# United States
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**
# Form 10-Q

**(Mark One)**

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

**For the quarterly period ended** March 31, 2022

**or**

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

**For the transition period from to**

**Commission File Number: 000-23661**

# ROCKWELL MEDICAL, INC.
(Exact name of registrant as specified in its charter)

| **Delaware** | **38-3317208** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **30142 S. Wixom Road, Wixom, Michigan** | **48393** |
| (Address of principal executive offices) | (Zip Code) |

**(248) 960-9009**
(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

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

The number of shares of common stock outstanding as of May 13, 2022 was 8,532,478.

**Rockwell Medical, Inc. and Subsidiaries**
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**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**ROCKWELL MEDICAL, INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(Dollars In Thousands)**

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| | (Unaudited) | |
| **ASSETS** | | |
| Cash and Cash Equivalents | $ 9,914 | $ 13,280 |
| Investments Available-for-Sale | — | 9,158 |
| Accounts Receivable, net | 7,121 | 5,913 |
| Inventory, net | 5,531 | 4,076 |
| Prepaid and Other Current Assets | 2,231 | 2,861 |
| **Total Current Assets** | **24,797** | **35,288** |
| Property and Equipment, net | 2,377 | 2,486 |
| Inventory, Non-Current | 1,523 | 1,523 |
| Right of Use Assets, net | 7,200 | 7,737 |
| Goodwill | 921 | 921 |
| Other Non-Current Assets | 618 | 619 |
| **Total Assets** | **$ 37,436** | **$ 48,574** |
| **LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY** | | |
| Accounts Payable | $ 4,224 | $ 3,739 |
| Accrued Liabilities | 4,373 | 5,090 |
| Lease Liability - Current | 1,983 | 2,004 |
| Deferred License Revenue - Current | 2,163 | 2,171 |
| Term Loan - Net of Issuance Costs | 6,631 | 7,381 |
| Insurance Financing Note Payable | — | 437 |
| Customer Deposits | 221 | 144 |
| **Total Current Liabilities** | **19,595** | **20,966** |
| Lease Liability - Long-Term | 5,400 | 5,887 |
| Term Loan, Net of Issuance Costs | 11,778 | 13,186 |
| Deferred License Revenue - Long-Term | 5,456 | 5,986 |
| Long Term Liability - Other | 14 | 14 |
| **Total Liabilities** | **42,243** | **46,039** |
| **Stockholders' (Deficit) Equity:** | | |
| Preferred Stock, $0.0001 par value, 2,000,000 shares authorized; no shares issued and outstanding at March 31, 2022 and December 31, 2021 | — | — |
| Common Stock, $0.0001 par value; 170,000,000 shares authorized; 8,544,225 shares issued and outstanding at March 31, 2022 and December 31, 2021 | 1 | 1 |
| Additional Paid-in Capital | 372,383 | 372,562 |
| Accumulated Deficit | (377,242) | (370,080) |
| Accumulated Other Comprehensive Income | 51 | 52 |
| **Total Stockholders' (Deficit) Equity** | **(4,807)** | **2,535** |
| **Total Liabilities and Stockholders' Equity** | **$ 37,436** | **$ 48,574** |

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

**ROCKWELL MEDICAL, INC. AND SUBSIDIARIES**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

**(In Thousands, Except Shares and Per Share Amounts)**

| | Three Months Ended March 31, 2022 | Three Months Ended March 31, 2021 |
|---|---|---|
| **Net Sales** | $ 16,124 | $ 15,473 |
| Cost of Sales | 16,910 | 15,072 |
| Gross (Loss) Profit | (786) | 401 |
| Research and Product Development | 1,567 | 1,809 |
| Selling and Marketing | 455 | 1,851 |
| General and Administrative | 3,818 | 3,923 |
| **Operating Loss** | (6,626) | (7,182) |
| | | |
| **Other (Expense) Income** | | |
| Realized Gain on Investments | 4 | — |
| Interest Expense | (540) | (581) |
| Interest Income | — | 11 |
| **Total Other Expense** | (536) | (570) |
| | | |
| **Net Loss** | $ (7,162) | $ (7,752) |
| | | |
| **Basic and Diluted Net Loss per Share** | $ (0.84) | $ (0.91) |
| **Basic and Diluted Weighted Average Shares Outstanding** | 8,544,225 | 8,508,278 |

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

**ROCKWELL MEDICAL, INC. AND SUBSIDIARIES**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

**(In Thousands)**

| | Three Months Ended March 31, 2022 | Three Months Ended March 31, 2021 |
|---|---|---|
| **Net Loss** | **$ (7,162)** | **$ (7,752)** |
| Unrealized Gain (Loss) on Available-for-Sale Debt Instrument Investments | — | (7) |
| Foreign Currency Translation Adjustments | (1) | 3 |
| **Comprehensive Loss** | **$ (7,163)** | **$ (7,756)** |

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

**ROCKWELL MEDICAL, INC. AND SUBSIDIARIES**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

**(Dollars in Thousands)**

| | COMMON STOCK | | ADDITIONAL PAID-IN CAPITAL | ACCUMULATED DEFICIT | ACCUMULATED OTHER COMPREHENSIVE INCOME | TOTAL STOCKHOLDERS' (DEFICIT) |
|---|---|---|---|---|---|---|
| | SHARES | AMOUNT | | | | |
| **Balance as of January 1, 2022** | **8,544,225** | **$ 1** | **$ 372,562** | **$ (370,080)** | **$ 52** | **$ 2,535** |
| Net Loss | — | — | — | (7,162) | — | (7,162) |
| Foreign Currency Translation Adjustments | — | — | — | — | (1) | (1) |
| Stock-based Compensation | — | — | (179) | — | — | (179) |
| **Balance as of March 31, 2022** | **8,544,225** | **$ 1** | **$ 372,383** | **$ (377,242)** | **$ 51** | **$ (4,807)** |

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

**ROCKWELL MEDICAL, INC. AND SUBSIDIARIES**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

**(Dollars in Thousands)**

| | COMMON STOCK | | ADDITIONAL PAID-IN CAPITAL | ACCUMULATED DEFICIT | ACCUMULATED OTHER COMPREHENSIVE INCOME | TOTAL STOCKHOLDERS' EQUITY |
|---|---|---|---|---|---|---|
| | SHARES | AMOUNT | | | | |
| **Balance as of January 1, 2021** | **8,506,651** | **$ 1** | **$ 371,518** | **$ (337,406)** | **$ 57** | **$ 34,170** |
| Net Loss | — | — | — | (7,752) | — | (7,752) |
| Unrealized Loss on Available-for-Sale Investments | — | — | — | — | (7) | (7) |
| Foreign Currency Translation Adjustments | — | — | — | — | 3 | 3 |
| Stock-based Compensation | 2,396 | — | (236) | — | — | (236) |
| **Balance as of March 31, 2021** | **8,509,047** | **$ 1** | **$ 371,282** | **$ (345,158)** | **$ 53** | **$ 26,178** |

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

**ROCKWELL MEDICAL, INC. AND SUBSIDIARIES**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Dollars in Thousands)**

**For the three months ended March 31, 2022 and 2021**

| | Three Months Ended March 31, 2022 | Three Months Ended March 31, 2021 |
|---|---|---|
| Cash Flows From Operating Activities: | | |
| **Net Loss** | **$ (7,162)** | **$ (7,752)** |
| Adjustments To Reconcile Net Loss To Net Cash Used In Operating Activities: | | |
| Depreciation and Amortization | 138 | 202 |
| Stock-based Compensation | (179) | (236) |
| Increase in Inventory Reserves | — | 71 |
| Amortization of Right of Use Asset | 520 | 412 |
| Amortization of Debt Financing Costs and Accretion of Debt Discount | 92 | 92 |
| Loss on Disposal of Assets | — | 6 |
| Realized Gain on Sale of Investments Available-for-Sale | (4) | — |
| Foreign Currency Translation Adjustment | (1) | 3 |
| Changes in Assets and Liabilities: | | |
| Increase in Accounts Receivable, net | (1,208) | (2,426) |
| Increase in Inventory | (1,455) | (424) |
| Decrease in Prepaid and Other Assets | 630 | 317 |
| Increase (Decrease) in Accounts Payable | 485 | (848) |
| Decrease in Lease Liability | (490) | (410) |
| Decrease in Other Liabilities | (640) | (958) |
| Decrease in Deferred License Revenue | (538) | (544) |
| Changes in Assets and Liabilities | (3,216) | (5,293) |
| **Cash Used In Operating Activities** | **(9,812)** | **(12,495)** |
| Cash Flows From Investing Activities: | | |
| Purchase of Investments Available-for-Sale | (2,810) | (7,212) |
| Sale of Investments Available-for-Sale | 11,972 | 6,738 |
| Purchase of Equipment | (29) | (38) |
| **Cash Provided By (Used In) Investing Activities** | **9,133** | **(512)** |
| Cash Flows From Financing Activities: | | |
| Payments on Debt | (2,250) | — |
| Payments on Short Term Note Payable | (437) | — |
| **Cash Used In Financing Activities** | **(2,687)** | **—** |
| Decrease in Cash and Cash Equivalents | (3,366) | (13,007) |
| Cash and Cash Equivalents at Beginning of Period | 13,280 | 48,682 |
| **Cash and Cash Equivalents at End of Period** | **$ 9,914** | **$ 35,675** |
| **Supplemental Disclosure of Cash Flow Information:** | | |
| Cash Paid for Interest | $ 461 | $ 485 |
| **Supplemental Disclosure of Noncash Investing and Financing Activities:** | | |
| Change in Unrealized Loss on Marketable Securities Available-for-Sale | $ — | $ (7) |

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

## 1. Description of Business

Rockwell Medical, Inc. ("Rockwell Medical," "Rockwell", or the "Company") is a commercial-stage, biopharmaceutical company developing and commercializing our next-generation parenteral iron technology platform, ferric pyrophosphate citrate (“FPC”), which we believe has significant potential to lead to transformative treatments for iron deficiency in multiple disease states, that we believe could reduce healthcare costs and improve patients’ lives. We are also one of the two major suppliers of life saving hemodialysis concentrate products to kidney dialysis clinics in the United States.

We have two novel, FDA approved therapies, Triferic and Triferic AVNU, which are the first two products developed from our FPC platform. We market both products to kidney dialysis centers for their patients receiving dialysis. In late 2021, we filed an IND with the United States Food and Drug Administration ("FDA") with the goal to advance our FPC platform strategy by conducting a Phase II trial for the treatment of iron deficiency anemia in patients outside of dialysis, who are receiving intravenous ("IV") medications in the home infusion setting. The trend toward providing medical care, including the delivery of infused medications, at home make the home infusion market a rapidly growing area of healthcare. We believe the home infusion setting is a natural path for expansion of our platform as many of the patients suffer from diseases associated with iron deficiency and anemia. In our R&D pipeline, we are also investigating FPC’s impact in the treatment of hospitalized patients with acute heart failure.

We are the second largest supplier of hemodialysis concentrates in the United States, with a reputation for excellent service, quality, and reliability. We believe this reputation, which is based on over 25 years of service to kidney dialysis centers, combined with about $60 million in annual revenue, approximately 300 dedicated employees, expertise in manufacturing and logistics and the added expertise in pharmaceutical development and commercialization brought to the Company by recent additions to our management team, gives us a solid foundation on which to grow.

## 2. Liquidity and Going Concern Considerations

Since inception, the Company has incurred significant net losses and has funded its operations primarily through revenue from commercial products, proceeds from the issuance of debt and equity securities and payments from partnerships. At March 31, 2022, Rockwell had an accumulated deficit of approximately $377.2 million and a stockholders' deficit of $4.8 million. As of March 31, 2022, Rockwell had approximately $9.9 million of cash and cash equivalents and working capital of $5.2 million. Net cash used in operating activities for the three months ended March 31, 2022 was approximately $9.8 million.

The Company has experienced significant inflationary pressures in its dialysis concentrates business, particularly within the last six months, which have resulted in an accelerated operating loss associated with this business line. These factors raise substantial doubt about the Company’s ability to continue as a going concern and depend, in part, on the degree of success in the Company's ability to address inflationary pressures affecting the concentrates business, as well as the Company’s ability to contain costs, raise additional working capital and remain in compliance with financial and operating covenants under the Company’s secured loan. Managements plans are described below.

On April 6, 2022, the Company entered into an amendment to one of its supply agreements to restructure the supply relationship, which management expects to result in improved financial performance of the Company's concentrate business. The Company also entered into an equity investment agreement with one of the contracting parties for an investment of up to $15 million in two tranches of $7.5 million each. The first tranche of $7.5 million was funded on April 7, 2022. The second $7.5 million tranche is to be funded subject to the Company raising $15 million in additional capital by June 30, 2022.

On April 8, 2022, the Company entered into a sales agreement (the “Sales Agreement”) with Cantor Fitzgerald & Co. (the “Agent”), pursuant to which the Company may offer and sell from time to time up to $12,200,000 of shares of Company’s common stock through the Agent. The offering and sale of such shares has been registered under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to the Company’s Registration Statement on Form S-3 (File No. 333-259923) (the “Registration Statement”), which was originally filed with the Securities and Exchange Commission (“SEC”) on September 30, 2021 and declared effective by the SEC on October 8, 2021, the base prospectus contained within the Registration Statement, and a prospectus supplement that was filed with the SEC on April 8, 2022.

The Company has started to implement cost cutting measures as noted in previous filings focusing mainly within sales and marketing. The Company expects it will require additional capital to sustain its operations and make the investments it

needs to execute its strategic plan in developing FPC for iron deficiency anemia in patients undergoing home infusion and for progressing our pipeline development program of new indications for our FPC platform. If the Company is unable to generate sufficient cash flows from operations as described above or obtain additional equity or debt financing, the Company intends to implement further cost cutting measure which may include headcount reduction across multiple areas and reductions in general and administrative expenses. Based on these plans, Management believes the substantial doubt about the Company's ability to continue as a going concern has been alleviated. If the Company attempts to obtain additional debt or equity financing, the Company cannot assume that such financing will be available on favorable terms, if at all.

Currently, because the Company's public float is less than $75 million, we are subject to the baby shelf limitations under our current registration statement on Form S-3, which limit the amount we may offer under our Form S-3. This could limit our ability to raise capital under this registration statement.

As previously reported, on June 11, 2021, the Company received written notice (the "Notification Letter") from the Nasdaq Stock Market ("Nasdaq") notifying the Company that it is not in compliance with the minimum bid price requirements set forth in Nasdaq Listing Rule 5450(a)(1) for continued listing on the Nasdaq Global Market. Nasdaq Listing Rule 5450(a)(1) requires listed securities maintain a minimum closing bid price of $1.00 per share, and Nasdaq Listing Rule 5810(c)(3)(A) provides that a failure to meet the minimum closing bid price requirement exists if the deficiency continues for a period of 30 consecutive business days. Based on the closing bid price of the Company's common stock for the 30 consecutive business days prior to the date of the Notification Letter, the Company did not meet the minimum closing bid price requirement. The Notification Letter provided for 180 calendar days, or until December 8, 2021, for the Company to regain compliance with Nasdaq Listing Rule 5450(a)(1). To regain compliance, the closing bid price of the Company's common stock must be at least $1.00 per share for a minimum of 10 consecutive business days at any time prior to December 8, 2021. The Company was not able to meet the minimum compliance requirements set forth by Nasdaq by December 8, 2021.

On December 9, 2021, the Company received a written notice from Nasdaq indicating that the Company's application to transfer its listing venue from The Nasdaq Global Market to The Nasdaq Capital Market for its common stock had been approved. The Company's common stock commenced trading on The Nasdaq Capital Market at the opening of business on December 10, 2021 under the symbol "RMTI."

