615) | $ 36,996 |

| | Three Months Ended September 30, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-In | Accumulated Comprehensive Income | Accumulated | Total Stockholders' |
| | Shares | Amount | Capital | | Deficit | Equity |
| **Balance at June 30, 2022** | 52,150 | $ 52 | $ 209,724 | $ — | $ (135,775) | $ 74,001 |
| Issuance of common stock upon vesting of restricted stock units | 6 | — | — | — | — | — |
| Shares repurchased for settlement of minimum statutory tax withholdings | (2) | — | (3) | — | — | (3) |
| Issuance of common stock, net of issuance cost of $141 | 3,363 | 4 | 3,693 | | — | 3,697 |
| Stock-based compensation | — | — | 1,974 | — | — | 1,974 |
| Net loss | — | — | — | — | (11,125) | (11,125) |
| **Balance at September 30, 2022** | 55,517 | $ 56 | $ 215,388 | $ — | $ (146,900) | $ 68,544 |

*See accompanying notes.*

**Oncternal Therapeutics, Inc.**
**Condensed Consolidated Statements of Stockholders' Equity**
**(Unaudited; in thousands)**

| | Nine Months Ended September 30, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-In | Accumulated Comprehensive Income | Accumulated | Total Stockholders' |
| | Shares | Amount | Capital | | Deficit | Equity |
| **Balance at December 31, 2022** | 57,464 | $ 57 | $ 219,203 | $ 9 | $ (158,300) | $ 60,969 |
| Issuance of common stock upon vesting of restricted stock units | 611 | — | — | — | — | — |
| Shares repurchased for settlement of minimum statutory tax withholdings | (221) | — | (155) | — | — | (155) |
| Issuance of common stock, net of issuance cost of $38 | 1,115 | 2 | 1,222 | — | — | 1,224 |
| Stock-based compensation | — | — | 5,282 | — | — | 5,282 |
| Unrealized loss on available-for-sale securities | | | | (9) | | (9) |
| Net loss | — | — | — | — | (30,315) | (30,315) |
| **Balance at September 30, 2023** | 58,969 | $ 59 | $ 225,552 | $ — | $ (188,615) | $ 36,996 |

| | Nine Months Ended September 30, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-In | Accumulated Comprehensive Income | Accumulated | Total Stockholders' |
| | Shares | Amount | Capital | | Deficit | Equity |
| **Balance at December 31, 2021** | 49,429 | $ 49 | $ 202,201 | $ — | $ (114,130) | $ 88,120 |
| Issuance of common stock upon vesting of restricted stock units | 6 | — | — | — | — | — |
| Shares repurchased for settlement of minimum statutory tax withholdings | (2) | — | (3) | — | — | (3) |
| Issuance of common stock, net of issuance cost of $287 | 6,084 | 7 | 7,561 | — | — | 7,568 |
| Stock-based compensation | — | — | 5,629 | — | — | 5,629 |
| Net loss | — | — | — | — | (32,770) | (32,770) |
| **Balance at September 30, 2022** | 55,517 | $ 56 | $ 215,388 | $ — | $ (146,900) | $ 68,544 |

*See accompanying notes.*

## 1. Description of Business, Basis of Presentation and Summary of Significant Accounting Policies

### *Description of Business*

Oncternal Therapeutics, Inc. (the "Company" or "Oncternal"), formerly known as GTx, Inc., was incorporated in Tennessee in September 1997 and reincorporated in Delaware in 2003 and is based in San Diego, California. The Company is a clinical-stage biopharmaceutical company focused on the development of novel oncology therapies, for the treatment of cancers with critical unmet medical need. The Company's product candidate pipeline includes ONCT-808, an autologous ROR1 (Receptor-tyrosine kinase-like Orphan Receptor 1) targeting CAR T (chimeric antigen receptor T cells), ONCT-534, a dual-action androgen receptor inhibitor ("DAARI") for the treatment of castrate-resistant prostate and other androgen receptor-driven cancers, and zilovertamab, a humanized monoclonal antibody that binds to ROR1.

### *Principles of Consolidation*

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Oncternal Oncology, Inc. and Oncternal, Inc. All intercompany accounts and transactions have been eliminated in the preparation of the condensed consolidated financial statements.

### *Liquidity*

From inception, the Company has devoted substantially all of its efforts to drug discovery and development and conducting preclinical studies and clinical trials. The Company has a limited operating history and the sales and income potential of the Company's business and market are unproven. Successful transition to attaining profitable operations is dependent upon achieving a level of revenues adequate to support the Company's cost structure.

The Company believes it has sufficient cash to fund its projected operating requirements for at least twelve months from the date of issuance of the condensed consolidated financial statements. As of September 30, 2023, the Company had $40.3 million in cash, cash equivalents and short-term investments and no debt. However, the Company has experienced net losses and negative cash flows from operating activities since its inception and has an accumulated deficit of $188.6 million as of September 30, 2023. The Company expects to continue to incur net losses for the foreseeable future and believes it will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company plans to continue to fund its losses from operations and capital funding needs through a combination of public or private equity or debt offerings or other sources, including potential collaborations, strategic alliances and other similar licensing arrangements. If the Company is unable to secure adequate additional funding, the Company may be forced to make reductions in spending, including potentially delaying, scaling back or eliminating certain of its pipeline development programs, extend payment terms with suppliers, or liquidate assets where possible. Any of these actions could materially affect the Company's business, results of operations and future prospects.

The Company's ability to obtain additional financing (including through collaboration and/or licensing arrangements) will depend on a number of factors, including, among others, its ability to generate positive data from its clinical trials and preclinical studies, the condition of the capital markets and other risks, many of which are dependent on factors outside of its control. There can be no assurance as to the availability or terms upon which such financing and capital might be available in the future.

### *Notice of Delisting*

On April 4, 2023, the Company received a written notice from Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq") indicating that because the closing bid price for the Company's common stock had closed below $1.00 per share for 30 consecutive business days, the Company no longer complied with the minimum bid price requirement pursuant to Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Requirement"). The Notification Letter stated that the Company had 180 days, or until October 2, 2023, to demonstrate its compliance with the Minimum Bid Requirement. On October 3, 2023, Nasdaq notified the Company that it has granted the Company an additional 180 calendar days, or to April 1, 2024, to regain compliance with the Minimum Bid Requirement, in accordance with Nasdaq Listing Rule 5810(c)(3)(A).

The Company has not regained compliance with Nasdaq listing rules as of the date these financial statements were issued. The Company intends to continue to actively monitor the bid price of its common stock and will evaluate available options to regain compliance. At the Company's annual meeting of stockholders held on June 28, 2023, the Company's stockholders approved a proposal granting the Company's board authority to effect a reverse split of the Company's outstanding common stock by amending the Company's Restated Certificate of Incorporation within one year and within a range of not less than one-for-five and not more than one-for-thirty. If the Company does not regain compliance within the additional compliance period, Nasdaq will provide notice that the Company's common stock will be subject to delisting. The Company would then be entitled to appeal that determination to a

Nasdaq hearings panel. There can be no assurance that the Company will regain compliance with the Minimum Bid Requirement during the 180-day additional compliance period or maintain compliance with the other Nasdaq listing requirements.

***Basis of Presentation***

The accompanying interim condensed financial statements are unaudited. The unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and with generally accepted accounting principles in the United States of America ("GAAP"). These unaudited condensed consolidated financial statements have been prepared on the same basis as the audited, consolidated financial statements and include all adjustments, consisting of only normal recurring accruals, which in the opinion of management are necessary to present fairly the Company's financial position as of the interim date and results of operations for the interim periods presented. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ materially from those estimates. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022, filed with the SEC on its Annual Report on Form 10-K on March 9, 2023. The results presented in these unaudited condensed consolidated financial statements are not necessarily indicative of the results expected for the full fiscal year or any other interim period or any future year or period.

***Use of Estimates***

The Company's condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of the condensed consolidated financial statements and accompanying notes requires it to make estimates and assumptions that impact the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Significant estimates consist of those used to determine grant revenue and accruals for research and development costs. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may ultimately materially differ from these estimates and assumptions.

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents include cash in readily available checking accounts and money market accounts.

***Short-term Investments***

The Company carries short-term investments classified as available-for-sale marketable securities at fair value as determined by prices for identical or similar securities at the balance sheet date. Short-term investments consist of Level 1 and Level 2 financial instruments in the fair value hierarchy (see Note 6). Realized gains or losses on available-for-sale securities are determined using the specific identification method and net realized gains and losses are included in interest income. The Company periodically reviews available-for-sale securities for other-than-temporary declines in fair value below the cost basis, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company records unrealized gains and losses on available-for-sale marketable securities as a component of other accumulated comprehensive income within the statements of operations and comprehensive loss and as a separate component of stockholders' equity on the balance sheets. In accordance with policy, the Company does not invest in or hold equity securities in its investment portfolio.

***Concentration of Credit Risk***

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents and short-term investments. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to significant risk on its cash balances due to the financial position of the depository institution in which those deposits are held. Additionally, the Company established guidelines regarding approved investments and maturities of investments, which are designed to maintain safety and liquidity.

***Research and Development Expenses and Accruals***

Research and development expenses consist of costs incurred for the Company's own and for sponsored and collaborative research and development activities. Research and development costs are expensed as incurred and include manufacturing process development costs, manufacturing costs, costs associated with preclinical studies and clinical trials, regulatory and medical affairs activities, quality assurance activities, salaries and benefits, including stock-based compensation, fees paid to third-party consultants, license fees and overhead.

The Company has entered into various research and development contracts with research institutions, clinical research organizations, clinical manufacturing organizations and other companies. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and payments made in advance of performance are reflected in the accompanying condensed consolidated balance sheets as prepaid expenses and other assets or accrued liabilities. The Company records accruals for estimated costs incurred for ongoing research and development activities and all clinical trial expenses are included in research and development expenses. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the services, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates may be made in determining the prepaid or accrued balances at the end of any reporting period. Actual results could differ from the Company's estimates.