Also on December 9, 2021, the Company received written notice that Nasdaq has determined the Company is eligible for an additional 180-day extension, or until June 6, 2022, to regain compliance with the minimum bid price requirements set forth in Nasdaq Listing Rule 5550(a)(2) for continued listing on The Nasdaq Capital Market. To regain compliance, the closing bid price of the Company's common stock must be at least $1.00 per share for a minimum of 10 consecutive business days at any time prior to June 6, 2022. On May 13, 2022, the Company effected a reverse stock split in order to regain compliance with the minimum bid price requirement (see Note 3 for further detail).

In addition, the Company is subject to certain covenants and cure provisions under its Loan Agreement with Innovatus. As of the date of this report, the Company believes it will either be able to satisfy such covenants or, in the event of a breached covenant, exercise cure provisions to avoid an event of default. If Rockwell is unable to avoid an event of default, any required repayments could have an adverse effect on its liquidity (See Note 14 for further detail).

The COVID-19 pandemic and resulting global disruptions, particularly in the supply chain and labor market, among other areas, have adversely affected our business and operations, including, but not limited to, our sales and marketing efforts and our research and development activities, our plant and transportation operations and the operations of third parties upon whom we rely. Further, any vaccine hesitancy among our labor force could disrupt our business if workers become ill or need to quarantine due to illness or exposure to the virus. The Company's international business development activities may also continue to be negatively impacted by COVID-19.

The COVID-19 pandemic, the domestic and international surge in infections and resulting global disruptions have caused significant volatility in financial and credit markets. Rockwell has utilized a range of financing methods to fund its operations in the past; however, current conditions in the financial and credit markets may limit the availability of funding, refinancing or increase the cost of funding. Due to the rapidly evolving nature of the global situation, it is not possible to predict the extent to which these conditions could adversely affect the Company's liquidity and capital resources in the future.

**3. Basis of Presentation, Summary of Significant Accounting Policies and Recent Accounting Pronouncements**

The accompanying condensed consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and pursuant to

the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the U. S. Securities and Exchange Commission ("SEC") and on the same basis as the Company prepares its annual audited consolidated financial statements.

The condensed consolidated balance sheet at March 31, 2022, condensed consolidated statements of operations for the three months ended March 31, 2022 and 2021, condensed consolidated statements of comprehensive loss for the three months ended March 31, 2022 and 2021, condensed consolidated statement of changes in stockholders' equity for the three months ended March 31, 2022 and 2021, and condensed consolidated statements of cash flows for the three months ended March 31, 2022 and 2021 are unaudited, but include all adjustments, consisting of normal recurring adjustments, the Company considers necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. The results for the three months ended March 31, 2022 are not necessarily indicative of results to be expected for the year ending December 31, 2022 or for any future interim period. The condensed consolidated balance sheet at December 31, 2021 has been derived from audited financial statements, however, it does not include all of the information and notes required by U.S. GAAP for complete financial statements. The accompanying condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2021 and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 as filed with the SEC on April 8, 2022. The Company's consolidated subsidiaries consisted of its wholly-owned subsidiaries, Rockwell Transportation, Inc. and Rockwell Medical India Private Limited.

The accompanying condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

**Reverse Stock Split**

On May 9, 2022, the stockholders of the Company authorized our Board of Directors to effect a reverse stock split of all outstanding shares of common stock. The Board of Directors subsequently approved the implementation of a reverse stock split as a ratio of one-for-eleven shares, which became effective on May 13, 2022. The Company's outstanding stock options were also adjusted to reflect the one-for-eleven reverse stock split of the Company's common stock. Outstanding stock options were proportionately reduced and the respective exercise prices, if applicable, were proportionately increased. The reverse stock split resulted in an adjustment to the Series X convertible preferred stock conversion prices to reflect a proportional decrease in the number of shares of common stock to be issued upon conversion. All share and per share data in these condensed consolidated financial statements and related notes hereto have been retroactively adjusted to the account for the effect of the reverse stock split for the three month periods ended March 31, 2022 and 2021, respectively, and the balance sheet at March 31, 2022 and December 31, 2021.

**Use of Estimates**

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

**Leases**

The Company accounts for its leases under Accounting Standards Codification ("ASC") 842, *Leases*. Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases and are recorded on the consolidated balance sheet as both a right-of-use asset and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company's incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line rent expense over the lease term. Variable lease expenses, if any, are recorded when incurred.

In calculating the right-of-use asset and lease liability, the Company elects to combine lease and non-lease components. The Company excludes short-term leases having initial terms of 12 months or less from the new guidance as an accounting policy election and recognizes rent expense on a straight-line basis over the lease term.

**Loss Per Share**

ASC 260, *Earnings Per Share*, requires dual presentation of basic and diluted earnings per share ("EPS"), with a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. Basic EPS excludes dilution. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that are then sharing in the earnings of the entity.

Basic net loss per share of common stock excludes dilution and is computed by dividing the net loss by the weighted average number of shares outstanding during the period. Diluted net loss per share of common stock reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity unless inclusion of such shares would be anti-dilutive. The Company has only incurred losses, therefore, basic and diluted net loss per share is the same. Securities that could potentially dilute net income per share in the future that were not included in the computation of diluted loss per share were as follows:

| | As of March 31, | |
|---|---|---|
| | **2022** | **2021** |
| Options to purchase common stock | 511,117 | 558,417 |
| Unvested restricted stock awards | 891 | 7,118 |
| Unvested restricted stock units | 28,067 | 21,611 |
| Warrants to purchase common stock | 2,402,442 | 2,402,442 |
| Total | 2,942,517 | 2,989,588 |

**Adoption of Recent Accounting Pronouncements**

The Company continually assesses new accounting pronouncements to determine their applicability. When it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a review to determine the consequences of the change to its consolidated financial statements and assures that there are sufficient controls in place to ascertain that the Company's consolidated financial statements properly reflect the change.

**4. Revenue Recognition**

The Company recognizes revenue under ASC 606, *Revenue from Contracts with Customers*. The core principle of the new revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the company satisfies a performance obligation

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by us from a customer, are excluded from revenue.

Shipping and handling costs associated with outbound freight related to contracts with customers are accounted for as a fulfillment cost and are included in cost of sales when control of the goods transfers to the customer.

***Nature of goods and services***

The following is a description of principal activities from which the Company generates its revenue.

*Product sales* –The Company accounts for individual products and services separately if they are distinct (i.e., if a product or service is separately identifiable from other items and if a customer can benefit from it on its own or with other resources that are readily available to the customer). The consideration, including any discounts, is allocated between separate

products and services based on their stand-alone selling prices. The stand-alone selling prices are determined based on the cost plus margin approach.

Drug and dialysis concentrate products are sold directly to dialysis clinics and to wholesale distributors in both domestic and international markets. Distribution and license agreements for which upfront fees are received are evaluated upon execution or modification of the agreement to determine if the agreement creates a separate performance obligation from the underlying product sales. For all existing distribution and license agreements, the distribution and license agreement is not a distinct performance obligation from the product sales. In instances where regulatory approval of the product has not been established and the Company does not have sufficient experience with the foreign regulatory body to conclude that regulatory approval is probable, the revenue for the performance obligation is recognized over the term of the license agreement (over time recognition). Conversely, when regulatory approval already exists or is probable, revenue is recognized at the point in time that control of the product transfers to the customer.

The Company received upfront fees under five distribution and license agreements that have been deferred as a contract liability. The amounts received from Wanbang Biopharmaceuticals Co., Ltd. (“Wanbang”), Sun Pharmaceutical Industries Ltd. ("Sun Pharma"), Jeil Pharmaceutical Co., Ltd. ("Jeil Pharma") and Drogsan Pharmaceuticals ("Drogsan Pharma") are recognized as revenue over the estimated term of the applicable distribution and license agreement as regulatory approval was not received and the Company did not have sufficient experience in China, India, South Korea and Turkey, respectively, to determine that regulatory approval was probable as of the execution of the agreement. The amounts received from Baxter Healthcare Corporation (“Baxter”) are recognized as revenue at the point in time that the estimated product sales under the agreement occur.

For the business under the Company’s Distribution Agreement with Baxter (the “Baxter Agreement”) and for the majority of the Company’s international customers, the Company recognizes revenue at the shipping point, which is generally the Company’s plant or warehouse. For other business, the Company recognizes revenue based on when the customer takes control of the product. The amount of revenue recognized is based on the purchase order less returns and adjusted for any rebates, discounts, chargebacks or other amounts paid to customers. There were no such adjustments for the periods reported. Customers typically pay for the product based on customary business practices with payment terms averaging 30 days, while distributor payment terms average 45 days.

***Disaggregation of revenue***

Revenue is disaggregated by primary geographical market, major product line, and timing of revenue recognition.

| *In thousands of U.S. dollars ($)* | **Three Months Ended March 31, 2022** | | |
|---|---|---|---|
| Products By Geographic Area | **Total** | **U.S.** | **Rest of World** |
| Drug Revenues | | | |
| Product Sales – Point-in-time | $ 159 | $ 159 | $ — |
| License Fee – Over time | 62 | — | 62 |
| Total Drug Products | 221 | 159 | 62 |
| Concentrate Products | | | |
| Product Sales – Point-in-time | 15,427 | 13,810 | 1,617 |
| License Fee – Over time | 476 | 476 | — |
| Total Concentrate Products | 15,903 | 14,286 | 1,617 |
| Net Revenue | $ 16,124 | $ 14,445 | $ 1,679 |

| *In thousands of U.S. dollars ($)* | Three Months Ended March 31, 2021 | | |
|---|---|---|---|
| Products By Geographic Area | Total | U.S. | Rest of World |
| Drug Revenues | | | |
| Product Sales – Point-in-time | $ 225 | $ 225 | $ — |
| License Fee – Over time | 58 | — | 58 |
| Total Drug Products | 283 | 225 | 58 |
| Concentrate Products | | | |
| Product Sales – Point-in-time | 14,705 | 13,201 | 1,504 |
| License Fee – Over time | 485 | 485 | — |
| Total Concentrate Products | 15,190 | 13,686 | 1,504 |
| Net Revenue | $ 15,473 | $ 13,911 | $ 1,562 |

***Contract balances***

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers.

| *In thousands of U.S. dollars ($)* | March 31, 2022 | December 31, 2021 |
|---|---|---|
| Receivables, which are included in "Trade and other receivables" | $ 7,121 | $ 5,913 |
| Contract liabilities | $ 7,619 | $ 8,157 |

There were no impairment losses recognized related to any receivables arising from the Company’s contracts with customers for the three months ended March 31, 2022 and 2021.

For the three months ended March 31, 2022 and March 31, 2021, the Company did not recognize any material bad-debt expense. There were no material contract assets recorded on the condensed consolidated balance sheet as of March 31, 2022 and December 31, 2021. The Company does not generally accept returns of its concentrate products and no material reserve for returns of concentrate products was established as of March 31, 2022 or December 31, 2021.

The contract liabilities primarily relate to upfront payments and consideration received from customers that are received in advance of the customer assuming control of the related products

***Transaction price allocated to remaining performance obligations***

For the three months ended March 31, 2022, revenue recognized from performance obligations related to prior periods was not material.

Revenue expected to be recognized in any future year related to remaining performance obligations, excluding revenue pertaining to contracts that have an original expected duration of one year or less, contracts where revenue is recognized as invoiced and contracts with variable consideration related to undelivered performance obligations, totaled $7.6 million as of March 31, 2022. The amount relates primarily to upfront payments and consideration received from customers that are received in advance of the customer assuming control of the related products. The Company applies the practical expedient in paragraph 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. The Baxter Agreement includes minimum commitments of product sales over the duration of the agreement. Unfulfilled minimum commitments related to the Baxter Agreement are product sales of $4.8 million as of March 31, 2022, which is amortized ratably through expiration of the Baxter Agreement on October 2, 2024.

## 5. Investments - Available-for-Sale

As of March 31, 2022, all investment available-for-sale securities have been liquidated.

Investments available-for-sale consisted of the following as of December 31, 2021 (table in thousands):

| | December 31, 2021 | | | | |
|---|---|---|---|---|---|
| | Amortized Cost | Unrealized Gain | Unrealized Loss | Accrued Interest | Fair Value |
| Available-for-Sale Securities | | | | | |
| Bonds | $ 9,143 | $ 1 | $ — | $ 14 | $ 9,158 |

The fair value of investments available-for-sale are determined using quoted market prices from daily exchange-traded markets based on the closing price as of the balance sheet date and are classified as a Level 1 measurement under ASC 820 *Fair Value Measurements.*

As of December 31, 2021, the amortized cost and estimated fair value of our available-for-sale securities were due within one year.

## 6. Inventory

Components of inventory, net of reserves, as of March 31, 2022 and December 31, 2021 are as follows (table in thousands):

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| Raw Materials | $ 4,312 | $ 3,434 |
| Work in Process | 408 | 201 |
| Finished Goods | 2,334 | 1,964 |
| Total | $ 7,054 | $ 5,599 |

As of March 31, 2022, the Company classified $1.5 million of inventory as non-current, all of which was related to Triferic or the active pharmaceutical ingredient and raw materials for Triferic. As of March 31, 2022, the total Triferic inventory net of reserve was $1.6 million.

The $1.6 million net value of Triferic inventory consisted of $0.3 million of Triferic (dialysate) finished goods with expiration dates ranging from July 2022 to December 2023, $0.4 million of Triferic API with an estimated useful life extending through 2023, and $0.9 million of raw materials for Triferic with an estimated useful life of 25 years.

## 7. Property and Equipment

As of March 31, 2022 and December 31, 2021, the Company’s property and equipment consisted of the following (table in thousands):

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| Leasehold Improvements | $ 1,204 | $ 1,204 |
| Machinery and Equipment | 5,867 | 5,864 |
| Information Technology & Office Equipment | 1,845 | 1,845 |
| Laboratory Equipment | 660 | 676 |
| | 9,576 | 9,589 |
| Accumulated Depreciation | (7,199) | (7,103) |
| Property and Equipment, net | $ 2,377 | $ 2,486 |

Depreciation expense for three months ended March 31, 2022 and 2021 was $0.1 million and $0.2 million, respectively.

## 8. Accrued Liabilities

Accrued liabilities as of March 31, 2022 and December 31, 2021 consisted of the following (table in thousands):

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| Accrued Research & Development Expense | $ 338 | $ 366 |
| Accrued Compensation and Benefits | 1,158 | 1,791 |
| Accrued Unvouchered Receipts | 537 | 796 |
| Accrued Workers Compensation | 458 | 382 |
| Other Accrued Liabilities | 1,882 | 1,755 |
| Total Accrued Liabilities | $ 4,373 | $ 5,090 |

## 9. Deferred Revenue

In October 2014, the Company entered into the Baxter Agreement, which has a term of 10 years and received an upfront fee of $20 million. The upfront fee was recorded as deferred revenue and is being recognized based on the proportion of product shipments to Baxter in each period, compared with total expected sales volume over the term of the Distribution Agreement. The Company recognized revenue of approximately $0.5 million for each of the three months ended March 31, 2022 and 2021. Deferred revenue related to the Baxter Agreement totaled $4.8 million as of March 31, 2022 and $5.2 million as of December 31, 2021.

In 2016, the Company entered into a distribution agreement with Wanbang (the "Wanbang Agreement") and received an upfront fee of $4.0 million. The upfront fee was recorded as deferred revenue and is being recognized as revenue based on the agreement term. The Company recognized revenue of approximately $0.1 million during each of the three months ended March 31, 2022 and 2021. Deferred revenue related to the Wanbang Agreement totaled $2.5 million as of March 31, 2022 and December 31, 2021.

In January 2020, the Company entered into license and supply agreements with Sun Pharma (the "Sun Pharma Agreements"), for the rights to commercialize Triferic (dialysate) (ferric pyrophosphate citrate) in India. Under the terms of the Sun Pharma Agreements, Sun Pharma will be the exclusive development and commercialization partner for Triferic (dialysate) in India, and the Company will supply the product to Sun Pharma. In consideration for the license, the Company received an upfront fee of $0.1 million, and will be eligible for milestone payments and royalties on net sales. A Joint Alliance Committee, comprised of members from the Company and Sun Pharma, will guide the development and execution for Triferic (dialysate) in India. Sun Pharma will be responsible for all clinical and regulatory approval, as well as commercialization activities. The upfront fee was recorded as deferred revenue and is being recognized as revenue based on the agreement term. The Company recognized revenue of approximately $2,500 for each of the three months ended March 31, 2022 and 2021. Deferred revenue related to the Sun Pharma Agreement totaled $77,500 and $80,000 as of March 31, 2022 and December 31, 2021, respectively.

In September 2020, the Company entered into a license and supply agreements with Jeil Pharma (the "Jeil Pharma Agreements"), for the rights to commercialize Triferic (dialysate) (ferric pyrophosphate citrate) in South Korea. Under the terms of the Jeil Pharma Agreements, Jeil Pharma will be the exclusive development and commercialization partner for Triferic (dialysate) in South Korea, and the Company will supply the product to Jeil Pharma. In consideration for the license, the Company received an upfront fee of $0.2 million, and will be eligible for milestone payments and royalties on net sales. A Joint Alliance Committee, comprised of members from the Company and Jeil Pharma, will guide the development and execution for Triferic (dialysate) in South Korea. Jeil Pharma will be responsible for all clinical and regulatory approval, as well as commercialization activities. The upfront fee was recorded as deferred revenue and is being recognized as revenue based on the agreement term. The Company recognized revenue of $2,500 for each of the three months ended March 31, 2022 and 2021. Deferred revenue related to the Jeil Pharma Agreement totaled approximately $0.2 million as of March 31, 2022 and December 31, 2021.

In June 2021, the Company entered into license and supply agreements with Drogsan Pharma (the "Drogsan Agreements"), for the rights to commercialize Triferic (dialysate) and Triferic AVNU in Turkey. Under the terms of the

Drogsan Agreements, Drogsan Pharma will be the exclusive commercialization partner for Triferic (dialysate) and Triferic AVNU in Turkey. In consideration for the license, the Company received an upfront fee of $0.15 million, and will be eligible for milestone payment and royalties on net sales. A Joint Alliance Committee, comprised of members from the Company and Drogsan Pharma, will guide the execution for Triferic (dialysate) and Triferic AVNU in Turkey. Drogsan Pharma will be responsible for all regulatory approval and commercialization activities, and the Company will supply the product to Drogsan Pharma for Turkey. The upfront fee will be recorded as deferred revenue and will be recognized as revenue based on the agreement term. The Company recognized revenue of $3,750 and nil for the three months ended March 31, 2022 and 2021, respectively. Deferred revenue related to the Drogsan Agreements totaled approximately $0.14 million as of March 31, 2022 and December 31, 2021.

**10. Stockholders' Equity**

***Preferred Stock***

On April 6, 2022, the Company and DaVita Inc. ("DaVita") entered into a Securities Purchase Agreement (the "SPA"), pursuant to which the Company will issue up to $15 million of preferred stock to DaVita. On April 6, 2022, the Company issued 7,500 shares of a newly designated series of preferred stock, which is designated "Series X Convertible Preferred Stock" (the "Series X Preferred Stock") for gross proceeds of $7.5 million. The Company will issue an additional 7,500 shares of Series X Preferred Stock to DaVita in a second closing (the "Second Tranche") for an additional $7.5 million if the Company raises $15 million in additional capital by June 30, 2022.

The Series X Preferred Stock will be issued for a price $1,000 per share (the "Face Amount"), subject to accretion at a rate of 1% per annum, compounded annually. If the Company's common stock trades above $22.00 for a period of 30 calendar days, the accretion will thereafter cease.

The Series X Convertible Preferred Stock is convertible to common stock at rate equal to the Face Amount, divided by a conversion price of $11.00 per share (subject to adjustment for stock splits, reverse stock splits and similar recapitalization events). As a result, each share of Series X Preferred Stock will initially convert into approximately 91 shares of common stock. DaVita's right to convert to common stock is subject to a beneficial ownership limitation, which is initially set at 9.9% of the outstanding common stock, which limitation may be reset (not to exceed 19.9%) at DaVita's option and upon providing prior written notice to the Company. The shares issued in the Second Tranche will have a lower conversion price if the Company raises capital through the issuance of convertible preferred stock prior to the closing of the Second Tranche and the conversion price of the securities sold in such preferred stock offerings is below $11.00 per share. In addition, any debt financing is limited by the terms of our Securities Purchase Agreement with DaVita. Specifically, until DaVita owns less than 50% of its investment, the Company may only incur additional debt in the form of a purchase money loan, a working capital line of up to $5 million or to refinance existing debt, unless DaVita consents.

As of March 31, 2022 and December 31, 2021, there were 2,000,000 shares of preferred stock, $0.0001 par value per share, authorized and no shares of preferred stock issued and outstanding.

***Common Stock***

As of March 31, 2022 and December 31, 2021, there were 170,000,000 shares of common stock, $0.0001 par value per share, authorized and 8,544,225 and 8,544,225 shares issued and outstanding, respectively.

**11. Stock-Based Compensation**

The Company recognized total stock-based compensation expense during the three months ended March 31, 2022 and 2021 as follows (table in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **Service-based awards:** | | |
| Restricted stock units | $ 12 | $ 104 |
| Stock option awards | 200 | 391 |
| | 212 | 495 |
| **Performance-based awards:** | | |
| Restricted stock awards | (391) | (391) |
| Stock option awards | — | (340) |
| | (391) | (731) |
| **Total** | $ (179) | $ (236) |

***Restricted Stock***

A summary of the Company's restricted stock awards during the three months ended March 31, 2022 is as follows:

| | Number of Shares | Weighted Average Grant-Date Fair Value |
|---|---|---|
| Unvested at January 1, 2022 | 7,118 | $ 62.70 |
| Forfeited | (6,227) | $ 62.70 |
| Unvested at March 31, 2022 | 891 | $ 62.70 |

A summary of the Company's restricted stock awards during the three months ended March 31, 2021 is as follows:

| | Number of Shares | Weighted Average Grant-Date Fair Value |
|---|---|---|
| Unvested at January 1, 2021 | 13,345 | $ 62.70 |
| Forfeited | (6,227) | $ 62.70 |
| Unvested at March 31, 2021 | 7,118 | $ 62.70 |

The fair value of restricted stock awards are measured based on their fair value on the date of grant and amortized over the vesting period of 20 months. As of March 31, 2022, unvested restricted stock awards of 891 were related to performance-based awards. The forfeited performance-based restricted stock awards of 6,227 was due to the resignation of the Company's Chief Development Officer on March 25, 2022. These forfeited awards reduced stock-based compensation expense by $0.4 million.

***Service-Based Restricted Stock Units***

A summary of the Company's service-based restricted stock units during the three months ended March 31, 2022 is as follows:

| | Number of Shares | Weighted Average Grant-Date Fair Value |
|---|---|---|
| Unvested at January 1, 2022 | 29,289 | $ 12.87 |
| Forfeited | (1,223) | 52.91 |
| Unvested at March 31, 2022 | 28,066 | $ 11.11 |

A summary of the Company's service-based restricted stock units during the three months ended March 31, 2021 is as follows:

| | Number of Shares | Weighted Average Grant-Date Fair Value |
|---|---|---|
| Unvested at January 1, 2021 | 24,136 | $ 28.60 |
| Granted | 914 | 22.99 |
| Vested | (1,042) | 52.91 |
| Forfeited | (2,396) | 27.50 |
| Unvested at March 31, 2021 | 21,612 | $ 27.39 |

The fair value of service based restricted stock units are measured based on their fair value on the date of grant and amortized over the vesting period. The vesting periods range from 1 to 3 years. Stock-based compensation expense of $12,000 and $104,000 was recognized for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, the unrecognized stock-based compensation expense was $0.1 million, which is expected to be recognized over an estimated weighted average remaining term of less than 1 year.

***Service-Based Stock Options***

The fair value of the service-based stock options granted for the three months ended March 31, 2022 were based on the following assumptions:

| | March 31, 2022 |
|---|---|
| Exercise price | $4.12 |
| Expected stock price volatility | 76.2% |
| Risk-free interest rate | 1.98% |
| Term (years) | 6.5 |

A summary of the Company's service-based stock option activity for the three months ended March 31, 2022 is as follows:

| | Shares Underlying Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding at January 1, 2022 | 528,591 | $ 32.01 | 7.5 | $ — |
| Granted | 909 | 4.07 | 9.9 | — |
| Forfeited | (14,839) | 17.49 | — | — |
| Expired | (3,545) | 85.36 | — | — |
| Outstanding at March 31, 2022 | 511,116 | $ 32.01 | 7.0 | $ 1 |
| | | | | |
| Exercisable at March 31, 2022 | 236,720 | $ 52.14 | 5.0 | $ — |

A summary of the Company's service-based stock option activity for the three months ended March 31, 2021 is as follows:

| | Shares Underlying Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding at January 1, 2021 | 519,814 | $ 50.05 | 6.6 | $ — |
| Granted | 7,672 | 17.60 | 6.0 | — |
| Forfeited | (16,721) | 27.39 | — | — |
| Expired | (20,530) | 84.26 | — | — |
| Outstanding at March 31, 2021 | 490,235 | $ 48.95 | 6.1 | $ — |
| | | | | |
| Exercisable at March 31, 2021 | 251,180 | $ 73.48 | 3.2 | $ — |

The aggregate intrinsic value in the table above is calculated as the difference between the closing price of the Company's common stock and the exercise price of the stock options that had strike prices below the closing price.

During the three months ended March 31, 2022, the Company granted stock options to purchase up to 909 shares of common stock to certain employees. During the three months ended March 31, 2022, 14,839 shares were forfeited and 3,545 shares expired. Forfeitures are recorded in the period of occurrence; compensation expense is adjusted accordingly.

Stock-based compensation expense recognized for service-based stock options was $0.2 million and $0.4 million for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, total stock-based compensation expense related to unvested options not yet recognized totaled approximately $1.0 million, which is expected to be recognized over an estimated weighted average remaining term of 3.1 years.

## 12. Licensing Agreements

### Product License Agreements

The Company is a party to a Licensing Agreement between the Company and Charak, LLC ("Charak") dated January 7, 2002 (the "2002 Agreement") that grants the Company exclusive worldwide rights to certain patents and information related to our Triferic® product. On October 7, 2018, the Company entered into a Master Services and IP Agreement (the "Charak MSA") with Charak and Dr. Ajay Gupta, a former Officer of the Company. Pursuant to the MSA, the parties entered into three additional agreements described below related to the license of certain soluble ferric pyrophosphate ("SFP") intellectual property owned by Charak. As of March 31, 2022, the Company has accrued $86,400 relating to certain IP reimbursement expenses and certain sublicense royalty fees and is included within accrued liabilities on the condensed consolidated balance sheet.

Pursuant to the Charak MSA, the aforementioned parties entered into an Amendment, dated as of October 7, 2018 (the "Charak Amendment"), to the 2002 Agreement, under which Charak granted the Company an exclusive, worldwide, non-transferable license to commercialize SFP for the treatment of patients with renal failure. The Charak Amendment amends the royalty payments due to Charak under the 2002 Agreement such that the Company is liable to pay Charak royalties on net sales by the Company of products developed under the license, which includes the Company's Triferic® product, at a specified rate until December 31, 2021 and thereafter at a reduced rate from January 1, 2022 until February 1, 2034. Additionally, the Company shall pay Charak a percentage of any sublicense income during the term of the agreement, which amount shall not be less than a minimum specified percentage of net sales of the licensed products by the sublicensee in jurisdictions where there

exists a valid claim, on a country-by-country basis, and be no less than a lower rate of the net sales of the licensed products by the sublicensee in jurisdictions where there exists no valid claim, on a country-by-country basis.

Also pursuant to the Charak MSA, the Company and Charak entered into a Commercialization and Technology License Agreement I.V. Triferic®, dated as of October 7, 2018 (the "IV Agreement"), under which Charak granted the Company an exclusive, sublicensable, royalty-bearing license to SFP for the purpose of commercializing certain intravenous-delivered products incorporating SFP for the treatment of iron disorders worldwide for a term that expires on the later of February 1, 2034 or upon the expiration or termination of a valid claim of a licensed patent. The Company is liable to pay Charak royalties on net sales by the Company of products developed under the license at a specified rate until December 31, 2021. From January 1, 2022 until February 1, 2034, the Company is liable to pay Charak a base royalty at a reduced rate on net sales and an additional royalty on net sales while there exists a valid claim of a licensed patent, on a country-by-country basis. The Company shall also pay to Charak a percentage of any sublicense income received during the term of the IV Agreement, which amount shall not be less than a minimum specified percentage of net sales of the licensed products by the sublicensee in jurisdictions where there exists a valid claim, on a country-by-country basis, and not be less than a lower rate of the net sales of the licensed products by the sublicensee in jurisdictions where there exists no valid claim, on a country-by-country basis.

Also pursuant to the Charak MSA, the Company and Charak entered into a Technology License Agreement TPN Triferic®, dated as of October 7, 2018 (the "TPN Agreement"), pursuant to which Charak granted the Company an exclusive, sublicensable, royalty-bearing license to SFP for the purpose of commercializing worldwide certain TPN products incorporating SFP. The license grant under the TPN Agreement continues for a term that expires on the later of February 1, 2034 or upon the expiration or termination of a valid claim of a licensed patent. During the term of the TPN Agreement, the Company is liable to pay Charak a base royalty on net sales and an additional royalty on net sales while there exists a valid claim of a licensed patent, on a country-by-country basis. The Company shall also pay to Charak a percentage of any sublicense income received during the term of the TPN Agreement, which amount shall not be less than a minimum royalty on net sales of the licensed products by the sublicensee in jurisdictions where there exists a valid claim, on a country-by-country basis, and not be less than a lower rate of the net sales of the licensed products by the sublicensee in jurisdictions where there exists no valid claim, on a country-by-country basis.

The potential milestone payments are not yet considered probable, and no milestone payments have been accrued at March 31, 2022.

**13. Leases**

Rockwell leases its production facilities and administrative offices as well as certain equipment used in its operations including leases on transportation equipment used in the delivery of its products. The lease terms range from monthly to seven years. Rockwell occupies a 51,000 square foot facility and a 17,500 square foot facility in Wixom, Michigan under a lease expiring in August 2024. Rockwell also occupies two other manufacturing facilities, a 51,000 square foot facility in Grapevine, Texas under a lease expiring in December 2025, and a 57,000 square foot facility in Greer, South Carolina under a lease expiring February 2023. In addition, Rockwell occupies 4,100 square feet of office space in Hackensack, New Jersey under a lease expiring on October 31, 2024. This lease was subleased on December 15, 2021 with an expiration date of October 31, 2024.

At March 31, 2022, the Company had operating and finance lease liabilities of $7.4 million and right-of-use assets of $7.2 million, which are included in the consolidated balance sheet.

At December 31, 2021, the Company had operating lease liabilities of $7.9 million and right-of-use assets of $7.7 million, which are included in the consolidated balance sheet.