***Fair Value Measurements***

The accounting guidance defines fair value, establishes a consistency framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring basis or nonrecurring basis. Fair value is defined as an exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Accounting guidance establishes a three-tier fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. These tiers are based on the source of the inputs and are as follows:

Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices in active markets that are observable either directly or indirectly.

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company's financial instruments include cash, cash equivalents, short-term investments, prepaid expenses and other assets, accounts payable, accrued expenses, and accrued compensation. The carrying amounts of the Company's current financial assets and liabilities are considered to be representative of their respective fair values because of the short-term nature of those instruments. The Company has short-term investments that are measured at fair value on a recurring basis. No transfers between levels have occurred during the periods presented (see Note 6).

***Net Loss Per Share***

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding for the period, without consideration for potentially dilutive securities and adjusted for the weighted-average number of common shares outstanding that are subject to repurchase. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock and dilutive common stock equivalents outstanding for the period determined using the treasury-stock and if-converted methods. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding as inclusion of the potentially dilutive securities would be antidilutive.

Potentially dilutive securities not included in the calculation of diluted net loss per share, because to do so would be anti-dilutive, are as follows (in common stock equivalent shares; in thousands):

| | September 30, | |
|---|---|---|
| | 2023 | 2022 |
| Warrants to purchase common stock | 3,411 | 3,478 |
| Common stock options | 10,641 | 8,401 |
| Restricted stock unit awards | 372 | 1,009 |
| Total | 14,424 | 12,888 |

***Recently Adopted Accounting Pronouncements***

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Statements (Topic 326), which intends to improve financial reporting by requiring earlier recognition of credit losses on certain financial assets, such as available-for-sale debt securities. Topic 326 amends guidance on reporting credit losses for assets held at amortized cost basis and available-for-sale debt securities. For assets held at amortized cost basis, Topic 326 eliminates the probable initial recognition threshold in current GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected. For available-for-sale debt securities, credit losses should be measured in a manner similar to current GAAP, however Topic 326 will require that credit losses be presented as an allowance rather than as a write-down. This ASU update affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net loss. This update is effective for the Company and was adopted on January 1, 2023, which did not have a material impact on its condensed consolidated financial statements.

## 2. Balance Sheet Details

Prepaid and other consist of the following (in thousands):

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Clinical trials | $ 1,085 | $ 2,616 |
| Insurance | 754 | 669 |
| Other prepaid expenses | 162 | 103 |
| Other receivable | 186 | 178 |
| | $ 2,187 | $ 3,566 |

Accrued liabilities consist of the following (in thousands):

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Research and development | $ 617 | $ 972 |
| Clinical trials | 977 | 868 |
| Legal fees | 36 | 138 |
| Compensation | 1,238 | 2,691 |
| Other | — | 9 |
| | $ 2,868 | $ 4,678 |

## 3. Marketable Securities

The Company invests in available-for-sale marketable securities consisting of money market funds, commercial paper, certificates of deposit, U.S. Treasury securities and U.S. government sponsored enterprise securities. Available-for-sale marketable securities are classified as part of either cash, cash equivalents or short-term investments in the balance sheets. Available-for-sale marketable securities with original maturities of more than three months from the date of purchase as of September 30, 2023 and December 31, 2022, have been classified as short-term investments and are measured at a fair value on a recurring basis, and were as follows (in thousands):

| | | As of September 30, 2023 | | | |
|---|---|---|---|---|---|
| | Maturity (in years) | Amortized Cost | Unrealized Gains | Unrealized Losses | Fair Market Value |
| ***Cash and cash equivalents:*** | | | | | |
| Money market funds | 1 or less | $ 12,040 | $ — | $ — | $ 12,040 |
| U.S. Treasury debt securities | 1 or less | 1,995 | — | — | 1,995 |
| Total cash and cash equivalents | | $ 14,035 | $ — | $ — | $ 14,035 |
| ***Short-term investments:*** | | | | | |
| U.S. Treasury debt securities | 1 or less | $ 22,682 | $ 1 | $ (1) | $ 22,682 |
| Commercial Paper | 1 or less | 2,698 | — | — | 2,698 |
| Total short-term investments | | $ 25,380 | $ 1 | $ (1) | $ 25,380 |
| **Total marketable securities** | | **$ 39,415** | **$ 1** | **$ (1)** | **$ 39,415** |

| | | As of December 31, 2022 | | | |
|---|---|---|---|---|---|
| | Maturity (in years) | Amortized Cost | Unrealized Gains | Unrealized Losses | Fair Market Value |
| ***Cash and cash equivalents:*** | | | | | |
| Money market funds | 1 or less | $ 25,108 | $ — | $ — | $ 25,108 |
| U.S. Treasury debt securities | 1 or less | 1,996 | — | — | 1,996 |
| U.S. Government Agency | 1 or less | 1,991 | — | — | 1,991 |
| Total cash and cash equivalents | | $ 29,095 | $ — | $ — | $ 29,095 |
| ***Short-term investments:*** | | | | | |
| U.S. Treasury debt securities | 1 or less | $ 21,681 | $ 7 | $ — | $ 21,688 |
| Commercial Paper | 1 or less | 2,936 | — | — | 2,936 |
| U.S. Government Agency | 1 or less | 1,956 | 2 | — | 1,958 |
| Total short-term investments | | $ 26,573 | $ 9 | $ — | $ 26,582 |
| **Total marketable securities** | | **$ 55,668** | **$ 9** | **$ —** | **$ 55,677** |

Effective January 1, 2023, at each reporting date the Company assesses available-for-sale debt securities in an unrealized loss position to determine whether the unrealized loss or any potential credit losses should be recognized in net loss. For available-for-sale debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through net loss. For available-for-sale securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the severity of the impairment, any changes in interest rates, underlying credit ratings, and forecasted recovery, among other factors. The credit-related portion of unrealized losses, and any subsequent improvements, are recorded as an allowance in interest income.

There have been no impairment or credit losses recognized during the periods presented in the accompanying condensed consolidated statements of operations and comprehensive loss.

The Company obtains the fair value of its available-for-sale marketable securities from a professional pricing service. The fair values of available-for-sale marketable securities are validated by comparing the fair values reported by the professional pricing service to quoted market prices or to fair values obtained from the custodian bank. The service provider values the securities using a hierarchical security pricing model that relies primarily on valuations provided by an industry-recognized valuation service or mathematical calculations. Such valuations may be based on trade prices in active markets for identical assets or liabilities (Level 1 inputs) or valuation models using inputs that are observable either directly or indirectly (Level 2 inputs), such as quoted prices for similar assets or liabilities, yield curves, credit spreads, current market and contractual prices for the underlying instruments or debt, as well as other relevant economic measures.

## 4. Commitments, Contingencies and Related Party Transactions

### *Lease and Sublease*

Rent expense was $81,000 and $39,000 for the three months ended September 30, 2023 and 2022, respectively. Rent expense was $160,000 and $133,000 for the nine months ended September 30, 2023 and 2022, respectively.

Since May 2019, the Company leased or subleased office space in San Diego, California. On April 18, 2022, the Company entered into a sublease agreement for office space which expired on July 31, 2023. Base rent under such sublease was approximately $157,000 annually and the monthly rent expense was recognized on a straight-line basis through the term of the lease. On May 9, 2023, the Company entered into a lease agreement for the same office space which expires on September 30, 2025. Base rent under such lease is approximately $182,000 annually and the monthly rent expense will be recognized on a straight-line basis over the effective term of the lease.

The lease and sublease are included in the accompanying condensed consolidated balance sheet at the present value of the lease payments. As the lease and sublease agreements do not have an implicit interest rate, the present value reflects a 10.0% discount rate which is the estimated rate of interest that the Company would have to pay in order to borrow an amount equal to the lease payments on a collateralized basis over a similar term and in a similar economic environment. As of September 30, 2023, the Company has a net operating lease right-of-use asset and an aggregate lease liability of $342,000, which has a weighted average remaining lease term of 2.0 years.

Maturities of the lease liability due under the lease agreements as of September 30, 2023, are as follows (in thousands):

| Maturity of lease liabilities | Operating Leases |
|---|---|
| 2023 | $ 32 |
| 2024 | 196 |
| 2025 | 150 |
| Total lease payments | 378 |
| Less imputed interest | (36) |
| Total lease liability | 342 |
| Less current portion of lease liability | (151) |
| Lease liability, long-term | $ 191 |

### *Related Party Transactions*

Effective in September 2019, the Company and Shanghai Pharmaceutical (USA) Inc. (“SPH USA”) entered into a Materials and Supply and Services Agreement (“SPH USA Services Agreement”), pursuant to which the Company and SPH USA will execute various statements of work for the transfer to SPH USA of key reagents and other materials, and for the supply of certain services by the Company to SPH USA, as contemplated under and in furtherance of the License and Development Agreement between the Company and SPH USA effective as of November 2018. During the three months ended September 30, 2023, the Company sold $0.5 million of materials to SPH USA which was recorded as an offset to operating expenses. As of September 30, 2023 and December 31, 2022, the Company had no amounts receivable from SPH USA related to statements of work. SPH USA is the Company’s largest stockholder and an affiliate of one of the Company’s directors. The Company has an agreement with SPH USA for certain rights to the greater China area (see Note 5).

## 5. License, Collaboration and Grant Award/Subaward Agreements

***Georgetown University ("Georgetown")***

In March 2014, the Company entered into an Exclusive License Agreement (the "Georgetown License Agreement") with Georgetown, pursuant to which the Company: (i) licensed the exclusive worldwide right to patents and technologies for the development and commercialization of certain product candidates targeting EWS-FLI1 as an anti-tumor therapy for therapeutic, diagnostics, or research tool purposes, (ii) is solely responsible for all development and commercialization activities and costs, and (iii) is responsible for all costs related to the filing, prosecution and maintenance of the licensed patent rights.