The following summarizes quantitative information about the Company's operating leases (table in thousands):

| | Three Months Ended March 31, 2022 | Three Months Ended March 31, 2021 |
|---|---|---|
| **Operating leases** | | |
| Operating lease cost | $ 449 | $ 419 |
| Variable lease cost | 95 | 102 |
| Operating lease expense | 544 | 521 |
| **Finance leases** | | |
| Amortization of right-of-use assets | 141 | 45 |
| Interest on lease obligations | 47 | 13 |
| Finance lease expense | 188 | 58 |
| **Short-term lease rent expense** | 4 | 4 |
| **Total rent expense** | $ 736 | $ 583 |
| | | |
| **Other information** | | |
| Operating cash flows from operating leases | $ 464 | $ 425 |
| Operating cash flows from finance leases | $ 47 | $ 13 |
| Financing cash flows from finance leases | $ 118 | $ 37 |
| Right of use assets exchanged for operating lease liabilities | $ — | $ 1,896 |
| Right of use assets exchanged for finance lease liabilities | $ — | $ 460 |
| Weighted-average remaining lease term – operating leases | 3.4 | 3.6 |
| Weighted-average remaining lease term – finance leases | 5.2 | 5.4 |
| Weighted-average discount rate – operating leases | 6.3 % | 6.3 % |
| Weighted-average discount rate – finance leases | 6.4 % | 5.4 % |

Future minimum rental payments under operating lease agreements are as follows (in thousands):

| | Operating | Finance |
|---|---|---|
| Year ending December 31, 2022 (remaining) | $ 1,307 | $ 495 |
| Year ending December 31, 2023 | 1,456 | 669 |
| Year ending December 31, 2024 | 1,114 | 672 |
| Year ending December 31, 2025 | 637 | 676 |
| Year ending December 31, 2026 | 260 | 666 |
| Remaining future payments | 121 | 311 |
| Total | $ 4,895 | $ 3,489 |
| Less present value discount | (485) | (516) |
| Operating and finance lease liabilities | $ 4,410 | $ 2,973 |

**14. Loan and Security Agreement**

On March 16, 2020, the Company and Rockwell Transportation, Inc., as Borrowers, entered into a Loan and Security Agreement (the "Loan Agreement") with Innovatus Life Sciences Lending Fund I, LP ("Innovatus"), as collateral agent and the lenders party thereto, pursuant to which Innovatus, as a lender, agreed to make certain term loans to the Company in the aggregate principal amount of up to $35.0 million (the "Term Loans"). Funding of the first $22.5 million tranche was completed on March 16, 2020. The Company is no longer eligible to draw on a second tranche of $5.0 million, which was tied to the achievement of certain milestones by a specific date. The Company may be eligible to draw on a third tranche of $7.5 million

upon the achievement of certain additional milestones, including the achievement of certain Triferic sales thresholds. Net draw down proceeds were $21.2 million with closing costs of $1.3 million.

In connection with each funding of the Term Loans, the Company is required to issue to Innovatus a warrant (the "Warrants") to purchase a number of shares of the Company's common stock equal to 3.5% of the principal amount of the relevant Term Loan funded divided by the exercise price, which will be based on the lower of (i) the volume weighted average closing price of the Company's stock for the 5-trading day period ending on the last trading day immediately preceding the execution of the Loan Agreement or (ii) the closing price on the last trading day immediately preceding the execution of the Loan Agreement (or for the second and third tranches only at the lower of (i) $18.15 per share or (ii) the volume weighted average closing price of the Company's stock for the 5-trading day period ending on the last trading day immediately preceding the relevant Term Loan funding). The Warrants may be exercised on a cashless basis and are immediately exercisable through the seventh anniversary of the applicable funding date. The number of shares of common stock for which each Warrant is exercisable and the associated exercise price are subject to certain proportional adjustments as set forth in such Warrant. In connection with the first tranche of the Term Loans, the Company issued a Warrant to Innovatus, exercisable for an aggregate of 43,388 shares of the Company's common stock at an exercise price of $18.15 per share. The Company evaluated the warrant under ASC 470, Debt, and recognized an additional debt discount of approximately $0.5 million based on the relative fair value of the base instruments and warrants. The Company calculated the fair value of the warrant using the Black-Scholes model.

The Company is entitled to make interest-only payments for thirty months, or up to thirty-six months if certain conditions are met. The Term Loans will mature on March 16, 2025, and will bear interest at the greater of (i) Prime Rate (as defined in the Loan Agreement) and (ii) 4.75%, plus 4.00% with an initial interest rate of 8.75% per annum and an effective interest rate of 10.9%. The Company has the option, under certain circumstances, to add 1.00% of such interest rate amount to the then outstanding principal balance in lieu of paying such amount in cash. For the three months ended March 31, 2022 and 2021, interest expense amounted to $0.4 million and $0.6 million, respectively.

The Loan Agreement is secured by all assets of the Company and Rockwell Transportation, Inc. Proceeds are used for working capital purposes. The Loan Agreement contains customary representations and warranties and covenants, subject to customary carve outs, and includes financial covenants related to liquidity and trailing twelve months sales of Triferic, with the latter beginning with the period ending December 31, 2020. The Company cannot assure you that we can maintain compliance with the covenants under our Loan Agreement, which may result in an event of default. The Company's ability to comply with these covenants may be adversely affected by events beyond its control. For example, the Loan Agreement contains certain financial covenants relating to sales and, as a result of the ongoing COVID-19 pandemic and its effect on the Company's sales activities, among other factors, the Company may not be able to satisfy such covenants in the future. If the Company is unable to comply with the covenants under the Loan Agreement, it would pursue all available cure options in order to regain compliance. However, the Company may not be able to mutually agree with Innovatus on appropriate remedies to cure a future breach of a covenant, which could give rise to an event of default. If the Company is unable to avoid an event of default, any required repayments could have an adverse effect on its liquidity.

In September 2021, the Company entered into an amendment to the Loan Agreement in which the Company, in exchange for Innovatus lowering the sales covenants, agreed to (i) prepay an aggregate principal amount of $7,500,000 in ten installments commencing on December 1, 2021; (ii) pay an additional prepayment premium of 5% on prepaid amounts if the Company elects to prepay all outstanding Term Loans on or before September 24, 2023 and (iii) maintain minimum liquidity of no less than $5,000,000 if the aggregate principal amount of Term Loans is greater than $15,000,000 pursuant to the liquidity covenant in the Loan Agreement.

On March 31, 2022, the Collateral Agent and Lenders consented to the delivery to Collateral Agent and Lenders of its annual audited financial statements for the fiscal year 2021 by April 15, 2022 as opposed to within 90 days of December 31, 2021, as required pursuant to Loan Agreement.

As of March 31, 2022, the Company was in compliance with all covenants under the Loan Agreement.

As of March 31, 2022, the outstanding balance of the Term Loan was $18.4 million, net of unamortized issuance costs and discount of $1.1 million.

The following table reflects the schedule of principal payments on the Term Loan as of March 31, 2022 (in thousands):

| | Principal Payments |
|---|---|
| 2022 | $ 5,500 |
| 2023 | 6,000 |
| 2024 | 6,000 |
| 2025 | 2,000 |
| | $ 19,500 |

**15. Insurance Financing Note Payable**

On July 3, 2021, the Company entered into a short-term note payable for $2.0 million, bearing interest at 3.93% per annum to finance various insurance policies. Principal and interest payments related to this note began on July 3, 2021 and were paid on a straight-line amortization over 9 months with the final payment due on March 3, 2022. As of March 31, 2022, the Company's insurance note payable was paid in full.

**16. Subsequent Events**

***Amended Supply Agreement***

The Company has been working to renegotiate certain terms of its supply contracts with the Company's two largest customers in an effort to allow the Company to stabilize its concentrates business. On April 6, 2022, the Company and DaVita entered into an amendment (the "Amendment") to the Products Purchase Agreement, dated July 1, 2019 under which the Company supplies DaVita with certain dialysis concentrates. Under the Amendment, the Company and DaVita agreed to a price increase, effective May 1, 2022, as well as the pass-through of certain inflationary costs, determined on a quarterly basis. Certain costs are subject to a cap. The Amendment also requires the Company to implement certain cost containment and cost-cutting measures.

The Amendment contains certain covenants with respect to the Company's ongoing operations, including a minimum cash covenant, and the requirement to raise $15 million in additional capital by June 30, 2022. The Amendment also establishes a joint committee that will oversee certain efficiency and cost-savings activities to be undertaken by the Company. Certain cost savings that are realized by the Company will be shared with DaVita in the manner set forth in the Amendment.

***Controlled Equity Offering (or "At the Market" Offering)***

On April 8, 2022, the Company entered into a sales agreement (the "Sales Agreement") with Cantor Fitzgerald & Co. (the "Agent"), pursuant to which the Company may offer and sell from time to time up to $12,200,000 of shares of Company's common stock through the Agent. The offering and sale of such shares has been registered under the Securities Act of 1933, as amended, pursuant to the Company's Registration Statement on Form S-3 (File No. 333-259923) (the "Registration Statement"), which was originally filed with the SEC on September 30, 2021 and declared effective by the SEC on October 8, 2021, the base prospectus contained within the Registration Statement, and a prospectus supplement that was filed with the SEC on April 8, 2022.

***Reverse Stock Split***

On May 9, 2022, the Company's Board of Directors approved the reverse stock split at the ratio of 1-for-11 shares. The reverse stock split was approved by the Company's stockholders at the annual meeting of stockholders held on May 9, 2022 at a ratio ranging from 1-for-2 up to a ratio of 1-for-15, such ratio to be determined by the Board of Directors and included in a public announcement.

The reverse stock split will became effective at 12:01 a.m. Eastern Time on May 13, 2022. Rockwell Medical's common stock is expected to begin trading on the Nasdaq Capital Market on a split-adjusted basis on May 13, 2022.

The reverse stock split is primarily intended to bring the Company into compliance with the minimum bid price requirements for maintaining its listing on the Nasdaq Capital Market. The new CUSIP number following the reverse stock split will be 774374300.

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

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and related notes in "Item 1. Condensed Consolidated Financial Statements". References in this report to "Rockwell," the "Company," "we," "our" and "us" are references to Rockwell Medical, Inc. and its subsidiaries.

**Forward-Looking Statements**

We make forward-looking statements in this report and may make such statements in future filings with the Securities and Exchange Commission, or SEC. We may also make forward-looking statements in our press releases or other public or shareholder communications. Our forward-looking statements are subject to risks and uncertainties and include information about our current expectations and possible or assumed future results of our operations. When we use words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "could," "plan," "potential," "predict," "forecast," "project," "intend," or similar expressions, or make statements regarding our intent, belief, or current expectations, we are making forward-looking statements. Our forward looking statements also include, without limitation, statements about our liquidity and capital resources; our ability to continue as a going concern; our ability to develop Ferric Pyrophosphate Citrate ("FPC") for other indications; our ability to successfully execute on our business strategy and development of new indications; our ability to raise additional capital; our ability to regain compliance with Nasdaq Listing Rules and maintain our Nasdaq listing; our ability to renegotiate certain terms of our supply contracts; our ability to successfully implement certain cost containment and cost-cutting measures and statements regarding our anticipated future financial condition, operating results, cash flows and business plans.

While we believe that our forward-looking statements are reasonable, you should not place undue reliance on any such forward-looking statements, which are based on information available to us on the date of this report or, if made elsewhere, as of the date made. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond our control or are subject to change, actual results could be materially different. Factors that might cause such a difference include, without limitation, the risks and uncertainties discussed in this report, "Item 1A — Risk Factors" in our Form 10-K for the year ended December 31, 2021 and from time to time in our other reports filed with the SEC, including in this Form 10-Q.

Other factors not currently anticipated may also materially and adversely affect our results of operations, cash flow and financial position. There can be no assurance that future results will meet expectations. Forward-looking statements speak only as of the date of this report and we expressly disclaim any intent to update or alter any statements whether as a result of new information, future events or otherwise, except as may be required by applicable law.

**Overview and Recent Developments**

Rockwell Medical is a commercial-stage, biopharmaceutical company developing and commercializing our next-generation parenteral iron technology platform, Ferric Pyrophosphate Citrate ("FPC"), which we believe has the potential to lead to transformative treatments for iron deficiency in multiple disease states, reduce healthcare costs and improve patients' lives. We are also one of the two major suppliers of life-saving hemodialysis concentrate products to kidney dialysis clinics in the United States.

We have two novel, FDA approved therapies, Triferic and Triferic AVNU, which are the first two products developed from our FPC platform. We market both products to kidney dialysis centers for their patients receiving dialysis. In late 2021, we filed an IND with the United States Food and Drug Administration ("FDA") with the goal to advance our FPC platform strategy by conducting a Phase II trial in the second half of 2022 for the treatment of iron deficiency anemia in patients outside of dialysis, who are receiving intravenous ("IV") medications in the home infusion setting. The trend toward providing medical care, including the delivery of infused medications at home, make the home infusion market a rapidly growing area of healthcare. We believe the home infusion setting is a natural path for expansion of our platform as many of the patients suffer from diseases associated with iron deficiency and anemia. In our R&D pipeline, we are also investigating FPC's impact in the treatment of hospitalized patients with acute heart failure.

At Rockwell Medical, we are dedicated to enhancing the currently sub-optimal standard of care for treatment of iron deficiency in acute and chronic disease by leveraging our proprietary FPC platform technology. Our proprietary drug platform, FPC, is a next-generation parenteral iron therapeutic. We believe our FPC platform has several advantages over other parenteral

iron therapies. Importantly, it provides iron that is immediately bioavailable for critical body processes once it is administered. It has been demonstrated to be safe and well-tolerated, with a safety profile similar to placebo in clinical trials.

We are the second largest supplier of hemodialysis concentrates in the United States, with a reputation for excellent service, quality, and reliability. We believe this reputation, which is based on over 25 years of service to the kidney dialysis centers, combined with approximately $60 million in annual revenue, approximately 300 dedicated employees, expertise in manufacturing and logistics and the added expertise in pharmaceutical development and commercialization brought to the Company by recent additions to our management team, provides us with a solid foundation on which to grow.

**Reverse Stock Split**

On May 9, 2022, the stockholders of the Company authorized our Board of Directors to effect a reverse stock split of all outstanding shares of common stock, warrants and options. The Board of Directors subsequently approved the implementation of a reverse stock split as a ratio of one-for-eleven shares, which became effective on May 13, 2022. The Company's outstanding stock options were also adjusted to reflect the one-for-eleven reverse stock split of the Company's common stock. Outstanding stock options were proportionately reduced and the respective exercise prices, if applicable, were proportionately increased. The reverse stock split resulted in an adjustment to the Series X convertible preferred stock conversion prices to reflect a proportional decrease in the number of shares of common stock to be issued upon conversion. All share and per share data in these condensed consolidated financial statements and related notes hereto have been retroactively adjusted to the account for the effect of the reverse stock split for the three month periods ended March 31, 2022 and 2021, respectively, and the balance sheet at March 31, 2022 and December 31, 2021.

**Strategy Evolution and Overview**

Our strategy is to accelerate Rockwell's growth by creating and developing pharmaceutical products based on our FPC technology for disease states where patients can benefit the most from an effective treatment for iron deficiency or iron deficiency anemia, while concurrently refining our dialysis business to drive incremental growth and efficiencies. We plan to leverage and build on the foundation provided by our current dialysis business serving kidney dialysis centers by developing a pipeline of additional potential drug therapies in multiple disease states outside of nephrology. We have preliminarily identified three disease states where we believe FPC may have the biggest impact.

**Home Infusion Program:** Our strategy is to go beyond our foundational business in dialysis by leveraging the efficacy and safety data from Triferic in new therapeutic settings. Subject to having sufficient capital resources, we are planning to develop an FPC-based therapeutic for iron deficiency to be delivered in the home infusion setting. The number of patients served by home infusion therapy grew from approximately 800,000 in 2010 to over 3,000,000 in 2019. The home infusion setting is expected to continue this rapid expansion, which has been accelerated by the COVID-19 environment. Many patient groups requiring home infusion therapies suffer from diseases that are associated with an incidence of iron deficiency and anemia. For example, it is estimated that 40%-55% of all home parenteral nutrition patients are iron deficient. We believe, based on our data from hemodialysis patients, FPC as a home infusion therapy for iron deficiency anemia may have distinct advantages over currently available iron replacement therapy options.