Under the terms of the Georgetown License Agreement, commencing in 2015, the Company: (i) shall pay and has paid an annual license maintenance fee of $10,000 until the first commercial sale occurs, (ii) is required to make up to $0.2 million in aggregate milestone payments upon the achievement of certain regulatory milestones, and (iii) will be required to pay low single digit royalties based on annual net product sales. The Company accounted for the licensed technology as an asset acquisition because it did not meet the definition of a business. All milestone payments under the Georgetown License Agreement will be recognized as research and development expense upon completion of the required events, as the triggering events are not considered to be probable until they are achieved. As of September 30, 2023, the Company had not triggered or made any milestone payments under the Georgetown License Agreement.

The Georgetown License Agreement may be terminated by either party upon material breach or may be terminated by the Company as to one or more countries with 90 days written notice of termination. The term of the Georgetown License Agreement will continue until the expiration of the last valid claim within the patent rights covering the product. Georgetown may terminate the agreement in the event: (i) the Company fails to pay any amount and fails to cure such failure within 30 days after receipt of notice, (ii) the Company defaults in its obligation to obtain and maintain insurance and fails to remedy such breach within 60 days after receipt of notice, or (iii) the Company declares insolvency or bankruptcy. The Company may terminate the Georgetown License Agreement at any time upon at least 60 days' written notice.

***The University of Texas MD Anderson Cancer Center ("MD Anderson")***

In December 2014, the Company entered into a collaboration agreement (as amended, the "Collaboration") with MD Anderson, which provides for the conduct of preclinical and clinical research for ONCT-216 in exchange for certain program payments. If MD Anderson successfully completes all the requirements of the Collaboration in full and the program is successfully commercialized, the Company will be required to pay aggregate milestone payments of $1.0 million based on net product sales. In July 2020 and September 2021, the Company entered into two research agreements with MD Anderson for certain services up to an aggregate cost of $0.8 million. The Company recorded research and development expense of none and $0.1 million for each of the three months ended September 30, 2023 and 2022, respectively, and none and $0.3 million for the nine months ended September 30, 2023 and 2022, respectively.

***Agreements with the Regents of the University of California (the "Regents")***

In March 2016, and as amended and restated in August 2018, and as amended thereafter, the Company and the Regents entered into a license agreement (as amended and restated, the "Regents License Agreement") for the development, manufacturing and distribution rights related to the development and commercialization of ROR1 related naked antibodies, antibody fragments or synthetic antibodies, and genetically engineered cellular therapy. The Regents License Agreement provides for the following: (i) in May 2016, an upfront license fee of $0.5 million was paid and 107,108 shares of common stock were issued, (ii) $25,000 in annual license maintenance fees commencing in 2017, (iii) reimbursement of certain annual patent costs, (iv) certain development and regulatory milestones aggregating from $20.1 million to $24.5 million, on a per product basis, (v) certain worldwide sales milestones based on achievement of tiered revenue levels aggregating $75.0 million, (vi) low single-digit royalties, including potential future minimum annual royalties, on net sales of each target, and (vii) minimum diligence to advance licensed assets consisting of at least $1.0 million in development spend annually through 2021. Under the Regents License Agreement, the Company recorded: (a) none and $25,000 in license maintenance fees as research and development expense for the three months ended September 30, 2023 and 2022, and $35,000 and $25,000 for each of the nine months ended September 30, 2023 and 2022, respectively, and (b) none and a nominal amount in patent costs as general and administrative expense for the three months ended September 30, 2023 and 2022, respectively, and $0.1 million for the nine months ended September 30, 2023 and 2022, respectively. As of September 30, 2023, the Company believes it has met its obligations under the Regents License Agreement.

The Regents License Agreement will expire upon the later of the expiration date of the longest-lived patent rights or the 15th anniversary of the first commercial sale of a licensed product. The Regents may terminate the Regents License Agreement if: (i) a material breach by the Company is not cured within a reasonable time, (ii) the Company files a claim asserting the Regents licensed

patent rights are invalid or unenforceable, and (iii) the Company files for bankruptcy. The Company may terminate the agreement at any time upon at least 60 days' written notice.

Effective January 1, 2022, the Company entered into a Research Agreement (the "Research Agreement") with the Regents for further research on the ROR1 therapeutic development program. Under this four-year agreement that expires on December 31, 2025, the Regents will have an aggregate budget of $1.6 million, with quarterly payments of $125,000 in 2022, $131,250 in 2023, and $137,813 in 2024. The Company recorded $0.1 million in research and development expenses under these agreements for each of the three months ended September 30, 2023 and 2022, and $0.4 million for each of the nine months ended September 30, 2023 and 2022. Such costs are includable as part of the Company's annual diligence obligations under the Regents License Agreement.

***The University of Tennessee Research Foundation ("UTRF")***

In March 2015, and as amended and restated in March 2022 and August 2022, the Company and UTRF entered into a license agreement (the "DAARI License Agreement") pursuant to which the Company was granted exclusive worldwide rights in all existing selective androgen receptor degrader technologies owned or controlled by UTRF, including all improvements thereto, which is now known as the dual action androgen receptor inhibitor ("DAARI") program. Under the DAARI License Agreement, the Company is obligated to employ active, diligent efforts to conduct preclinical research and development activities for the DAARI program to advance one or more lead compounds into clinical development. The Company is also obligated to pay UTRF annual license maintenance fees, low single-digit royalties on net sales of products and additional royalties on sublicense revenues, depending on the state of development of a clinical product candidate at the time it is sublicensed. The Company recorded research and development expense under this agreement of a nominal amount for each of the three months ended September 30, 2023 and 2022, and $0.1 million and $0.2 million for each of the nine months ended September 30, 2023 and 2022, respectively. As of September 30, 2023, the Company believes it has met its obligations under the DAARI License Agreement.

***The California Institute for Regenerative Medicine ("CIRM") Award***

In August 2017, and as amended and restated in December 2020, CIRM awarded an $18.3 million grant to researchers at UC San Diego to advance the Company's Phase 1/2 clinical trial evaluating zilovertamab in combination with ibrutinib for the treatment of patients with B-cell lymphoid malignancies, including MCL and CLL. This study is known as CIRM-0001, or Cirmtuzumab and Ibrutinib for Relapsed Lymphoma or Leukemia (the "CIRLL study"). The Company: (i) conducted this study in collaboration with UC San Diego, (ii) received $14.5 million in development milestones under research subaward agreements during the award project period from October 1, 2017 through March 31, 2022, (iii) was committed to and met certain co-funding requirements, and (iv) was required to provide UC San Diego progress and financial update reports throughout the award period. The subaward does not bear a royalty payment commitment, nor is the subaward otherwise refundable. As of September 30, 2023, the Company believes it has met its obligations under the CIRM award and UC San Diego subawards.

***The National Institutes of Health ("NIH") Grant Awards***

In August 2021, the NIH awarded the Company two research and development grants for up to $2.2 million to support pre-clinical activities for the Company's ONCT-216 and DAARI programs, including $0.7 million payable to subawardees. In March 2023, the NIH awarded the Company a research and development grant for up to $1.8 million to support pre-clinical activities for the Company's DAARI program, including $0.3 million payable to subawardees. Under the terms of the grants, the Company is entitled to receive reimbursement in arrears of incurring allowable expenditures. The earned NIH funds are non-refundable and the Company is required to provide periodic progress performance reports. During the nine months ended September 30, 2023, the Company received $0.4 million in award payments, recorded $0.5 million in grant revenue and had $0.2 million in an unbilled grant receivable as of September 30, 2023. During the nine months ended September 30, 2022, the Company received $1.2 million in award payments from the NIH and recorded $1.1 million in grant revenue and had deferred revenue of $0.1 million as of September 30, 2022.

***Clinical Trial and Supply Agreements***

In April 2018, and as amended in August 2019, the Company entered into a Clinical Trial and Supply Agreement with Pharmacyclics, LLC, an AbbVie Company, to supply ibrutinib for the CIRLL Study. Such agreement does not bear any upfront costs, inventory purchase costs, milestone or royalty payment commitments or other financial obligations. In April 2023, the Company reprioritized the development of zilovertamab and is closing the CIRLL Study.

***License and Development Agreement ("LDA") with SPH USA, a Related Party***

In November 2018, and as amended in August 2020, the Company entered into the LDA with SPH USA for: (i) the territory of the People's Republic of China, Hong Kong, Macau, and Taiwan ("Greater China"), and (ii) rights to manufacture, develop, market,

distribute and sell all of the Company's product candidates under the Georgetown License Agreement and the Regents License Agreement (exclusive to Greater China only). Under the LDA, SPH USA is solely responsible for: (a) all preclinical and clinical development activities required in order to obtain regulatory approval in Greater China for such product candidates, (b) any third-party license milestone or royalty payments owed under the Georgetown License Agreement and the Regents License Agreement, and (c) paying the Company a low single digit royalty on net sales in the territory.

The LDA will expire upon the expiration of the last royalty term for the last licensed product. The LDA may be terminated by: (i) SPH USA on a country by country or product by product basis with 180 days written notice, (ii) either party upon material breach that is not cured within 90 days, and (iii) either party in the event the other party declares insolvency or bankruptcy. There has been no significant activity under this agreement for each of the three and nine months ended September 30, 2023 and 2022 (see Note 4).

***Contingent Value Rights Agreement ("CVR Agreement")***

Pursuant to the GTx merger agreement entered into in June 2019 (the "Merger"), the Company, a representative of holders of the Contingent Value Rights ("CVRs"), and Computershare, Inc. as rights agent, entered into the CVR Agreement. Pursuant to the CVR Agreement, the Company's stockholders of record as of immediately prior to the Merger received one CVR for each share of the Company's common stock held immediately prior to the Merger.

As amended on November 1, 2021, the CVR Agreement entitles holders of CVRs to receive: (i) 50% of certain net proceeds received by the Company during the 15-year period after the closing of the Merger (the "CVR Term") from a transaction, if any, resulting in the grant, sale, or transfer of DAARI technology to a third party that occurs during the 10-year period after the closing of the Merger (or in the 11th year if based on a term sheet approved during the initial 10-year period); and (ii) 5% of net sales of products by the Company or its affiliates during the CVR Term incorporating the DAARI technology. Through September 30, 2023, no transactions or net sales relating to the DAARI technology had occurred.

## 6. Fair Value

As of September 30, 2023 and December 31, 2022, the following fair value hierarchy table presents the Company's financial assets measured at fair value on a recurring basis (in thousands):

| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| **As of September 30, 2023** | | | | |
| **Assets:** | | | | |
| ***Cash and cash equivalents:*** | | | | |
| Money market funds | $ 12,040 | $ 12,040 | $ — | $ — |
| U.S. Treasury debt securities | 1,995 | 1,995 | — | — |
| Total cash and cash equivalents | $ 14,035 | $ 14,035 | $ — | $ — |
| ***Short-term investments:*** | | | | |
| U.S. Treasury debt securities | $ 22,682 | $ 22,682 | $ — | $ — |
| Commercial Paper | 2,698 | — | 2,698 | — |
| Total short-term investments | $ 25,380 | $ 22,682 | $ 2,698 | $ — |
| Total assets measured at fair value | $ 39,415 | $ 36,717 | $ 2,698 | $ — |

| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| **As of December 31, 2022** | | | | |
| **Assets:** | | | | |
| ***Cash and cash equivalents:*** | | | | |
| Money market funds | $ 25,108 | $ 25,108 | $ — | $ — |
| U.S. Treasury debt securities | 1,996 | 1,996 | — | — |
| U.S. Government Agency | 1,991 | — | 1,991 | — |
| Total cash and cash equivalents | $ 29,095 | $ 27,104 | $ 1,991 | $ — |
| ***Short-term investments:*** | | | | |
| U.S. Treasury debt securities | $ 21,688 | $ 21,688 | $ — | $ — |
| Commercial Paper | 2,936 | — | 2,936 | — |
| U.S. Government Agency | 1,958 | — | 1,958 | — |
| Total short-term investments | $ 26,582 | $ 21,688 | $ 4,894 | $ — |
| Total assets measured at fair value | $ 55,677 | $ 48,792 | $ 6,885 | $ — |

The Company's policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 3 during the nine months ended September 30, 2023 and 2022.

## 7. Stockholders' Equity

### *ATM Program*

In December 2021, the Company entered into an Open Market Sale Agreement[SM] (the "Sales Agreement") with Jefferies LLC, pursuant to which the Company is able to offer and sell, from time to time in its sole discretion, shares of its common stock having an aggregate offering price of up to $50.0 million. The Company has no obligation to sell any shares under the Sales Agreement and may at any time suspend solicitation and offers under the Sales Agreement. During the three and nine months ended September 30, 2023, the Company sold none and 1,115,480 shares of common stock for net proceeds of none and $1.2 million, respectively.

***Common Stock Warrants***

A summary of warrant activity and changes in warrants outstanding is presented below:

| | Number of Shares Underlying Warrants | Weighted-Average Exercise Price Per Share | Weighted-Average Remaining Contractual Term (in years) |
|---|---|---|---|
| Balance at December 31, 2022 | 3,410,642 | $ 3.70 | 2.94 |
| Issued | — | $ — | — |
| Forfeited | — | $ — | — |
| Exercised | — | $ — | — |
| Balance at September 30, 2023 | 3,410,642 | $ 3.70 | 2.19 |

All warrants met the criteria for classification in stockholders' equity.

***Equity Incentive Plans***

Stock Option Awards

Contemporaneous with the Merger closing: (i) Oncternal's 2015 Equity Incentive Plan, as amended ("2015 Plan") was assumed by the Company, and (ii) the Company adopted the 2019 Incentive Award Plan ("2019 Plan") under which the sum of: (a) 1,954,150 shares of common stock, and (b) an annual increase on the first day of each calendar year beginning January 1, 2020, and ending on and including January 1, 2029, equal to the lesser of (A) 5% of the aggregate number of shares of common stock outstanding on the final day of the immediately preceding calendar year and (B) such smaller number of shares of common stock as is determined by the board of directors, are reserved for issuance.

In July 2015, Oncternal adopted the 2015 Plan which provided for the issuance of shares of common stock for incentive stock options, non-statutory stock options, restricted stock awards, restricted stock unit awards and other stock awards to its employees, members of its board of directors and consultants. In general, the options issued under the 2015 Plan expire ten years from the date of grant and vest over a four-year period. Certain grants vest based on the achievement of development or regulatory milestones. The 2015 Plan was terminated as to new grant awards in June 2019.

The 2019 Plan provides for the issuance of shares of common stock for incentive stock options, non-statutory stock options, restricted stock awards, restricted stock unit awards and other stock awards to its employees, members of its board of directors and consultants. In general, the stock options issued under the 2019 Plan expire ten years from the date of grant and vest over a four-year period. Certain stock option grants vest based on the achievement of development or regulatory milestones. The 2019 Plan allows for the early exercise of all stock option grants if authorized by the board of directors at the time of grant.

In February 2021, the Company's board of directors adopted the 2021 Employment Inducement Incentive Award Plan (the "Inducement Plan"). The Inducement Plan is a non-shareholder approved stock plan adopted pursuant to the "inducement exception" provided under Nasdaq listing rules. The Inducement Plan is used exclusively for the issuance of non-statutory stock options to certain new hires who satisfied the requirements to be granted inducement grants under Nasdaq rules as an inducement material to the individual's entry into employment with the Company. The terms of the Inducement Plan are substantially similar to the terms of the 2019 Plan. As amended in May 2021 and December 2021, the Company has reserved 2,800,000 shares of common stock under the Inducement Plan.

As of September 30, 2023, 2,218,787 shares remain available for issuance under the 2019 Plan and Inducement Plan. A summary of the Company's stock option activity under the 2015 Plan, 2019 Plan and Inducement Plan is as follows:

| | Number of Options | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (in years) | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding at December 31, 2022 | 8,515,696 | $ 4.16 | 8.1 | $ 101,611 |
| Granted | 3,155,300 | $ 0.88 | | |
| Forfeited | (1,029,795) | $ 3.54 | | |
| Outstanding at September 30, 2023 | 10,641,201 | $ 2.88 | 7.5 | $ — |
| Options vested and expected to vest as of September 30, 2023 | 10,641,201 | $ 2.88 | 7.5 | $ — |
| Options vested and exercisable as of September 30, 2023 | 4,948,003 | $ 3.83 | 7.2 | $ — |

For the nine months ended September 30, 2023 and 2022, the weighted average grant date fair value per share of option grants was $0.71 and $1.34, respectively. The intrinsic value is calculated as the difference between the fair value of the Company's common stock at the time of the option exercise and the exercise price of that stock option. For the nine months ended September 30, 2023 and 2022, no stock options were exercised.

Restricted Stock Unit Awards

Restricted stock unit awards ("RSUs") are rights to receive shares of the Company's common stock upon satisfaction of specific vesting conditions. Issued RSUs generally vest over an eighteen month to two-year period. RSU activity under Equity Incentive Plans is summarized as follows:

| | Number of Restricted Stock Units | Weighted-Average Remaining Contractual Term (in years) | Weighted-Average Grant Date Fair Value |
|---|---|---|---|
| Nonvested at December 31, 2022 | 1,009,083 | 0.6 | $ 1.64 |
| Granted | — | | |
| Vested | (610,647) | | $ 1.78 |
| Forfeited/ Repurchased | (26,935) | | $ 1.61 |
| Nonvested at September 30, 2023 | 371,501 | 0.3 | $ 1.42 |
| Units expected to vest as of September 30, 2023 | 371,501 | 0.3 | $ 1.42 |

The fair value of RSUs vested during the nine months ended September 30, 2023 was $0.4 million.

***Stock-Based Compensation Expense***

The weighted-average assumptions used in the Black-Scholes option pricing model to determine the fair value of stock option grants, were as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Risk-free interest rate | 4.1% | 2.7% | 4.1% | 2.1% |
| Expected volatility | 102.8% | 102.9% | 100.4% | 100.3% |
| Expected term (in years) | 6.1 | 6.1 | 6.0 | 6.1 |
| Expected dividend yield | —% | —% | —% | —% |

*Expected volatility.* The expected volatility assumption is based on a blend of volatilities of the Company's share price and a peer group of similar companies whose share prices are publicly available. The volatility of the Company's shares price was measured using the closing share price beginning June 10, 2019, the date of the closing of the Merger, through the current period. The peer group was developed based on companies in the life sciences industry with comparable characteristics to the Company including enterprise value, risk profiles, position within the industry, and with historical share price information sufficient to meet the expected

life of the stock-based awards. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own stock price becomes available.

*Expected term.* The expected term represents the period of time that options are expected to be outstanding. Due to limited historical exercise behavior, it determined the expected life assumption using the simplified method for employees, which is an average of the contractual term of the option and its vesting period. The expected term for nonemployee options is generally the remaining contractual term.

*Risk-free interest rate.* The risk-free interest rate is based on the implied yield on the U.S. Treasury securities with a maturity date similar to the expected term of the associated stock option award.

*Expected dividend yield.* The Company bases the expected dividend yield assumption on the fact that it has never paid cash dividends and has no present intention to pay cash dividends and, therefore, used an expected dividend yield of zero.