Based on further feedback received in December 2021 from the FDA, we have made plans to initiate a Phase 2 clinical study in home infusion patients with iron deficient anemia to confirm the dose and duration of FPC treatment. We expect to commence this study in 2022, subject to having sufficient working capital to fund this study, and would expect to have top-line data from the trial approximately 12-18 months following commencement of the study.

**Pipeline Development:** In our R&D pipeline, we are also exploring FPC's impact in the treatment of hospitalized heart failure patients. More than one million people in the United States are hospitalized each year for acute heart failure. Clinical improvement in heart failure has already been demonstrated with older first-generation forms of IV iron in clinical trials in the outpatient setting. We believe that FPC may deliver rapidly bioavailable iron to the heart and improve cardiac energetics during hospitalization. This effect could help patients recover faster resulting in shorter hospital stays and fewer 30-day re-admissions. If so, these outcomes would translate into a meaningful reduction in healthcare costs and human suffering.

**Dialysis Business:** We are one of the two major suppliers of hemodialysis concentrates in the United States. Over the past 25 years we developed a core expertise in manufacturing and delivering hemodialysis concentrates. Because these concentrates are used to maintain human life by removing toxins and balancing electrolytes in the dialysis patient's bloodstream, we manufacture them under cGMP regulations. Our concentrates are manufactured in three facilities, totaling

159,000 square feet, located in Michigan, Texas and South Carolina, from which we deliver these products to dialysis clinics throughout most of the United States. We utilize our own delivery fleet as well as third parties. We employ approximately 300 people in the concentrates unit of our dialysis business.

We believe that the Company has earned a reputation for dependability, quality and service within our customer base. This reputation was further strengthened during the recent challenges presented, not only by the COVID-19 pandemic, but also by supply chain disruptions due to recent natural disasters, in which our team has been challenged by hurricanes, flooding and freezing, while still meeting production demands. During the recent shortage in dialysis concentrates, the Company was able to fill the supply gaps for many clinics because they had not received deliveries of certain products from other suppliers.

We believe our dialysis business in concentrates and our opportunities with FPC technology are synergistic. Our first two branded products from our FPC platform, Triferic® (dialysate) and Triferic AVNU® (IV), are used to maintain hemoglobin in patients undergoing hemodialysis. We began commercializing Triferic and Triferic AVNU in the United States in the second half of 2019 and in early 2021, respectively. In April 2021, we received marketing approval for Triferic AVNU from Health Canada for the replacement of iron to maintain hemoglobin in adult patients with hemodialysis-dependent chronic kidney disease, which is the first international regulatory approval for our intravenous therapy. While we had identified a partner to commercialize the product in Canada, we terminated the distribution agreement with that partner and are seeking a new partner in Canada. This may delay commercial availability of Triferic AVNU in Canada. Our strategy for increasing Triferic adoption is to continue to generate data in clinics showing the benefits of Triferic in real world protocols We scaled back our commercial organization in 2021, but we are working to maintain our current customer base in the United States while we seek a commercialization partner. We are also seeking to partner with established local and regional pharmaceutical companies for regulatory approval and commercialization in markets outside of the United States.

Despite our market position, we believe our growth opportunities for our concentrates business and Triferic in the U.S. dialysis market are challenged by the consolidated ownership of dialysis clinics, a capitated reimbursement model and the demographics of the dialysis patient population. The two largest dialysis organizations treat approximately 72% of the patients in the United States. One manufactures its own concentrates and IV iron, and we have an existing agreement to supply concentrates to the other. Through our partnership with Baxter Healthcare Corporation, a subsidiary of Baxter International, Inc. ("Baxter"), we currently supply concentrates to a significant percentage of the small and medium sized independent dialysis organizations. In a sector like kidney dialysis, with capitated reimbursement for the dialysis procedure and all included inputs, new product success depends on compelling data demonstrating improved patient outcomes and/or pharmacoeconomics versus the current standard of care in practice in the clinics. Once Medicare determined Triferic and Triferic AVNU would be reimbursed under the fixed bundled rate for dialysis treatment, market adoption became more dependent on the generation of these data, which were not required for the drug's approval by the FDA.

Notwithstanding the growth limitations mentioned above, we continue to believe Triferic has the potential to be an important option for the maintenance of hemoglobin in dialysis patients. To this end, we have continued our efforts in generating real world data in clinics with current protocols, which we believe will help with the adoption of Triferic and Triferic AVNU as these results are developed and disseminated over time. In addition, we are seeking a partner to help us further commercialize Triferic.

A key element of our dialysis business strategy is to also improve the strength of our concentrates business by creating efficiencies and enhancing our manufacturing and transportation operations and to fully recoup manufacturing and shipping expenses so this business has the potential to be profitable. To date, our concentrates business has operated at a loss, with the loss accelerating recently as inflationary pressures have increased our manufacturing and operating costs, while we have limited ability to pass these costs along to certain customers. We undertook discussions with our largest customers to renegotiate our existing supply contracts in an effort to improve the profitability of this business line. On April 6, 2022, we entered into a strategic arrangement with our long-time partner, DaVita, Inc. ("DaVita"), a leading provider of kidney care, to enable the Company to stabilize its concentrates business. The strategic intent of this agreement is to make sure Rockwell Medical is on stable financial footing because it is one of the two major suppliers of dialysis concentrates in the U.S. The amended agreement provides a stronger financial arrangement, encompassing pricing, cost sharing and joint efforts in supply chain improvement and cost cutting, with the goal of having the Company’s concentrates business operate profitably in the future. In addition to the amended agreement, DaVita entered into an agreement pursuant to which it will invest up to $15 million in preferred stock in two equal tranches. The first tranche of $7.5 million was funded on April 7, 2022. The second $7.5 million tranche is to be funded subject to the Company raising $15 million additional capital by June 30, 2022. We are also in discussions with our other major customer to renegotiate certain terms of that agreement. In addition, we are reviewing our entire supply chain to

identify opportunities for improvement, prioritizing initiatives that will have the largest impact on long-term efficiency, profitability and growth.

**Results of Operations for the Three Months Ended March 31, 2022 and 2021**

The following table summarizes our operating results for the periods presented below (dollars in thousands):

| | For the Three Months Ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2022 | % of Revenue | 2021 | % of Revenue | % Change |
| **Net Sales** | **$ 16,124** | | **$ 15,473** | | **4.2 %** |
| Cost of Sales | 16,910 | 104.9 % | 15,072 | 97.4 % | 12.2 |
| Gross (Loss) Profit | (786) | (4.9) | 401 | 2.6 | (296.0) |
| Research and Product Development | 1,567 | 9.7 | 1,809 | 11.7 | (13.4) |
| Selling and Marketing | 455 | 2.8 | 1,851 | 12.0 | (75.4) |
| General and Administrative | 3,818 | 23.7 | 3,923 | 25.4 | (2.7) |
| **Operating Loss** | **$ (6,626)** | **(41.1)%** | **$ (7,182)** | **(46.4)%** | **(7.7)%** |

**Net Sales**

During the three months ended March 31, 2022, our net sales were $16.1 million compared to net sales of $15.5 million during the three months ended March 31, 2021. The increase of $0.7 million was primarily due to an increase in sales of dialysis concentrates products from Baxter and our international customers. We expect our concentrate sales to continue to grow due to the restructuring of the supply contract with DaVita.

**Gross Profit**

Cost of sales during the three months ended March 31, 2022 was $16.9 million, resulting in gross loss of $0.8 million during the three months ended March 31, 2022, compared to cost of sales of $15.1 million and a gross profit of $0.4 million during the three months ended March 31, 2021. Gross profit decreased by $1.2 million due to significant inflationary pressures related to the concentrates segment. As noted in Note 17 to the condensed consolidated financial statements included elsewhere in this Form 10-Q, the Company has renegotiated certain terms of its supply contract with DaVita Inc. ("DaVita"), one of the Company's largest customers, to be able to pass through a significant portion of inflationary costs and increases in pricing. As a result of these changes, the Company expects an improvement in margins for the remainder of 2022.

**Research and Product Development Expense**

Research and product development expenses were $1.6 million and $1.8 million for the three months ended March 31, 2022 and 2021, respectively. Research and product development expenses decreased by $0.2 million due to labor cost reductions. The Company expects research and development costs will increase due to the Company's pipeline initiatives.

**Selling and Marketing Expense**

Selling and marketing expenses were $0.5 million during the three months ended March 31, 2022, compared with $1.9 million during the three months ended March 31, 2021. The decrease of $1.4 million is due to a decrease in marketing spent for our Triferic products and a headcount reduction.

**General and Administrative Expense**

General and administrative expenses were $3.8 million during the three months ended March 31, 2022, compared with $3.9 million during the three months ended March 31, 2021. The decrease of $0.1 million is due primarily to a decrease in audit and other related accounting costs of $0.2 million and a decrease in outside consulting costs of $0.2 million, offset by an increase in legal expense of $0.3 million due to costs related to contract restructuring, annual meeting preparation and securities purchase agreement review.

**Other Income (Expense)**

Other income for the three months ended March 31, 2022 was nil. Other income for the three months ended March 31, 2021 was $11,000, consisting primarily of interest income. Other expense for the three months ended March 31, 2022 was $0.5 million of interest expense related to our debt facility (see Note 14 to the condensed consolidated financial statements included

elsewhere in this Form 10-Q for more information on our debt facility). Other expense for the three months ended March 31, 2021 was $0.6 million of interest expense related to our debt facility.

**Liquidity and Capital Resources**

***Going Concern***

Since inception, the Company has incurred significant net losses and have funded our operations primarily through revenue from commercial products, proceeds from the issuance of debt and equity securities and payments from partnerships. At March 31, 2022, we had an accumulated deficit of approximately $377.2 million and stockholders' deficit of $4.8 million. As of March 31, 2022, we had approximately $9.9 million of cash and cash equivalents, and working capital of $5.2 million. Net cash used in operating activities for the three months ended March 31, 2022 was approximately $9.8 million.

The Company has experienced significant inflationary pressures in its dialysis concentrates business, particularly within the last six months, which have resulted in an accelerated operating loss associated with this business line. These factors raise substantial doubt about the Company's ability to continue as a going concern and depend, in part, on the degree of success in the Company's ability to address inflationary pressures affecting the concentrates business, as well as the Company's ability to contain costs, raise additional working capital and remain in compliance with financial and operating covenants under the Company's secured loan. Management's plans are described below.

On April 6, 2022, the Company and DaVita entered into an amendment (the "Amendment") to the Products Purchase Agreement, dated July 1, 2019, under which the Company supplies DaVita with certain dialysis concentrates. Under the Amendment, the Company and DaVita agreed to a price increase, effective May 1, 2022, as well as the pass-through of certain inflationary costs, determined on a quarterly basis. Certain costs are subject to a cap. The Amendment also requires the Company to implement certain cost containment and cost-cutting measures. The Amendment contains certain covenants with respect to the Company's ongoing operations, including a minimum cash covenant of $10 million, or we will be in default under the Products Purchase Agreement. An event of default could result in termination of that agreement. The Company also entered into an equity investment agreement with one of the contracting parties for up to $15 million of investment in two tranches of $7.5 million each. The first tranche of $7.5 million was funded on April 7, 2022. The second $7.5 million tranche is to be funded subject to the Company raising $15 million in additional capital by June 30, 2022. In addition, any debt financing is limited by the terms of our Securities Purchase Agreement with DaVita. Specifically, until DaVita owns less than 50% of its investment, the Company may only incur additional debt in the form of a purchase money loan, a working capital line of up to $5 million or to refinance existing debt, unless DaVita consents.

On April 8, 2022, the Company entered into a sales agreement with Cantor Fitzgerald & Co. (the "Agent"), pursuant to which the Company may offer and sell from time to time shares up to $12,200,000 of Company's common stock through the Agent. The offering and sale of shares has been registered under the Securities Act of 1933, as amended, pursuant to the Company's Registration Statement on Form S-3 (File No. 333-259923) (the "Registration Statement"), which was originally filed with the SEC on September 30, 2021 and declared effective by the SEC on October 8, 2021, the base prospectus contained within the Registration Statement, and a prospectus supplement that was filed with the SEC on April 8, 2022.

The Company has started to implement cost cutting measures as noted in previous filings focusing mainly within sales and marketing. The Company expects it will require additional capital to sustain its operations and make the investments it needs to execute its strategic plan in developing FPC for iron deficiency anemia in patients undergoing home infusion therapy and for progressing our pipeline development program of new indications for our FPC platform. If the Company is unable to generate sufficient cash flows from operations as described above or obtain additional equity or debt financing, the Company intends to implement further cost cutting measures which may include headcount reductions across multiple areas and reductions in general and administrative expenses. Based on these plans, Management believes the substantial doubt about the Company's ability to continue as a going concern has been alleviated. If the Company attempts to obtain additional debt or equity financing, the Company cannot assume that such financing will be available on favorable terms, if at all.

In addition, the Company is subject to certain covenants and cure provisions under our Loan Agreement with Innovatus. As of the date of this report, the Company believes it will either be able to satisfy such covenants or, in the event of a breached covenant, exercise cure provisions to avoid an event of default. If we are unable to avoid an event of default, any required repayments could have an adverse effect on our liquidity (See Note 14 to the condensed consolidated financial statements included elsewhere in this Form 10-Q for more information on our debt facility).

The COVID-19 pandemic and resulting domestic and global disruptions have adversely affected our business and operations, including, but not limited to, our sales and marketing efforts and our research and development activities, and the

operations of third parties upon whom we rely. Our international business development activities have also been negatively impacted by COVID-19.

The COVID-19 pandemic and the resulting inflation, surges in infections and resulting global disruptions have caused significant volatility in financial and credit markets. We have utilized a range of financing methods to fund our operations in the past; however, current conditions in the financial and credit markets may limit the availability of funding, refinancing or increase the cost of funding. Due to the rapidly evolving nature of the global situation, it is not possible to predict the extent to which these conditions could adversely affect our liquidity and capital resources in the future.

***General***

The actual amount of cash that we will need to execute our business strategy is subject to many factors, including, but not limited to, the expenses and revenue associated with the commercial operations in the United States and internationally (with partners); the timing and magnitude of cash received from drug product sales; the timing and expenditures associated with the development programs including our FPC technology for home infusion and potentially acute heart failure; and the costs associated with our manufacturing and transportation operations related to our concentrate business.

We may elect to raise capital in the future through one or more of the following: (i) equity and debt raises through the equity and capital markets, though there can be no assurance that we will be able to secure additional capital or funding on acceptable terms, or if at all; and (ii) strategic transactions, including potential alliances and collaborations focused on markets outside the United States, as well as potential combinations (including by merger or acquisition) or other corporate transactions.

We believe that our ability to fund our activities in the long term will be highly dependent upon 1) our ability to execute on the development of the FPC platform for new therapies, 2) our ability to restructure our other significant commercial contract within our concentrate business, and 3) our ability to find a commercial partner to commercialize and increase adaptation of Triferic (dialysate) and Triferic AVNU. All of these strategies are subject to significant risks and uncertainties such that there can be no assurance that we will be successful is achieving approval of FPC in a new therapeutic area, that we will be successful in restructuring our commercial agreements in our concentrate business or that we will be able to find a commercial partner and have sustained commercial success with Triferic (dialysate) and Triferic AVNU. If our planned clinical program is delayed or fails, if our other significant commercial contract in the concentrate business cannot be restructured in a way that is beneficial to Rockwell or if our ability to find a commercial partner for Triferic (dialysate) and/or Triferic AVNU fails, we may be forced to implement cost-saving measures that may potentially have a negative impact on our activities and potentially the results of our research and development programs. If we are unable to raise the required capital, we may be forced to curtail all of our activities and, ultimately, cease operations. Even if we are able to raise sufficient capital, such financings may only be available on unattractive terms, or result in significant dilution of stockholders' interests and, in such event, the market price of our common stock may decline.