RSU awards represent rights to receive shares of common stock contingent upon satisfaction of specific vesting conditions. The stock-based compensation expense for these awards was determined using the closing price on the grant date applied to the total number of shares that were anticipated to fully vest.

Stock-based compensation expense recognized for all equity awards has been reported in the condensed consolidated statements of operations as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Research and development | $ 903 | $ 1,144 | $ 2,909 | $ 3,027 |
| General and administrative | 814 | 830 | 2,373 | 2,602 |
| | $ 1,717 | $ 1,974 | $ 5,282 | $ 5,629 |

As of September 30, 2023, the unrecognized compensation cost related to non-vested stock options was $9.0 million, which is expected to be recognized over a weighted-average period of 2.7 years.

As of September 30, 2023, the unrecognized compensation cost related to non-vested restricted stock units was $0.3 million, which is expected to be recognized over a weighted-average period of 0.3 years.

***Common Stock Reserved for Future Issuance***

Common stock reserved for future issuance is as follows (in thousands):

| | September 30, 2023 |
|---|---|
| Common stock warrants | 3,411 |
| Common stock options issued and outstanding | 10,641 |
| Restricted stock unit awards unvested and outstanding | 372 |
| Common stock available for issuance under the Inducement Plan and 2019 Plan | 2,219 |
| | 16,643 |

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with: (i) our unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q for the period ended September 30, 2023, and (ii) our audited financial statements and notes thereto for the year ended December 31, 2022 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report on Form 10-K for the year ended December 31, 2022. Except as otherwise indicated herein or as the context otherwise requires, references in this Quarterly Report to "Oncternal" "the Company," "we," "us" and "our" refer to Oncternal Therapeutics, Inc., a Delaware corporation.*

### Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future results of operations and financial position, business strategies and plans, prospective products, product approvals, research and development costs, timing and likelihood of success, plans and objectives of management for future operations and future results of anticipated products, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. These forward-looking statements are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Quarterly Report and are subject to a number of risks, uncertainties and assumptions, including those described in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 9, 2023, our prior Quarterly Reports on Form 10-Q, and in Part II, Item 1A, "Risk Factors" of this Quarterly Report. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

### Overview

We are a clinical-stage biopharmaceutical company focused on the development of novel oncology therapies for patients with cancers with critical unmet medical need. Our drug development efforts are focused on promising, yet untapped, biological pathways implicated in cancer generation or progression, primarily in hematological malignancies and prostate cancer. Our pipeline includes:

- ONCT-808, our lead cell therapy product candidate, is an autologous Receptor tyrosine kinase-like Orphan Receptor 1 (ROR1) targeting chimeric antigen receptor T cell (CAR T) therapy using the binding domain from zilovertamab. ONCT-808 has demonstrated activity in preclinical models against multiple hematological malignancies and solid tumors and has been shown to be specific for cancer cells expressing ROR1. We believe our manufacturing process may reduce the time patients must wait for their individual CAR T product to be produced, compared with approved CAR T products. We have dosed patients in Study ONCT-808-101, a Phase 1/2 dose escalation trial for the treatment of patients with relapsed or refractory aggressive B-cell lymphoma, including patients who have failed previous CD19 CAR T treatment. The study entitled "A Clinical Study of ONCT-808 in Subjects With Relapsed or Refractory B-Cell Malignancies" (NCT05588440) will evaluate the evaluate the safety and tolerability, pharmacokinetics, and anti-tumor activity of ONCT-808 in two distinct phases designated as Phase 1 and Phase 2. After the safety and tolerability of ONCT-808 have been assessed in Phase 1 to select the recommended Phase 2 dose, Phase 2 will commence to further validate the dose and evaluate the safety and efficacy of ONCT-808 in two separate indications, mantle cell lymphoma (MCL) and diffuse large b-cell lymphoma. The study aims to enroll approximately 54 patients. We expect to present initial clinical data from this study in late 2023 and additional clinical data readouts in 2024. ONCT-808 is being developed utilizing manufacturing services from Lentigen Technology, Inc. (lentivirus manufacturing), Miltenyi Biotec B.V. & Co. KG. (cell processing) and the Connell and O'Reilly Families Cell Manipulation Core Facility at the Dana-Farber Cancer Institute (cGMP cell preparation and manufacturing activities).
- ONCT-534, is a dual-action androgen receptor inhibitor (DAARI) with preclinical activity in prostate cancer models against both unmutated androgen receptor (AR), and against multiple forms of AR mutations, amplifications, and splice variants. It is a potential treatment for patients with metastatic castrate-resistant prostate cancer (mCRPC). We believe ONCT-534 has the potential to address significant unmet medical needs related to resistance to androgen receptor pathway inhibitors (ARPIs), including those with AR amplification, mutations in the AR ligand binding domain (LBD), or splice variants with loss of the AR LBD. We recently initiated and treated a patient in a Phase 1/2 dose escalation study of

ONCT-534, a novel DAARI, in patients with mCRPC who have relapsed or are refractory to approved ARPIs and anticipate initial clinical data in the first half of 2024. The study aims to enroll approximately 59 patients. In October 2023, the U.S. Food and Drug Administration (FDA), granted fast track designation for the treatment of adult patients with relapsed or refractory mCRPC resistant to ARPIs.

- Zilovertamab is an investigational, humanized, potentially first-in-class, monoclonal antibody designed to: (i) bind to a specific functionally important epitope of ROR1, a growth factor receptor that is widely expressed on many tumor types and that activates pathways leading to increased tumor proliferation, invasiveness, and drug resistance in preclinical models, and (ii) inhibit ROR1 function. Zilovertamab was evaluated in a Phase 1/2 Study CIRM-0001 in combination with ibrutinib for the treatment of patients with MCL, chronic lymphocytic leukemia (CLL) and marginal zone lymphoma (MZL). Zilovertamab is also being evaluated in an investigator-initiated Phase 1b study of zilovertamab in combination with docetaxel in patients with mCRPC. In April 2023, we reprioritized the development of zilovertamab and closed the Phase 3 ZILO-301 Study for the treatment of patients with relapsed or refractory MCL and have closed enrollment for the Phase 1/2 CIRM-0001 Study for the treatment of patients with MCL, CLL and MZL.

Our pipeline previously included ONCT-216, an investigational small molecule designed to inhibit the ETS, or E26 Transformation Specific, family of oncoproteins, which had shown in preclinical studies to alter gene transcription and RNA processing that led to decreased cell proliferation and invasion. In April 2022, we deprioritized the development of ONCT-216 and stopped the enrollment of patients in a Phase 1/2 clinical trial in patients with relapsed or refractory Ewing sarcoma.

Since the inception of Oncternal Therapeutics, Inc. in 2013, we have devoted most of our resources to organizing and staffing, business planning, raising capital, acquiring product candidates and securing related intellectual property rights and advancing our pipeline of development programs, including ONCT-808, ONCT-534, zilovertamab and ONCT-216. Under research subaward agreements between us and UC San Diego, we received $14.5 million in development milestones during the award project period from October 1, 2017 to March 31, 2022. Through September 30, 2023, we have funded our operations primarily through: (i) gross proceeds of $136.3 million from the issuance of common stock, (ii) gross proceeds of $49.0 million from the issuance of convertible preferred stock, (iii) receipt of $14.5 million in subaward grant payments from UC San Diego, and (iv) cash proceeds of $18.3 million received in connection with the closing of the merger with GTx, Inc. in June 2019 (GTx Merger). As of September 30, 2023, we had cash, cash equivalents and short-term investments of $40.3 million and no debt.

We have incurred net losses in each year since inception. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of one or more of our current or future product candidates. Our net loss was $9.9 million for the three months ended September 30, 2023 and we had an accumulated deficit of $188.6 million as of September 30, 2023. Substantially all of our net losses have resulted from costs incurred in connection with: (i) advancing our research and development programs, (ii) general and administrative costs associated with our operations, including the costs associated with operating as a public company, and (iii) in-process research and development costs associated with the GTx Merger. We expect to continue to incur significant and increasing operating losses for at least the next several years. We expect that our expenses and capital funding requirements will increase substantially in connection with our ongoing activities, particularly if and as we:

- advance ONCT-808 through clinical development, initially in hematological malignancies;
- advance ONCT-534 through clinical development, initially in castrate resistant prostate cancer;
- explore zilovertamab with other BTK inhibitors, and in additional ROR1-positive hematologic malignancies and solid tumors preclinically;
- continue to develop additional product candidates; acquire or in-license other product candidates and technologies;
- maintain, expand and protect our intellectual property portfolio;
- establish a commercial manufacturing source and secure supply chain capacity sufficient to provide commercial quantities of any product candidates for which we may obtain regulatory approval;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain regulatory approval; and
- add operational, financial and management information systems and personnel, including personnel to support our planned product development and future commercialization efforts.

We will not generate product sales revenue unless and until we successfully complete clinical development and obtain regulatory approval for our product candidates. If we obtain regulatory approval for any of our product candidates and do not enter into a commercialization partnership, we expect to incur significant expenses related to developing our internal commercialization capability

to support product sales, marketing and distribution. In addition, we expect to incur additional costs associated with operating as a public company.

As a result, we believe we will need substantial additional funding to support our continuing operations and pursue our business strategy. Until such time as we can generate significant product sales revenue, if ever, we expect to finance our operations through a combination of public or private equity or debt offerings or other sources, including potential collaborations, strategic alliances and other similar arrangements. We may not be able to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, reduce or eliminate the development and commercialization of one or more of our product candidates or delay our pursuit of potential in licenses or acquisitions.

Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

We expect that our existing cash, cash equivalents and short-term investments will be sufficient to fund our operating expenses and capital expenditure requirements into 2025. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. Beyond that point, we will need to raise additional capital to finance our operations, which cannot be assured.

**Components of Results of Operations**

**Grant Revenue**

Our grant revenue has been derived from a California Institute for Regenerative Medicine (CIRM), grant subaward with UC San Diego and research and development grants from the National Institutes of Health (NIH).

In August 2017, CIRM awarded an $18.3 million grant to researchers at UC San Diego to advance the CIRLL study throughout the award project period from October 1, 2017 through March 31, 2022. We conducted this study in collaboration with UC San Diego and received $14.5 million during the project period related to development milestone payments under research subaward agreements. In addition, we were committed to certain co-funding requirements and we were required to provide UC San Diego progress and financial update reports throughout the award project period. As of September 30, 2023, we believe we have met our obligations under the CIRM award and UC San Diego subawards.

In August 2021, the NIH awarded us two research and development grants for up to $2.2 million to support pre-clinical and other research activities for our ONCT-216 and DAARI programs, including $0.7 million payable to subawardees. In March 2023, the NIH awarded us a research and development grant for up to $1.8 million to support pre-clinical and other research activities for our DAARI program, including $0.4 million payable to subawardees. During the nine months ended September 30, 2023, we received $0.4 million in award payments, recorded $0.5 million in grant revenue and $0.2 million in unbilled grant receivable as of September 30, 2023. During the nine months ended September 30, 2022, we received $1.2 million in award payments from the NIH and recorded $1.1 million in grant revenue and had deferred revenue of $0.1 million as of September 30, 2022.

**Operating Expenses**

*Research and Development*

Research and development expenses consist primarily of costs incurred for the development of ONCT-808, ONCT-534, zilovertamab, and ONCT-216, which include:

- expenses under agreements with consultants, third-party contract organizations, and investigative clinical trial sites that conduct research and development activities on our behalf;
- costs related to the development and manufacture of preclinical study and clinical trial material;
- salaries and employee-related costs, including stock-based compensation;
- costs incurred under our collaboration and third-party licensing agreements; and
- laboratory and vendor expenses related to the execution of preclinical and clinical trials.

We accrue all research and development costs in the period for which they are incurred. Costs for certain development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our

vendors, collaborators and third-party service providers. Advance payments for goods or services to be received in future periods for use in research and development activities are deferred and then expensed as the related goods are delivered and as services are performed. Any unearned advances would be refunded when known.

As a result of the strategic reprioritization announced in April 2023, we expect our research and development expenses will decrease year over year through the fourth quarter of 2023 from the closure of the planned Phase 3 ZILO-301 Study for the treatment of patients with relapsed or refractory MCL and the Phase 1/2 CIRM-0001 Study for the treatment of MCL, CLL and MZL, and implement other cost reductions. We expect year over year research and development expenses to increase starting in the first quarter of 2024 due to increased costs resulting from our ongoing Phase 1/2 dose escalation trial of ONCT-808 for the treatment of patients with relapsed or refractory aggressive B-cell lymphoma and our ongoing Phase 1/2 dose escalation study of ONCT-534 in patients with mCRPC who have relapsed or are refractory to approved ARPIs. We will continue to invest in: (i) advancing our product candidates into later stages of clinical development, and (ii) further investigation and the development of our other preclinical programs. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials.

Our direct research and development expenses are tracked by product candidate and consist primarily of external costs, such as fees paid under third-party license agreements and to outside consultants, contract research organizations (CROs), contract manufacturing organizations and research laboratories in connection with our preclinical development, process development, manufacturing and clinical development activities. We do not allocate employee costs and costs associated with our discovery efforts, laboratory supplies and facilities, including other indirect costs, to specific product candidates because these costs are deployed across multiple programs and, as such, are not separately classified. We use internal resources primarily to conduct our research as well as for managing our preclinical development, process development, manufacturing and clinical development activities. These employees work across multiple programs and, therefore, we do not track our costs by product candidate unless we can include them as subaward costs.

We cannot determine with certainty the timing of initiation, the duration or the completion costs of current or future preclinical studies and clinical trials of our product candidates due to the inherently unpredictable nature of preclinical and clinical development, including any potential expanded dosing beyond the original protocols based in part on ongoing clinical success. Clinical and preclinical development timelines, the probability of success and development costs can differ materially from expectations. We anticipate that we will make determinations as to which product candidates to pursue and how much funding to direct to each product candidate on an ongoing basis in response to the results of ongoing and future preclinical studies and clinical trials, regulatory developments and our ongoing assessments of each product candidate’s commercial potential. We will need to raise substantial additional capital in the future. In addition, we cannot forecast which product candidates may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

*General and Administrative*

General and administrative expenses consist primarily of personnel-related costs, insurance costs, facility costs and professional fees for legal, patent, consulting, investor and public relations, accounting and audit services. Personnel-related costs consist of salaries, benefits and stock-based compensation. We expect our general and administrative expenses will decrease modestly in future quarters as we implement other cost reductions and cost containment measures.

**Interest Income**

Interest income consists of interest earned on our cash, cash equivalents and short-term investments, which primarily consist of money market funds and U.S. Treasury securities. In a significantly rising interest rates environment, our interest income on our invested balances is expected to increase as rates increase. Historically our interest income has not been significant due to low interest yields earned on invested balances.

## Results of Operations

### Comparison of Three and Nine Months Ended September 30, 2023 and 2022

The following table summarizes our condensed consolidated results of operations for the periods indicated:

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| (in thousands) | 2023 | 2022 | Change | 2023 | 2022 | Change |
| Grant revenue | $ 179 | $ 382 | $ (203) | $ 488 | $ 1,319 | $ (831) |
| Operating expenses: | | | | | | |
| Research and development | 7,475 | 8,442 | (967) | 23,083 | 24,182 | (1,099) |
| General and administrative | 3,094 | 3,265 | (171) | 9,483 | 10,169 | (686) |
| Total operating expenses | 10,569 | 11,707 | (1,138) | 32,566 | 34,351 | (1,785) |
| Loss from operations | (10,390) | (11,325) | 935 | (32,078) | (33,032) | 954 |
| Interest income | 528 | 200 | 328 | 1,763 | 262 | 1,501 |
| Net loss | $ (9,862) | $ (11,125) | $ 1,263 | $ (30,315) | $ (32,770) | $ 2,455 |

### Comparison of Three Months Ended September 30, 2023 and 2022

#### Grant Revenue

Grant revenue was $0.2 million and $0.4 million for the three months ended September 30, 2023 and 2022, respectively. The decrease of $0.2 million was primarily due to the timing of NIH grant activities.

#### Research and Development Expenses

The following table summarizes our research and development expenses for the periods indicated:

| | Three Months Ended September 30, | | |
|---|---|---|---|
| (in thousands) | 2023 | 2022 | Increase/(Decrease) |
| ONCT-808 | $ 1,678 | $ 1,720 | $ (42) |
| DAARI | 1,321 | 673 | 648 |
| Zilovertamab | 2,101 | 2,359 | (258) |
| ONCT-216 | (351) | 520 | (871) |
| Unallocated research and development expenses | 2,726 | 3,170 | (444) |
| Total research and development expenses | $ 7,475 | $ 8,442 | $ (967) |

Research and development expenses for the three months ended September 30, 2023 and 2022 were $7.5 million and $8.4 million, respectively. The decrease of $1.0 million was primarily due to a $0.6 million decrease in direct product candidate expenses and a $0.4 million decrease in unallocated expenses.

Direct expenses for ONCT-808 decreased less than $0.1 million for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, primarily due to a significant decrease in manufacturing and pre-clinical research activities that were substantially offset by an increase in clinical trial activities.

Direct expenses for DAARI increased $0.6 million for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, primarily due to an increase in clinical and manufacturing activities with the initiation of our Phase 1/2 dose escalation study of ONCT-534 in the third quarter of 2023.

Direct expenses for zilovertamab decreased $0.3 million for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, primarily due to lower clinical trial activity and manufacturing costs associated with the reprioritization of this program in April 2023.

Direct expenses for ONCT-216 decreased $0.9 million for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, due primarily to a $0.5 million sale of materials to Shanghai Pharmaceutical (USA) Inc. (SPH USA) and lower clinical and manufacturing activity since the program was deprioritized in 2022.

Unallocated expenses decreased $0.4 million for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, primarily due to lower personnel costs, including non-cash stock-based compensation costs.

**General and Administrative Expenses**

General and administrative expenses for the three months ended September 30, 2023 and 2022 were $3.1 million and $3.3 million, respectively. The decrease of $0.2 million was primarily due to lower corporate insurance and legal expenses which were partially offset by higher personnel expenses.

**Interest Income**

Interest income for the three months ended September 30, 2023 and 2022 were $0.5 million and $0.2 million, respectively, an increase of $0.3 million primarily due to interest income from short-term investments (including the amortization of discounts and premiums). We began investing in short-term investments in the fourth quarter of 2022.

**Comparison of Nine Months Ended September 30, 2023 and 2022**

**Grant Revenue**

Grant revenue was $0.5 million and $1.3 million for the nine months ended September 30, 2023 and 2022, respectively. The decrease of $0.8 million was primarily due to the timing of NIH grant activities and the completion of the CIRM subaward in the first quarter of 2022.

**Research and Development Expenses**

The following table summarizes our research and development expenses for the periods indicated:

| | Nine Months Ended September 30, | | |
|---|---|---|---|
| (in thousands) | 2023 | 2022 | Increase/(Decrease) |
| ONCT-808 | $ 3,719 | $ 3,920 | $ (201) |
| DAARI | 3,448 | 1,585 | 1,863 |
| Zilovertamab | 6,336 | 7,570 | (1,234) |
| ONCT-216 | (41) | 2,077 | (2,118) |
| Unallocated research and development expenses | 9,621 | 9,030 | 591 |
| Total research and development expenses | $ 23,083 | $ 24,182 | $ (1,099) |

Research and development expenses for the nine months ended September 30, 2023 and 2022 were $23.1 million and $24.2 million, respectively. The decrease of $1.1 million was primarily due to a $1.7 million decrease in direct product candidate expenses which was offset by a $0.6 million increase in unallocated expenses.