***Cash Used in Operating Activities***

Net cash used in operating activities was $9.8 million for the three months ended March 31, 2022 compared to net cash used in operating activities of $12.5 million for the three months ended March 31, 2021. The decrease in cash used from operating activities during the current period was primarily due to changes in current balance sheet accounts in the ordinary course of business of approximately $2.7 million, including an increase in inventory of $1.5 million and an increase in net accounts receivable of $1.2 million.

***Cash Provided by (Used in) Investing Activities***

Net cash provided by investing activities was $9.1 million during the three months ended March 31, 2022 compared to net cash used in investing activities of $0.5 million for the three months ended March 31, 2021. The net cash provided by investing activities during the three months ended March 31, 2022 was primarily due to sales and purchase of available-for-sale investments during the quarter. All investments available-for-sale have been liquidated as of March 31, 2022.

***Cash Used in Financing Activities***

Net cash used in financing activities was $2.7 million during the three months ended March 31, 2022 compared to the net cash provided by financing activities of nil for the three months ended March 31, 2021. The net cash used during the three months ended March 31, 2022 was primarily due to the payments on the Company's debt and short term note payable.

***COVID-19 Impact***

The COVID-19 pandemic and resulting global disruptions, particularly in the supply chain and labor market, among other areas, have adversely affected our business and operations, including, but not limited to, our sales and marketing efforts and our research and development activities, our plant and transportation operations and the operations of third parties upon whom we rely. Further, any vaccine hesitancy among our labor force could also disrupt our business if workers become ill or need to quarantine due to illness or exposure to the virus. The Company's international business development activities may also continue to be negatively impacted by COVID-19.

The COVID-19 pandemic and resulting global disruptions have caused and may continue to cause significant volatility in financial and credit markets. We have utilized a range of financing methods to fund our operations in the past; however, current conditions in the financial and credit markets may limit the availability of funding or increase the cost of funding. Due to the evolving nature of the global situation, it is not possible to predict the extent to which these conditions could adversely affect our liquidity and capital resources in the future.

**Contractual Obligations and Other Commitments**

See Note 12 to the condensed consolidated financial statements included elsewhere in this Form 10-Q for additional disclosures. There have been no other material changes from the Contractual Obligations and Other Commitments disclosed in Note 14 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021.

**Critical Accounting Policies and Significant Judgments and Estimates**

Our critical accounting policies and significant estimates are detailed in our Annual Report on Form 10-K for the year ended December 31, 2021. Our critical accounting policies and significant estimates have not changed from those previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

***Recently issued and adopted accounting pronouncements***:

We have evaluated all recently issued accounting pronouncements and believe such pronouncements do not have a material effect our financial statements. See Note 3 to the condensed consolidated financial statements included elsewhere in this Form 10-Q.

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

Per §229.305 of Regulation S-K, the Company, designated a Smaller Reporting Company as defined in §229.10(f)(1) of Regulation S-K, is not required to provide the disclosure required by this Item.

**Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure material information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required financial disclosure. In designing and evaluating the disclosure controls and procedures, we recognized that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision of and with the participation of our management, including the Company's Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2022. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2022.

**Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting in connection with the evaluation required by Rule 13a-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

**Item 1. Legal Proceedings**

The disclosure set forth above in Note 14 (*Commitments and Contingencies – Litigation*) to our unaudited condensed consolidated financial statements is incorporated herein by reference.

Additionally, we may be involved in certain routine legal proceedings from time to time before various courts and governmental agencies. We cannot predict the final disposition of such proceedings. We regularly review legal matters and record provisions for claims that are considered probable of loss. The resolution of these pending proceedings is not expected to have a material effect on our operations or consolidated financial statements in the period in which they are resolved.

**Item 1A. Risk Factors**

Our business is subject to various risks, including those described in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021. There have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2021 under "Item 1A - Risk Factors".

**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.**

None.

**Item 6. Exhibits**

The exhibits filed or furnished as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index, which Exhibit Index is incorporated herein by reference.

## EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| 3.1 | Certificate of Amendment to Certificate of Incorporation of Rockwell Medical, Inc. related to the Reverse Stock Split, dated May 12, 2022 (Company's Form 8-K filed May 13, 2022). |
| 3.2 | Certificate of Designation of Preferences, Rights and Limitations of Series X Convertible Preferred Stock (Company's Form 8-K filed April 8, 2022). |
| 10.1* | Securities Purchase Agreement, dated April 6, 2022, by and between the Company and DaVita, Inc. |
| 10.2 *+ | Amendment One to Products Purchase Agreement, dated April 6, 2022, by and between the Company and DaVita, Inc. |
| 31.1* | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 |
| 31.2* | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 |
| 32.1** | Certification pursuant to 18 U.S.C. Section 1350 and Rule 13a-14(b) of the Securities Exchange Act of 1934 |
| 101.INS* | XBRL Instance Document |
| 101.SCH* | XBRL Taxonomy Extension Schema |
| 101.CAL* | XBRL Taxonomy Extension Calculation Linkbase |
| 101.DEF* | XBRL Taxonomy Extension Definition Database |
| 101.LAB* | XBRL Taxonomy Extension Label Linkbase |
| 101.PRE* | XBRL Taxonomy Extension Presentation Linkbase |
| 104* | The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, formatted in Inline XBRL (included as Exhibit 101) |

* Filed herewith

** Furnished herewith and not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act

\+ Certain confidential portions of this exhibit were omitted by means of marking such portions with asterisks because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.

**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.

ROCKWELL MEDICAL, INC.
(Registrant)

Date: May 16, 2022 /s/ Russell Ellison

Russell Ellison
Chief Executive Officer (Principal Executive Officer)

Date: May 16, 2022 /s/ Russell Skibsted

Russell Skibsted
Chief Financial Officer (Principal Financial Officer)

# SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT (this "***Agreement***") is made and entered into as of April 6, 2022 (the "***Effective Date***") by and among Rockwell Medical, Inc., a Delaware corporation (the "***Company***") and DaVita Inc. (the "***Purchaser***"). Certain terms used and not otherwise defined in the text of this Agreement are defined in Section 11 hereof.

## RECITALS

WHEREAS, the Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "***Securities Act***"), and Rule 506 of Regulation D as promulgated by the United States Securities and Exchange Commission (the "***Commission***") under the Securities Act;

WHEREAS, the Company desires to sell to the Purchaser, and the Purchaser desires to purchase from the Company, shares of preferred stock, $0.0001 par value per share (the "***Preferred Stock***") for an aggregate purchase price of up to $15,000,000 in accordance with, and subject to, the terms and provisions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties and covenants herein contained, the parties hereto hereby agree as follows:

Section 1 . Authorization of Shares. The Company has authorized the sale and issuance of up to 15,000 shares of Preferred Stock for total consideration of up to $15,000,000 on the terms and subject to the conditions set forth in this Agreement (the "***Offering***"). The shares of Preferred Stock sold hereunder at the initial Closing and the Second Closing (together, the "***Closings***") shall be referred to as the "***Shares***."

Section 2 . Sale and Purchase of the Shares.

2.1 Upon the terms and subject to the conditions herein contained, the Company agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Company at the Initial Closing (as defined in Section 3), a total of 7,500 shares of a newly designated series of Preferred Stock, having the rights, preferences and privileges set forth in the Certificate of Designations attached hereto as Exhibit A ("***Series X Convertible Preferred Stock***") for a purchase price of $7,500,000.

2.2 Two Business Days after the Company's delivery of an officer's certificate to the Purchaser certifying the satisfaction of the conditions set forth in Section 7.2 (the "***Second Closing Certificate***"), the Purchaser will purchase an additional 7,500 shares of Series X Convertible Preferred Stock for a purchase price of $7,500,000, *provided, however*, that if the Company has issued any Preferred Stock between the Initial Closing and the delivery of the Second Closing Certificate with a conversion price that is below the Conversion Price in the Series X Convertible Preferred Stock (adjusted for any stock splits or similar recapitalization events), then the Company will instead issue 7,500 shares of a new series of Preferred Stock for a purchase price of $7,500,000 with the rights, preferences and privileges set forth in the Certificate of Designations attached hereto as Exhibit A (the "***CoD***"), but with a Conversion Price (as defined in the CoD) equal to the lowest conversion price applicable to any such intervening Preferred Stock issuances, but in no event below $$0.4042 per share (adjusted for any stock splits or similar recapitalization events) (if applicable, the "***Second Tranche CoD***"). The Shares issued following the delivery of the Second Closing Certificate are referred to herein as the "***Second Tranche Shares***."

Section 3 . Closings.

3.1 Subject to the satisfaction of the closing conditions set forth in Section 7.1, the initial closing of the purchase and sale of 7,500 Shares of Series X Convertible Preferred Stock for total consideration of $7,500,000 (the "***Initial Closing***") shall take place remotely on the next Business Day after the Effective Date or at such other time and place as the Company and Purchaser may agree. The closing of the purchase and sale of the Second Tranche Shares for total consideration of $7,500,000 (the "***Second Closing***") shall occur two Business Days after the Company's delivery to the Purchaser of the Second Closing Certificate, provided that if the Second Closing Certificate is not delivered by June 30, 2022, then the Purchaser shall have no obligation to purchase the Second Tranche Shares. The date of the Initial Closing and the Second Closing shall each be referred to herein as a "***Closing Date***."

3.2 At each of the Initial Closing and the Second Closing (each, a "***Closing***"), the Purchaser will pay $7,500,000 by wire transfer of immediately available funds (representing aggregate proceeds of $15,000,000 (the "***Aggregate Purchase Price***")) in accordance with wire instructions provided by the Company to the Purchaser prior to each Closing. On or before each Closing, the Company will either deliver stock certificates to the Purchaser or make book-entry notations representing the Shares, in each case against delivery of the Aggregate Purchase Price.

Section 4 . Representations and Warranties of the Purchaser. Purchaser represents and warrants to the Company that the statements contained in this Section 4 are true and correct as of the Effective Date, and will be true and correct as of the date of the Closing Date:

4.1 Validity. The execution, delivery and performance of this Agreement and the other instruments referred to herein, in each case to which the Purchaser is a party, and the consummation by the Purchaser of the transactions contemplated hereby, have been duly authorized by all necessary corporate, partnership, limited liability or similar actions, as applicable, on the part of the Purchaser. This Agreement has been duly executed and delivered by the Purchaser, and the other instruments referred to herein to which it is a party will be duly executed and delivered by the Purchaser, and each such agreement and other instruments constitutes or will constitute a valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

4.2 Brokers. There is no broker, investment banker, financial advisor, finder or other Person which has been retained by or is authorized to act on behalf of the Purchaser who might be entitled to any fee or commission for which the Company will be liable in connection with the execution of this Agreement and the consummation of the transactions contemplated hereby.

4.3 Investment Representations and Warranties. The Purchaser understands and agrees that the offering and sale of the Shares has not been registered under the Securities Act or any applicable state securities laws and is being made in reliance upon federal and state exemptions for transactions not involving a public offering which depend upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein.

4.4 Acquisition for Own Account; No Control Intent. The Purchaser is acquiring the Shares for its own account for investment and not with a view toward distribution in a manner which would violate the Securities Act or any applicable state securities laws.

Purchaser is not party to any agreement providing for or contemplating the distribution of any of the Shares. The Purchaser has no present intent to effect a "change of control" of the Company as such term is understood under the rules promulgated pursuant to Section 13(d) of the Exchange Act.

4.5 Ability to Protect Its Own Interests and Bear Economic Risks. The Purchaser, by reason of the business and financial experience of its management, has the capacity to protect its own interests in connection with the transactions contemplated by this Agreement and is capable of evaluating the merits and risks of the investment in the Shares. The Purchaser is able to bear the economic risk of an investment in the Shares and is able to sustain a loss of all of its investment in the Shares without economic hardship, if such a loss should occur.

4.6 Accredited Investor; No Bad Actor. The Purchaser is an "accredited investor" as that term is defined in Rule 501(a) under the Securities Act. Such Purchaser has not taken any of the actions set forth in, and is not subject to, the disqualification provisions of Rule 506(d)(1) of the Securities Act.

4.7 Access to Information. The Purchaser has been given access to Company documents, records, and other information, and has had adequate opportunity to ask questions of, and receive answers from, the Company's officers, employees, agents, accountants, and representatives concerning the Company's business, operations, financial condition, assets, liabilities, and all other matters relevant to its investment in the Shares. Purchaser understands that an investment in the Shares bears significant risk and represents that it has reviewed the SEC Reports, which serve to qualify certain of the Company representations set forth below.

4.8 Restricted Shares.

(a) The Purchaser understands that the Shares, as well as the common stock, par value $0.0001 ("***Common Stock***") issuable upon conversion of the Shares, will be characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a private placement under Section 4(a)(2) of the Securities Act and that under such laws and applicable regulations such Shares may be resold without registration under the Securities Act only in certain limited circumstances.

(b) The Purchaser acknowledges that the Shares must be held indefinitely unless subsequently registered under the Securities Act and under applicable state securities laws or an exemption from such registration is available. The Purchaser understands that the Company is under no obligation to register the Shares, except as provided in this Agreement.

(c) The Purchaser is aware of the provisions of Rule 144 under the Securities Act, which permit limited resale of securities purchased in a private placement.

4.9 Tax Advisors. The Purchaser has had the opportunity to review with the Purchaser's own tax advisors the federal, state and local tax consequences of this investment, where applicable, and the transactions contemplated by this Agreement. The Purchaser is relying solely on the Purchaser's own determination as to tax consequences or the advice of such tax advisors and not on any statements or representations of the Company or any of its agents and understands that the Purchaser (and not the Company) shall be responsible for the Purchaser's own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

Section 5 . Representations and Warranties by the Company. Assuming the accuracy of the representations and warranties of the Purchaser set forth in Section [4.6?] and except as set forth in the SEC Reports (defined below), which disclosures serve to qualify these representations and warranties in their entirety, the Company represents and warrants to the Purchaser that the statements contained in this Section 5 are true and correct as of the Effective Date, and will be true and correct as of the date of the Closing Date:

5.1 Organization and Good Standing. The Company: (a) is duly incorporated, validly existing and in good standing under the laws of the State of Delaware, (b) is duly qualified to do business as a foreign entity and is in good standing in each jurisdiction where the nature of the property owned or leased by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so qualified would not have a Material Adverse Effect, and (c) has all requisite corporate power and authority to own or lease and operate its assets and carry on its business as presently being conducted as disclosed in the SEC Reports.

5.2 Corporate Power and Authority; Valid Issuance of Shares.

(a) The Company has all requisite corporate power and has taken all necessary corporate action required for the due authorization, execution, delivery and performance by the Company of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby, have been duly authorized by the Company's board of directors or a duly authorized committee thereof and no further consent or authorization of the Company, its board of directors or its stockholders is required. This Agreement has been duly executed and delivered by the Company, and the other instruments referred to herein to which it is a party will be duly executed and delivered by the Company, and each such agreement constitutes or will constitute a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(b) The Shares and the Common Stock issuable upon conversion of the Shares (the "***Conversion Shares***") have been duly and validly authorized and, when issued and paid for pursuant to this Agreement, the Shares and Conversion Shares (collectively, the "***Securities***") will be validly issued, fully paid and non-assessable, and shall be free and clear of all encumbrances (other than restrictions on transfer under the Transaction Documents or arising under applicable federal and state securities laws), and will not be subject to preemptive rights or other similar rights of stockholders of the Company.

5.3 Consents. Neither the execution, delivery or performance of this Agreement by the Company, nor the consummation by it of the obligations and transactions contemplated hereby (including, without limitation, the issuance, the reservation for issuance and the delivery of the Shares and the provision to the Purchaser of the rights contemplated by the Transaction Documents) requires any consent of, authorization by, exemption from, filing with or notice to any Governmental Entity or any other Person, other than filings required under applicable U.S. federal and state securities laws.