Direct expenses for ONCT-808 decreased $0.2 million for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily due to a significant decrease in manufacturing activities which was substantially offset by an increase in clinical trial activities.

Direct expenses for DAARI increased $1.9 million for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily due to due to an increase in clinical and manufacturing activities with the initiation of our Phase 1/2 dose escalation study of ONCT-534.

Direct expenses for zilovertamab decreased $1.2 million for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily due to lower clinical trial activity and manufacturing costs associated with the reprioritization of this program in April 2023.

Direct expenses for ONCT-216 decreased $2.1 million for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, due primarily to lower clinical trial activity and manufacturing costs associated with the program being deprioritized in 2022 as well as a $0.5 million sale of materials to SPH USA and lower clinical and manufacturing activity since the program was deprioritized in 2022.

Unallocated expenses increased $0.6 million for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily due to higher personnel costs, including reprioritization costs.

**General and Administrative Expenses**

General and administrative expenses for the nine months ended September 30, 2023 and 2022 were $9.5 million and $10.2 million, respectively. The decrease of $0.7 million was primarily due to lower legal and corporate insurance expenses.

**Interest Income**

Interest income for the nine months ended September 30, 2023 and 2022 were $1.8 million and $0.3 million, respectively, an increase of $1.5 million primarily due to interest income from short-term investments (including the amortization of discounts and premiums). We began investing in short-term investments in the fourth quarter of 2022.

**Liquidity and Capital Resources**

As a result of the strategic reprioritization announced in April 2023, we: (i) believe our existing cash, cash equivalents and short-term investments will be sufficient to fund our operations into 2025, and (ii) expect our research and development expenses will decrease year over year through the fourth quarter of 2023. We expect year over year research and development expenses to increase starting in the first quarter of 2024 due to increased costs resulting from our ongoing Phase 1/2 dose escalation trial of ONCT-808 for the treatment of patients with relapsed or refractory aggressive B-cell lymphoma and our ongoing Phase 1/2 dose escalation study of ONCT-534 in patients with mCRPC who have relapsed or are refractory to approved ARPIs. As of September 30, 2023, we had $40.3 million in cash, cash equivalents and short-term investments and no debt. We have incurred losses and negative cash flows from operations since inception. As of September 30, 2023, we had an accumulated deficit of $188.6 million and anticipate that we will continue to incur net losses for the foreseeable future. We expect our operating expenses to continue to be substantial for the foreseeable future and, as a result, we will need additional capital to fund our operations, which we may obtain through a combination of public or private equity or debt offerings or other sources, including potential collaborations, strategic alliances and other similar arrangements.

In December 2021, we entered into an Open Market Sales Agreement℠ (Sales Agreement), with Jefferies LLC, providing for the sale of up $50.0 million of our common stock from time to time in "at-the-market" offerings under an existing shelf registration statement. During the three and nine months ended September 30, 2023, we sold none and 1,115,480 shares of common stock for net proceeds of none and $1.2 million, respectively.

**Cash Flows**

The following table summarizes our sources and uses of cash for each of the periods presented:

| | Nine Months Ended September 30, | |
|---|---|---|
| **(in thousands)** | **2023** | **2022** |
| Net cash provided by (used in): | | |
| Operating activities | $ (25,745) | $ (27,702) |
| Investing activities | 2,459 | — |
| Financing activities | 1,069 | 7,565 |
| Net decrease in cash and cash equivalents | $ (22,217) | $ (20,137) |

*Operating Activities*

Net cash used in operating activities was $25.7 million and $27.7 million for the nine months ended September 30, 2023 and 2022, respectively. The decrease in cash used in operations was primarily due to the timing of payments related to clinical and manufacturing activities. The net cash used in operating activities during the nine months ended September 30, 2023 was primarily due to our net loss of $30.3 million adjusted for $4.2 million of non-cash charges, primarily for stock-based compensation, and a $0.4 million change in operating assets and liabilities. Net cash used in operating activities during the nine months ended September 30,

2022 was primarily due to our net loss of $32.8 million adjusted for $5.8 million of non-cash charges, primarily for stock-based compensation, and a $0.7 million change in operating assets and liabilities.

*Investing Activities*

During the nine months ended September 30, 2023, net cash provided by investing activities was $2.5 million consisting primarily of net maturities of available-for-sale securities. We did not engage in cash investing activities for the nine months ended September 30, 2022.

*Financing Activities*

Net cash provided by financing activities was $1.1 million and $7.6 million for the nine months ended September 30, 2023 and 2022, respectively. The net cash provided during 2023 and 2022 resulted primarily from the proceeds received from the sale of common stock under the "at-the-market" program.

**Operating Capital Requirements**

We anticipate that we will continue to incur losses for the foreseeable future, and we expect the losses to increase as we continue the research and development of, and seek regulatory approvals for, our product candidates and conduct additional research and development activities. Our product candidates have not yet achieved regulatory approval and we may not be successful in achieving commercialization of our product candidates.

We believe that our existing cash, cash equivalents and short-term investments will be sufficient to fund our operations into 2025. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. For example, the FDA or other regulatory authorities may require us to generate additional data or conduct additional preclinical studies or clinical trials, or may impose other requirements beyond those that we currently anticipate. Additionally, it is possible for a product candidate to show promising results in preclinical studies or in clinical trials, but fail to establish the sufficient safety and efficacy data necessary to obtain regulatory approvals. As a result of these and other risks and uncertainties and the probability of success, the duration and the cost of our research and development activities required to advance a product candidate cannot be accurately estimated and are subject to considerable variation. We may encounter difficulties, complications, delays and other unknown factors and unforeseen expenses in the course of our research and development activities, any of which may significantly increase our capital requirements and could adversely affect our liquidity.

We will require additional capital for the research and development of our product candidates, and we may be forced to seek additional funds sooner than expected to pursue our research and development activities. We expect to finance our capital requirements in the foreseeable future through a combination of the sale of public or private equity or debt securities, government funding, or other sources, including potentially collaborations, licenses and other similar arrangements. There can be no assurance that we will be able to obtain any sources of financing on acceptable terms, or at all. To the extent that we can raise additional funds by issuing equity securities, our stockholders may experience significant dilution. Any debt financing, if available, may involve restrictive covenants that may impact our ability to conduct our business. Any of these events could significantly harm our business, operations, financial condition and prospects.

Our forecast of the period of time through which our existing cash, cash equivalents and short-term investments will be adequate to support our operations is a forward-looking statement and involves significant risks and uncertainties. We have based this forecast on assumptions that may prove to be wrong, and actual results could vary materially from our expectations, which may adversely affect our capital resources and liquidity. We could utilize our available capital resources sooner than we currently expect. The amount and timing of future funding requirements, both near- and long-term, will depend on many factors, including, but not limited to:

- the type, number, scope, progress, expansions, results, costs and timing of our preclinical studies and clinical trials of our CAR T, DAARI and zilovertamab product candidates or additional indications of our other potential product candidates that we may choose to pursue in the future;
- the costs and timing of manufacturing for our product candidates, including commercial manufacturing if any product candidate is approved;
- the costs and capacity for third-party process development and manufacturing, including for CAR T and lentivirus;
- the costs, timing and outcome of seeking and obtaining worldwide regulatory approvals for our product candidates;
- the costs of obtaining, maintaining and enforcing our patents and other intellectual property rights;

- the costs associated with hiring additional personnel, CROs and consultants as our preclinical and clinical activities increase;
- our ability to achieve sufficient market acceptance, adequate coverage and reimbursement from third-party payors and adequate market share and revenue for any approved products;
- the cost and timing of establishing sales, marketing, manufacturing and distribution capabilities for, and the pricing and reimbursement of, any products for which we may receive regulatory approval;
- the terms and timing of establishing and maintaining potential collaborations, strategic alliances and other similar arrangements, including milestone or other payments under our existing in-license agreements and any in-license agreements that we may enter into in the future; and
- costs associated with any products or technologies that we may in-license or acquire.

If we cannot continue or expand our research and development operations, or otherwise capitalize on our business opportunities, because we lack sufficient capital, our business, operations, financial condition and prospects could be materially adversely affected.

In April 2021, our Form S-3 registration statement became effective. Future sales of our common stock, if any, will depend on a variety of factors including, but not limited to, the expected timing for achieving key milestones, including announcing clinical data readouts of ONCT-808, our lead cell therapy product candidate targeting ROR1, and ONCT-534, our DAARI product candidate, prevailing market conditions, the trading price of our common stock and our capital needs. There can be no assurance that we will be successful in consummating future sales of our securities based on prevailing market conditions or in the quantities or at the prices that we deem appropriate.

In December 2021, we entered into the Sales Agreement, pursuant to which we are able to offer and sell, from time to time, shares of our common stock having an aggregate offering price of up to $50.0 million. We have no obligation to sell any shares under the Sales Agreement and may at any time suspend solicitation and offers under the Sales Agreement.

**Contractual Obligations and Commitments**

We are party to a number of license agreements, pursuant to which we have payment obligations that are contingent upon future events such as our achievement of specified development, regulatory and commercial milestones and are required to make royalty payments in connection with the sale of products developed under those agreements. As of September 30, 2023, we were unable to estimate the timing or likelihood of achieving the milestones or making future product sales. See Note 5 to our condensed consolidated financial statements included elsewhere in this Quarterly Report for a description of these agreements.

We enter into contracts in the normal course of business with clinical trial sites and clinical supply manufacturers and with vendors for preclinical studies, research supplies and other services and products for operating purposes. These contracts generally provide for termination after a notice period and, therefore, are cancelable contracts.

**Critical Accounting Policies and Estimates**

Management’s discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of the financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods.