5.4 No Conflicts.

(a) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby (including, without limitation, the issuance, the reservation for issuance and the delivery of the Securities and the provision to the Purchaser of the rights contemplated by the Transaction Documents) will not (a) result in a violation of the certificate of incorporation, as amended, the by-laws, as amended (the "***Charter Documents***") or require the approval of the Company's stockholders, (b) violate, conflict with or result in the breach of the terms, conditions or provisions of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give rise to any right of termination, acceleration or cancellation under, any material agreement, lease, mortgage, license, indenture, instrument or other contract to which the Company is a party, (c) result in a violation of any law, rule, regulation, order, judgment or decree (including, without limitation, U.S. federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Company or its securities are subject) applicable to the Company or by which any property or asset of the Company is bound or affected, (d) result in a violation of or require stockholder approval under any rule or regulation of The Nasdaq Stock Market, or (e) result in the creation of any encumbrance upon any of the Company's assets.

(b) The Company is not (i) in violation of its Charter Documents, (ii) in default (and no event has occurred which, with notice or lapse of time or both, would cause the Company to be in default) under, nor has there occurred any event giving others (with notice or lapse of time or both) any rights of termination, amendment, acceleration or cancellation of, any material agreement, indenture or instrument to which the Company is a party, nor has the Company received written notice of a claim that it is in default under, or that it is in violation of, any Material Contract (whether or not such default or violation has been waived), (iii) in violation of, or in receipt of written notice that it is in violation of, any law, ordinance or regulation of any Governmental Entity, except where the violation would not result in a Material Adverse Effect, and (iv) in violation of any order of any Governmental Entity having jurisdictional over the Company or any of the Company's or properties or assets.

5.5 Capitalization.

(a) As of March 31, 2022, the authorized capital stock of the Company consists of 172,000,000 shares of capital stock, of which 170,000,000 are designated as Common Stock and 2,000,000 are designated as preferred stock, $0.0001 par value per share. As of March 31, 2022: (i) 93,886,470 shares of Common Stock were issued and outstanding; (ii) 5,758,115 shares of Common Stock were issuable (and such number was reserved for issuance) upon exercise of options to purchase Common Stock (the "***Options***") outstanding as of such date; (iii) 322,065 shares of Common Stock were issuable (and such number was reserved for issuance) upon vesting of restricted stock units for the issuance of Common Stock (the "***RSUs***") outstanding as of such date; (iv) 26,426,863 shares of Common Stock were issuable (and such number was reserved for issuance) upon exercise of warrants to purchase Common Stock (the "***Warrants***") outstanding as of such date; and (v) no shares of Preferred Stock were issued and outstanding.

(b) As of March 31, 2022, except for: (i) the Options, (ii) the RSUs and (iii) the Warrants, there were no options, warrants or other rights to acquire capital stock or other equity interests from the Company, or securities convertible into or exchangeable for such capital stock or other equity interests.

5.6 Material Contracts. Each Material Contract is the legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application affecting enforcement of

creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies. The Company is in compliance with all material terms of the Material Contracts to which it is party, and there has not occurred any breach, violation or default or any event that, with the lapse of time, the giving of notice or the election of any Person, or any combination thereof, would constitute a breach, violation or default by the Company under any such Material Contract or, to the knowledge of the Company, by any other Person to any such contract except where such breach, violation or default would not have a Material Adverse Effect. The Company has not been notified that any party to any Material Contract intends to cancel, terminate, not renew or exercise an option under any Material Contract, whether in connection with the transactions contemplated hereby or otherwise.

5.7 The Nasdaq Stock Market. The Common Stock is listed on The Nasdaq Capital Market. To the Company's knowledge, there are no proceedings to revoke or suspend such listing or the listing of the Shares. The Company is in compliance with the requirements of Nasdaq for continued listing of the Common Stock thereon and any other Nasdaq listing and maintenance requirements, and the execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby (including the issuance of the Shares) will not result in any noncompliance by the Company with any such requirements.

5.8 SEC Reports; Financial Statements; Shell Company Status.

(a) The Company's Common Stock is registered under Section 12(b) of the Exchange Act. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, since January 1, 2021 (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "***SEC Reports***") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Exchange Act and, in each case, to the rules promulgated thereunder, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements and the related notes of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with GAAP, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present the consolidated financial position of the Company as of and for the dates thereof and the consolidated results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments. There is no transaction, arrangement, or other relationship between the Company and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in SEC Reports and is not so disclosed and would have or reasonably be expected to result in a Material Adverse Effect.

5.9 Disclosure Controls and Procedures; Internal Controls Over Financial Reporting.

(a) The Company has established and maintains disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) that comply with the requirements of the Exchange Act and are effective in all material respects to ensure that material information relating to the Company is made known to its principal executive officer and principal financial officer by others within those entities. The Company's certifying officers have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by the most recently filed quarterly or annual periodic report under the Exchange Act (such date, the "***Evaluation Date***"). The Company presented in its most recently filed quarterly or annual periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date.

(b) The Company maintains internal controls over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) that comply with the requirements of the Exchange Act and are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and such internal control over financial reporting is effective. The Company is not aware of any material weaknesses in its internal controls over financial reporting. The Company presented in its most recently filed annual report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the Company's internal control over financial reporting based on their evaluations as of the end of the period covered by such report. Since the Evaluation Date, there have been no significant changes in the Company's internal control over financial reporting or, to the Company's knowledge, in other factors that could significantly affect the Company's internal control over financial reporting.

5.10 Absence of Litigation. There is no claim, action, suit, arbitration, investigation or other proceeding pending against, or to the knowledge of the Company, threatened against or affecting, the Company or any of the Company's properties or, to the knowledge of the Company, any of its officers or directors before any Governmental Entity, in each case other than legal proceedings that are not reasonably expected to result in a Material Adverse Effect. Neither the Company, nor any director or officer thereof, is or has been the subject of any action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty relating to the Company. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission of the Company or any current or former director or officer of the Company. The Company has not received any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the Exchange Act or the Securities Act and, to the Company's knowledge, the SEC has not issued any such order.

5.11 Taxes. The Company has properly filed all federal, foreign, state, local, and other tax returns and reports which are required to be filed by it, which returns and reports were properly completed and are true and correct in all material respects, and all taxes, interest, and penalties due and owing have been timely paid. There are no outstanding waivers or extensions of time with respect to the assessment or audit of any tax or tax return of the Company, or claims now pending or matters under discussion between the Company and any taxing authority in respect of any tax of the Company. The Company has no material uncertain tax positions pursuant to FASB Interpretation 48 (FIN 48), Accounting for Uncertainty in Income Taxes.

5.12 Employee Matters.

(a) The Company has disclosed in the SEC Reports any "employee benefit plan" subject to the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), that it maintains for employees.

(b) No director or officer or other employee of the Company will become entitled to any retirement, severance, change of control, or similar benefit or enhanced or accelerated benefit (including any acceleration of vesting) or lapse of repurchase rights or obligations with respect to any employee benefit plan subject to ERISA or other benefit under any compensation plan or arrangement of the Company (each, an "***Employee Benefit Plan***") as a result of the transactions contemplated in this Agreement.

(c) To the knowledge of the Company, no executive officer is, or is reasonably expected to be, in violation of any term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant with the Company, and, to the knowledge of the Company, the continued employment of each such executive officer does not subject the Company to any material liability with respect to any of the foregoing matters.

(d) The Company is in compliance with all applicable federal, state, local and foreign statutes, laws (including, without limitation, common law), judicial decisions, regulations, ordinances, rules, judgments, orders and codes respecting employment, employment practices, labor, terms and conditions of employment and wages and hours, except where the failure to comply would not have a Material Adverse Effect, and no work stoppage or labor strike against the Company is pending or, to their knowledge, threatened, nor is the Company involved in or, to their knowledge, threatened with any labor dispute, grievance or litigation relating to labor matters involving any current or former employees of the Company or any independent contractors. There are no suits, actions, disputes, claims (other than routine claims for benefits), investigations or audits pending or, to the knowledge of the Company, threatened in connection with any Employee Benefit Plan, but excluding any of the foregoing which would not have a Material Adverse Effect.

5.13 Compliance with Laws.

(a) Except as would not result in a Material Adverse Effect: (i) the Company is and has been in compliance with statutes, laws, ordinances, rules and regulations applicable to the Company for the ownership, testing, development, manufacture, packaging, processing, use, labeling, storage, or disposal of any product manufactured by or on behalf of the Company or out-licensed by the Company (a "***Company Product***"), including without limitation, the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301, et seq., the Public Health Service Act, 42 U.S.C. § 262, similar laws of other Governmental Entities and the regulations promulgated pursuant to such laws (collectively, "***Applicable Laws***"); (ii) the Company possesses all licenses, certificates, approvals, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws and/or for the ownership of its properties or the conduct of its business as it relates to a Company Product and as described in the SEC Reports (collectively, "***Authorizations***") and such Authorizations are valid and in full force and effect and the Company is not in violation of any term of any such Authorizations; (iii) the Company has not received any written notice of adverse finding, warning letter or other written correspondence or notice from the U.S. Food and Drug

Administration (the "***FDA***") or any other Governmental Entity alleging or asserting noncompliance with any Applicable Laws or Authorizations relating to a Company Product; (iv) the Company has not received written notice of any ongoing claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any Governmental Entity or third party alleging that any Company Product, operation or activity related to a Company Product is in violation of any Applicable Laws or Authorizations or has any knowledge that any such Governmental Entity or third party is considering any such claim, litigation, arbitration, action, suit, investigation or proceeding, nor, to the Company's knowledge, has there been any noncompliance with or violation of any Applicable Laws by the Company that would reasonably be expected to require the issuance of any such written notice or result in an investigation, corrective action, or enforcement action by the FDA or similar Governmental Entity with respect to a Company Product; (v) the Company has not received written notice that any Governmental Entity has taken, is taking or intends to take action to limit, suspend, modify or revoke any Authorizations or has any knowledge that any such Governmental Entity has threatened or is considering such action with respect to a Company Product; and (vi) the Company has filed, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete, correct and not misleading on the date filed (or were corrected or supplemented by a subsequent submission).

(b) To the Company's knowledge, neither the Company nor any of its directors, officers, employees or agents, has made, or caused the making of, any false statements on, or material omissions from, any other records or documentation prepared or maintained to comply with the requirements of the FDA or any other Governmental Entity.

(c) The clinical studies and tests conducted by the Company or on behalf of the Company, have been and, if still pending, are being conducted in all material respects pursuant to all Applicable Laws and Authorizations; the descriptions of the results of such clinical studies and tests contained in the SEC Reports are accurate and complete in all material respects and fairly present the data derived from such clinical studies and tests; the Company is not aware of any clinical studies or tests, the results of which the Company believes reasonably call into question the research, nonclinical or clinical study or test results described or referred to in the SEC Reports when viewed in the context in which such results are described; and the Company has not received any written notices or correspondence from any Governmental Entity requiring the termination, suspension or material modification of any clinical study or test conducted by or on behalf of the Company.

5.14 Brokers. There is no investment banker, broker, finder, financial advisor, placement agent or other Person that has been retained by or is authorized to act on behalf of the Company who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

5.15 Environmental Matters. The Company: (i) is in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("***Environmental Laws***"), (ii) has received and is in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct its business and (iii) has not received notice of any actual or potential liability under any environmental law, except where such non-compliance with Environmental Laws, failure to

receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business. The Company has not been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

5.16 Intellectual Property Matters. The Company owns, possesses, licenses or has other rights to use, on reasonable terms, all patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, licenses, inventions, trade secrets, technology, know-how and other intellectual property (collectively, the "***Intellectual Property***") necessary for the conduct of the Company's business as now conducted or as proposed in the SEC Reports to be conducted (the "***Company Intellectual Property***"). To the knowledge of the Company, there are no rights of third parties to any Company Intellectual Property, other than as licensed by the Company. To the knowledge of the Company, there is no infringement by third parties of any Company Intellectual Property. There is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the Company's rights in or to any Company Intellectual Property. There is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any Company Intellectual Property. There is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others that the Company infringes or otherwise violates any patent, trademark, copyright, trade secret or other proprietary rights of others. The Company is not aware of any facts required to be disclosed to the U.S. Patent and Trademark Office ("***USPTO***") which have not been disclosed to the USPTO and which would preclude the grant of a patent in connection with any patent application of the Company Intellectual Property or could form the basis of a finding of invalidity with respect to any issued patents of the Company Intellectual Property.

5.17 Absence of Changes. Since the Evaluation Date: (a) there has not been any Material Adverse Effect or any event or events that individually or in the aggregate would reasonably be expected to have a Material Adverse Effect; (b) there has not been any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, (c) the Company has not sustained any material loss or interference with the Company's business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, and (d) the Company has not incurred any material liabilities, except in the ordinary course of business.

5.18 Suppliers and Customers. The Company does not have any knowledge of any termination, cancellation or threatened termination or cancellation or limitation of, or any material dissatisfaction with, the business relationship between the Company and any material supplier, customer, vendor, customer or client.

5.19 Accountants. Marcum, LLP (the "***Auditors***"), who expressed their opinion with respect to the financial statements included in the SEC Reports, are independent accountants as required by the Securities Act and the rules and regulations promulgated thereunder. There are no disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the Auditors.

5.20 Private Placement. Neither the Company nor any affiliates any person acting on its or their behalf, has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under any circumstances that would require registration of the Shares under the Securities Act. Assuming the accuracy of the representations and warranties of the Purchaser contained in Section 4 hereof, the issuance of the Shares are exempt from registration under the Securities Act.

5.21 Disclosure. The Company understands and confirms that the Purchaser will rely on the foregoing representations in effecting transactions in securities of the Company. No representation or warranty by the Company contained in this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Company acknowledges and agrees that the Purchaser does not make and has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 4 hereof.

Section 6 . Covenants.

6.1 Reporting Status. During the Reporting Period, the Company shall use reasonable best efforts to: (a) timely file all reports required to be filed with the Commission pursuant to the Exchange Act or the rules and regulations thereunder, and (b) not take any action or file any document (whether or not permitted by the Securities Act or the rules promulgated thereunder) to terminate or suspend the Company's reporting and filing obligations under the Exchange Act or Securities Act.

6.2 Pledge of Shares. The Company acknowledges and agrees that the Shares may be pledged by the Purchaser in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Shares. The pledge of Shares shall not be deemed to be a transfer, sale or assignment of the Shares hereunder, and in effecting a pledge of Shares the Purchaser shall not be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement. The Company hereby agrees to execute and deliver such documentation as a pledgee of the Shares may reasonably request in connection with a pledge of the Shares to such pledgee by the Purchaser.

6.3 Expenses. The Company and the Purchaser is liable for, and will pay, its own expenses incurred in connection with the negotiation, preparation, execution and delivery of this Agreement, including, without limitation, attorneys' and consultants' fees and expenses.

6.4 Board Observers. For so long as the Purchaser (together with its Affiliates) beneficially owns at least 5% of the Company's outstanding Common Stock (determined on as-converted basis, and without regard to beneficial ownership conversion limitations in the CoD), the Purchaser shall be entitled to nominate up to two individuals to serve as observers on the Company's Board of Directors (the "***Board***"). The Board observers shall enter into a customary board observer agreement whereby he/she agrees to hold in confidence all information so provided. Notwithstanding the foregoing, the observers may be excluded from access to any material or meeting (or portion thereof) if the Board is advised that such exclusion is reasonably necessary to preserve the attorney-client privilege, to protect trade secrets or if such discussion relates to the Purchaser or an affiliate of the Purchaser.

6.5 Financial Reporting. As soon as available, but no later than 30 days after the last day of each fiscal month (other than the last fiscal month of any fiscal quarter, in which case no later than 45 days after the last day of the fiscal quarter) of the Company, the Company shall deliver to the Purchaser a Company-prepared consolidated balance sheet and income statement covering the consolidated operations of the Company and its subsidiaries for such fiscal month and/or quarter certified by the Chief Executive Officer or the Chief Financial Officer and in a form reasonably acceptable to Purchaser. In addition, if the Purchaser determines, in its sole discretion, that it is required under U.S. GAAP to include the Company's financial results in the Purchaser's consolidated financial statements, the Company and the Purchaser agree to revisit the nature, content and timing of the Company's financial reporting to the Purchaser.