Our estimates are based on our historical experience, trends and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We consider our critical accounting policies and estimates to be related to research and development expenses and accruals, and revenue recognition. There have been no material changes to our critical accounting policies and estimates during the three months ended September 30, 2023, from those disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies & Estimates,” included in our Annual Report on Form 10-K for the year ended December 31, 2022.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are a smaller reporting company, as defined by Rule 12b-2 of the Exchange Act, and are not required to provide the information required under this item.

## ITEM 4. CONTROLS AND PROCEDURES

### Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures" as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed in the reports we file and submit 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 us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, 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 judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, who serve as our principal executive officer and principal financial officer, respectively, has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2023. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of such date.

### Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### Inherent Limitations of Disclosure Controls and Internal Control over Financial Reporting

Because of their inherent limitations, our disclosure controls and procedures and our internal control over financial reporting may not prevent material errors or 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. The effectiveness of our disclosure controls and procedures and our internal control over financial reporting is subject to risks, including that the controls may become inadequate because of changes in conditions or that the degree of compliance with our policies or procedures may deteriorate.

## PART II — OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations. We are not currently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

### ITEM 1A. RISK FACTORS

*An investment in our securities involves a high degree of risk. You should carefully consider the specific factors discussed below, as well as all other information included in this Quarterly Report on Form 10-Q, including our financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." If any of the following risks actually occurs, our business, financial condition, operating results, prospects and ability to accomplish our strategic objectives could be materially harmed. As a result, the trading price of our common stock could decline and you could lose all or part of your investment. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our operations. The occurrence of any of these known or unknown risks might cause you to lose all or part of your investment in our securities.*

There have been no material changes to the risk factors included in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2022 or our Quarterly Report on Form 10-Q for the three months ended March 31, 2023, other than as follows:

***A Fast Track Designation from the FDA, even if granted, for any of our product candidates, may not lead to a faster development or regulatory review or approval process, and does not increase the likelihood that our product candidates will receive marketing approval.***

On October 23, 2023 the FDA granted Fast Track Designation to ONCT-534 for the treatment of adult subjects with relapsed or refractory mCRPC resistant to ARPIs, and we may seek additional Fast Track designations for our other programs. The Fast Track program is intended to expedite or facilitate the process for reviewing new product candidates that meet certain criteria. Specifically, biologics are eligible for Fast Track Designation if they are intended, alone or in combination with one or more drugs or biologics, to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast Track Designation applies to the combination of the product candidate and the specific indication for which it is being studied. The sponsor of a Fast Track product candidate has opportunities for more frequent interactions with the applicable FDA review team during product development and, once a BLA is submitted, the application may be eligible for priority review. A BLA submitted for a Fast Track product candidate may also be eligible for rolling review, where the FDA may consider for review sections of the BLA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the BLA, the FDA agrees to accept sections of the BLA and determines that the schedule is acceptable, and the Sponsor pays any required user fees upon submission of the first section of the BLA.

The FDA has broad discretion whether or not to grant this designation. Even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Although we have received Fast Track Designation for ONCT-534 for the treatment of adult subjects with relapsed or refractory mCRPC resistant to ARPIs, and even if we receive additional Fast Track Designations for our product candidates, such product candidates may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may also withdraw Fast Track Designation if it believes that the designation is no longer supported by data from our clinical development program. Furthermore, such a designation does not increase the likelihood that ONCT-534 or any other product candidate that may be granted Fast Track designation will receive marketing approval in the United States. Many product candidates that have received Fast Track Designation have ultimately failed to obtain approval.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

Not applicable.

**Item 6. Exhibits.**

**EXHIBIT INDEX**

| Exhibit Number | Exhibit Description | Incorporation by Reference | | | |
|---|---|---|---|---|---|
| | | Form | File no. | Exhibit No. | Filing Date |
| 3.1 | Restated Certificate of Incorporation of the Registrant dated February 6, 2004 ("Restated Certificate") | S-3 | 333-127175 | 4.1 | 4-Aug-05 |
| 3.1.1 | Certificate of Amendment of Restated Certificate dated May 6, 2011 | 8-K | 000-50549 | 3.2 | 6-May-11 |
| 3.1.2 | Certificate of Amendment of Restated Certificate dated May 6, 2014 | 8-K | 000-50549 | 3.3 | 9-May-14 |
| 3.1.3 | Certificate of Amendment of Restated Certificate dated May 6, 2015 | 10-Q | 000-50549 | 3.4 | 11-May-15 |
| 3.1.4 | Certificate of Amendment of Restated Certificate dated December 5, 2016 | 8-K | 000-50549 | 3.1 | 5-Dec-16 |
| 3.1.5 | Certificate of Amendment of Restated Certificate dated June 7, 2019 related to the Reverse Stock Split of the Registrant | 8-K | 000-50549 | 3.1 | 10-Jun-19 |
| 3.1.6 | Certificate of Amendment of Restated Certificate dated June 7, 2019 related to the Name Change of the Registrant | 8-K | 000-50549 | 3.2 | 10-Jun-19 |
| 3.1.7 | Certificate of Amendment of Restated Certificate dated May 25, 2021 | 8-K | 000-50549 | 3.1 | 28-May-21 |
| 3.2 | Amended and Restated Bylaws of the Registrant | 8-K | 000-50549 | 3.3 | 10-Jun-19 |
| 4.1 | Specimen of Common Stock Certificate | 10-Q | 000-50549 | 4.2 | 9-Aug-19 |
| 4.2 | Form of Common Stock Warrant, issued by Registrant pursuant to the Purchase Agreement dated September 25, 2017, between Registrant and the purchasers identified in Exhibit A therein | S-3 | 333-221040 | 4.9 | 20-Oct-17 |
| 4.3 | Form of Warrant to purchase shares of Series B-2 Preferred Stock of Registrant | S-4 | 333-230758 | 4.11 | 8-Apr-19 |
| 4.3.1 | Form of Amendment to Warrant to Purchase shares of Series B-2 Preferred Stock of Private Oncternal | 10-Q | 000-50549 | 4.1 | 9-Aug-19 |
| 4.4 | Form of Common Stock Warrant, issued by Registrant pursuant to the Securities Purchase Agreement dated May 19, 2020, between the Registrant and the purchasers signatory thereto ("May 2020 Purchase Agreement") | 8-K | 000-50549 | 4.1 | 21-May-20 |
| 4.5 | Form of Placement Agent Warrant, issued by Registrant pursuant to the May 2020 Purchase Agreement | 8-K | 000-50549 | 4.2 | 21-May-20 |
| 4.6 | Form of Common Stock Warrant, issued by Registrant pursuant to the Securities Purchase Agreement dated July 17, 2020, between the Registrant and the purchasers signatory thereto (the "July 2020 Purchase Agreement") | 8-K | 000-50549 | 4.1 | 21-Jul-20 |
| 4.7 | Form of Placement Agent Warrant, issued by Registrant pursuant to the July 2020 Purchase Agreement. | 8-K | 000-50549 | 4.2 | 21-Jul-20 |
| 4.8 | Form of Underwriter Warrant, issued by Registrant pursuant to the Amended and Restated Underwriting Agreement dated August 27, 2020, between the Registrant and H.C. Wainwright & Co., LLC ("H.C. Wainwright") | 8-K | 000-50549 | 4.1 | 31-Aug-20 |

| | | | | | |
|---|---|---|---|---|---|
| 4.9 | Form of Underwriter Warrant, issued by Registrant pursuant to the Amended and Restated Underwriting Agreement dated November 17, 2020, between the Registrant and H.C. Wainwright | 8-K | 000-50549 | 4.1 | 19-Nov-20 |
| 4.10 | Form of Underwriter Warrant, issued by Registrant pursuant to the Amended and Restated Underwriting Agreement dated December 9, 2020, between the Registrant and H.C. Wainwright | 8-K | 000-50549 | 4.1 | 11-Dec-20 |
| 31.1* | Certification of Chief Executive Officer of the Registrant, as required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended. | | | | |
| 31.2* | Certification of Chief Financial Officer of the Registrant, as required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended. | | | | |
| 32.1‡ | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | | |
| 32.2‡ | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | | |
| 101.INS* | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document | | | | |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document | | | | |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document | | | | |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document | | | | |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document | | | | |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document | | | | |
| 104* | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) | | | | |

* Filed herewith
‡ Furnished 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.

Oncternal Therapeutics, Inc.

Date: November 9, 2023

By: /s/ James B. Breitmeyer

**Name**: James B. Breitmeyer
**Title**: President and Chief Executive Officer

Date: November 9, 2023

By: /s/ Richard G. Vincent

**Name**: Richard G. Vincent
**Title**: Chief Financial Officer

**Exhibit 31.1**

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

I, James B. Breitmeyer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Oncternal Therapeutics, 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 consolidated 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.

/s/ James B. Breitmeyer
President and Chief Executive Officer
(Principal Executive Officer)

Dated: November 9, 2023

**Exhibit 31.2**

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

I, Richard G. Vincent, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Oncternal Therapeutics, 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 consolidated 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.

/s/ Richard G. Vincent
Chief Financial Officer
(Principal Financial Officer)

Dated: November 9, 2023

**Exhibit 32.1**

**CERTIFICATION**
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
**(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

In connection with the Quarterly Report on Form 10-Q of Oncternal Therapeutics, Inc. (the "Company") for the period ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James B. Breitmeyer, as Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

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

/s/ James B. Breitmeyer
President and Chief Executive Officer
(Principal Executive Officer)

Dated: November 9, 2023

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Exhibit 32.2**

**CERTIFICATION**
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
**(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

In connection with the Quarterly Report on Form 10-Q of Oncternal Therapeutics, Inc. (the "Company") for the period ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard G. Vincent, as Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

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

/s/ Richard G. Vincent
Chief Financial Officer
(Principal Financial Officer)

Dated: November 9, 2023

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.