6.6 Restrictive Covenants. For so long as at least 50% of the Shares issued hereunder are outstanding, the Company shall not, without the consent of the Required Holders, incur any indebtedness for borrowed money (or redeemable preferred stock that is senior to the Shares), other than: (a) any indebtedness incurred to refinance existing indebtedness, (b) purchase-money finance, and (c) working capital lines of credit for up to $5.0 million in the aggregate.

6.7 Cooperation. In the event the issuance of the Shares hereunder or the transactions contemplated hereby (including without limitation the Supply Agreement Amendment (as defined below) are subject to regulatory review by a governmental authority, the Company and the Purchaser shall reasonably cooperate as necessary with respect to such review.

6.8 Use of Proceeds. The Company will use the proceeds from the sale of the Shares for general corporate purposes, research and development, clinical trial studies and related preclinical studies and drug manufacture, business development, working capital and general and administrative expenses. Such expenditures will be in accordance with the Company's 2022 and 2023 management budgets attached hereto as Schedule 6.8.

6.9 Confidentiality. The Company shall not use the name of the Purchaser in any press release, published notice or other publication relating this Agreement and the transactions contemplated hereby without the prior written consent of the Purchaser. If the Company reasonably determines (based upon advice of outside counsel) that such disclosure is required by law or the rules of any stock exchange on which the Company's securities are listed, the Company shall notify the Purchaser in writing and provide the Purchaser with the opportunity to review and approve such disclosure, subject to the Company's disclosure obligations.

6.10 Lock-up; Resale Restrictions. For a period of 180 days from the Initial Closing date (the "***Lock-up Period***"), the Purchaser agrees that it will not sell, transfer, hypothecate or otherwise dispose of any beneficial or pecuniary interest in any of the Securities. After the expiration of the Lock-up Period, the Purchaser may sell Conversion Shares in open-market transactions a daily trading volume not to exceed 15% of the daily trading volume of the Company's Common Stock on any given day. The Purchaser shall not engage in any manner whatsoever any direct or indirect short selling or hedging of the Common Stock.

6.11 Repurchase Right. At any time after the effectiveness of the Registration Statement in accordance with Section 10, the Company may provide notice of redemption of the Shares, pursuant to which the Company may purchase up to all of the Shares for a purchase price per Share equal to the greater of (i) then-applicable "Stated Value" plus the value of any declared but unpaid dividends (as defined in the CoD) and (ii) the number of Conversion Shares (as defined in the CoD) underlying each Share multiplied by: (x) the average Closing Sale Price (as defined in the CoD) for the 30 trading days preceding such notice minus (y) the Conversion Price (as defined in the CoD) (the "***Repurchase Right***"). To exercise the Repurchase Right, the Company shall provide 30 days' written notice to the Purchaser. Upon expiration of the 30-day notice period, the Company shall deliver the applicable purchase price and the Purchaser shall deliver the certificates representing the Shares that are subject to the repurchase.

Section 7 . Conditions of Parties' Obligations.

7.1 Conditions of the Purchaser' Obligations at the Initial Closing. The obligations of the Purchaser under Section 2.1 hereof are subject to the fulfillment, prior to the Initial Closing, of all of the following applicable conditions, any of which may be waived in whole or in part by the Purchaser in its absolute discretion. If the following conditions are not satisfied on or before 5:00 p.m. (Eastern Time) on the tenth Business Day following the Effective

Date (the "***Outside Date***"), then the Purchaser may terminate this Agreement upon providing written notice to the Company.

(a) Representations and Warranties. The representations and warranties of the Company contained in this Agreement and in any certificate, if any, or other writing, if any, delivered by the Company pursuant hereto shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date (except to the extent expressly made as of an earlier date in which case as of such earlier date).

(b) Performance. The Company shall have performed and complied in all material respects with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied by it on or prior to the Closing Date.

(c) Delivery. The Company shall deliver this Agreement duly executed by the Company.

(d) Consents and Waivers. The Company shall have obtained all consents or waivers necessary to execute and perform its obligations under this Agreement. All corporate and other action and governmental filings necessary for the Company to effectuate the terms of this Agreement and other agreements and instruments executed and delivered by the Company in connection herewith shall have been made or taken by the Company, and no Material Adverse Effect has occurred with respect to the operation of the Company's business.

(e) Transfer Agent Instructions. The Company shall have delivered to its transfer agent irrevocable written instructions to issue to the Purchaser one or more certificates representing such Shares (or book-entry notations in lieu of such certificates).

(f) Absence of Litigation. No proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted or be pending before any court, arbitrator, governmental body, agency or official. The sale of the Shares by the Company shall not be prohibited by any law or governmental order or regulation.

(g) Amended Supply Agreement. The Company and the Purchaser shall have entered into Amendment C to that certain Products Purchase Agreement dated July 1, 2019 by and between the Company and the Purchaser (the "***Supply Agreement Amendment***").

(h) Certificate of Designation. The Company shall have filed the CoD with the Secretary of State of Delaware on or prior to the Initial Closing, which shall continue to be in full force and effect as of the Initial Closing.

(i) Legal Opinion. Gibson, Dunn & Crutcher, LLP, counsel to the Company, shall deliver an opinion, dated as of the Initial Closing, in substantially the form attached hereto as Exhibit B.

1.2 Conditions of the Purchaser's Obligations at the Second Closing. The obligations of the Purchaser under Section 2.2 hereof are subject to the fulfillment, prior to the Closing, of all of the following applicable conditions, any of which may be waived in whole or in part by the Purchaser in their absolute discretion. If the following conditions are not satisfied on

or before 5:00 p.m. (Eastern Time) on June 30, 2022, then the Purchaser shall have no further purchase obligations Section 2.2 hereof upon providing written notice to the Company.

(a) Representations and Warranties. The representations and warranties of the Company contained in this Agreement and in any certificate, if any, or other writing, if any, delivered by the Company pursuant hereto shall be true and correct on and as of the Second Closing with the same effect as though such representations and warranties had been made on and as of the Second Closing (except to the extent expressly made as of an earlier date in which case as of such earlier date).

(b) Performance. The Company shall have performed and complied in all material respects with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied by it on or prior to the Second Closing.

(c) Transfer Agent Instructions. The Company shall have delivered to its transfer agent irrevocable written instructions to issue to the Purchaser one or more certificates representing such Shares (or book-entry notations in lieu of such certificates).

(d) Absence of Litigation. No proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted or be pending before any court, arbitrator, governmental body, agency or official. The sale of the Shares by the Company shall not be prohibited by any law or governmental order or regulation.

(e) Additional Capital Raise. The Chief Financial Officer of the Company shall provide a certification to the effect that, after the date hereof and prior to June 30, 2022, the Company has raised at least $15,000,000 in gross offering proceeds from the sale of capital stock (excluding the proceeds from the Initial Closing) (the "***Funding Threshold***"). To the extent that issuances of Preferred Stock are included in achieving the Funding Threshold, such securities shall be junior or *pari passu* to the Series X Convertible Preferred Stock.

(f) Certificate of Designation. The Company shall have filed the CoD (or, in the case of the issuance and sale of Second Tranche Shares in the Second Closing, the Second Tranche CoD) with the Secretary of State of Delaware on or prior to the Second Closing, which shall continue to be in full force and effect as of the Second Closing.

(g) Legal Opinion. Gibson, Dunn & Crutcher, LLP, counsel to the Company, shall deliver an opinion, dated as of the Second Closing, in substantially the form attached hereto as Exhibit B.

(h) Forbearance Agreement. The Company shall have entered into a forbearance agreement with Innovatus Life Sciences Lending Fund I, LP, ("***Innovatus***"), in form and substance acceptable to the Purchaser, requiring Innovatus to forbear from exercising any and all remedies it may have pursuant to the Company's Loan and Security Agreement, dated as of March 16, 2020 (as amended, the "***Innovatus Loan Agreement***") relating to any then-existing or contemplated Event of Default (as defined in the Innovatus Loan Agreement) (the "***Forbearance***"), with such Forbearance expiring on December 31, 2022.

7.3 Conditions of the Company's Obligations. The obligations of the Company under Section 2 hereof are subject to the fulfillment prior to or on the Closing Date of

all of the following conditions, any of which may be waived in whole or in part by the Company: (a) the Purchaser shall have performed all of its obligations hereunder required to be performed by it at or prior to the Closing, and (b) the representations and warranties of the Purchaser at the Closing contained in this Agreement shall be true and correct at and as of the Closing as if made at and as of the Closing (except to the extent expressly made as of an earlier date, in which case as of such earlier date). If the foregoing conditions are not satisfied on or the Outside Date, then the Company may terminate this Agreement upon providing written notice to the Purchaser.

Section 8 . Transfer Restrictions; Restrictive Legend.

8.1 Transfer Restrictions. The Purchaser understands that the Company may, as a condition to the transfer of any of the Securities, require that the request for transfer be accompanied by an opinion of counsel reasonably satisfactory to the Company, to the effect that the proposed transfer does not result in a violation of the Securities Act, unless such transfer is covered by an effective registration statement or by Rule 144 or Rule 144A under the Securities Act. It is understood that the certificates evidencing the Shares may bear substantially the following legend:

> "THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY APPLICABLE STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A OF SUCH ACT."

8.2 Unlegended Certificates. The Company shall, at its sole expense, upon appropriate notice from any Purchaser stating that Registrable Securities have been sold pursuant to an effective Registration Statement, timely prepare and deliver certificates representing the Shares to be delivered to a transferee pursuant to the Registration Statement, which certificates shall be free of any restrictive legends and in such denominations and registered in such names as the Purchaser may request. Further, the Company shall, at its sole expense, cause its legal counsel or other counsel satisfactory to the transfer agent: (i) while the Registration Statement is effective, to issue to the transfer agent a "blanket" legal opinion to allow sales without restriction pursuant to the effective Registration Statement, and (ii) provide all other opinions as may reasonably be required by the transfer agent in connection with the removal of legends. A Purchaser may request that the Company remove, and the Company agrees to authorize the removal of, any legend from such Shares, following the delivery by a Purchaser to the Company or the Company's transfer agent of a legended certificate representing such Shares: (i) following any sale of such Shares pursuant to Rule 144, (ii) if such Shares are eligible for sale under Rule 144(b)(1), or (iii) following the time a legend is no longer required with respect to such Shares. If a legend is no longer required pursuant to the foregoing, the Company will, no later than three Business Days following the delivery by a Purchaser to the Company or the Company's transfer agent of a legended certificate representing such Shares, deliver or cause to be delivered to the Purchaser a certificate representing such Shares that is free from all restrictive legends. Certificates for Shares free from all restrictive legends may be transmitted by the Company's transfer agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company ("***DTC***") as directed by the Purchaser. The Company warrants that the Shares shall otherwise be freely transferable on the books and records of the Company as and to the extent provided in this Agreement. If a Purchaser effects a transfer of the Shares in accordance with Section 8.1, the Company shall permit the transfer and shall promptly instruct its transfer agent to issue one or more certificates or credit shares to the applicable balance accounts at DTC in such name and in such denominations as specified by the Purchaser to effect

such transfer. The Purchaser hereby agrees that the removal of the restrictive legend pursuant to this Section 8.2 is predicated upon the Company's reliance that the Purchaser will sell any such Shares pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom.

Section 9 . Registration, Transfer and Substitution of Certificates for Shares.

9.1 Stock Register; Ownership of Shares. The Company will keep at its principal office, or will cause its transfer agent to keep, a register in which the Company will provide for the registration of transfers of the Shares. The Company may treat the Person in whose name any of the Shares are registered on such register as the owner thereof and the Company shall not be affected by any notice to the contrary. All references in this Agreement to a "holder" of any Shares shall mean the Person in whose name such Shares are at the time registered on such register.

9.2 Replacement of Certificates. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any certificate representing any of the Shares, and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement and surety bond reasonably satisfactory to the Company or, in the case of any such mutilation, upon surrender of such certificate for cancellation at the office of the Company maintained pursuant to Section 9.1 hereof, the Company at its expense will execute and deliver, in lieu thereof, a new certificate representing such Shares, of like tenor.

Section 10 . Registration Rights of Purchasers.

10.1 Mandatory Registration. The Company shall prepare, and, as soon as practicable but in no event later than the earlier of (a) July 29, 2022 and (b) 30 days after the Second Closing (the "***Filing Deadline***"), file with the Commission a Registration Statement under the Securities Act on appropriate form covering the resale of the full amount of the Conversion Shares (the "***Registrable Securities***"). The Company shall use its commercially reasonable efforts to have the Registration Statement declared effective by the Commission as soon as practicable, but in no event later than the date (the "***Effectiveness Deadline***"), which shall be either: (i) in the event that the Commission does not review the Registration Statement, 30 days after filing date, or (ii) in the event that the Commission reviews the Registration Statement, 60 days after the filing date (but in any event, no later than ten Business Days following the Commission indicating that it has no further comments on the Registration Statement). Subject to any comments from the staff of the Commission (the "***Staff***"), such Registration Statement shall include the plan of distribution attached hereto as Exhibit C; provided, however, that no Purchaser shall be named as an "underwriter" in the Registration Statement without the Purchaser's prior written consent. Such Registration Statement shall not include any shares of Common Stock or other securities for the account of any other holder without the prior written consent of the Purchaser. In addition to the foregoing obligation to file a resale registration statement on Form S-3, the Company will file up to two registration statements (or prospectuses under shelf registration statements) to permit the Purchaser to distribute the Registrable Securities by means of up to two underwritten offerings in any 12-month period, with the underwriter(s) to be mutually selected by the Company and the Purchasers, and the Company shall use its commercially reasonable efforts to facilitate such underwritten offerings.

10.2 Rule 415; Cutback. If at any time the Staff takes the position that the offering of some or all of the Registrable Securities in a Registration Statement is not eligible to be made on a delayed or continuous basis under the provisions of Rule 415 under the Securities Act or requires the Purchaser to be named as an "underwriter," the Company shall use its reasonable best efforts to persuade the Commission that the offering contemplated by the

Registration Statement is a valid secondary offering and not an offering "by or on behalf of the issuer" as defined in Rule 415 and that none of the Purchaser is an "underwriter." In the event that, despite the Company's reasonable best efforts and compliance with the terms of this Section 10.2, the Staff refuses to alter its position, the Company shall (i) remove from the Registration Statement such portion of the Registrable Securities (the "***Cut Back Shares***") and/or (ii) agree to such restrictions and limitations on the registration and resale of the Registrable Securities as the Staff may require to assure the Company's compliance with the requirements of Rule 415 (collectively, the "***SEC Restrictions***"); provided, however, that the Company shall not agree to name the Purchaser as an "underwriter" in such Registration Statement without the prior written consent of the Purchaser. No liquidated damages shall accrue as to any Cut Back Shares until such date as the Company is able to effect the registration of such Cut Back Shares in accordance with any SEC Restrictions (such date, the ***"Restriction Termination Date***" of such Cut Back Shares). From and after the Restriction Termination Date applicable to any Cut Back Shares, all of the provisions of this Section 10 (including the liquidated damages provisions) shall again be applicable to such Cut Back Shares; provided, however, that (x) the Filing Deadline for the Registration Statement including such Cut Back Shares shall be ten Business Days after such Restriction Termination Date, and (y) the Effectiveness Deadline with respect to such Cut Back Shares shall be the 90th day immediately after the Restriction Termination Date or the 120th day if the Staff reviews such Registration Statement (but in any event no later than three Business Days from the Staff indicating it has no further comments on such Registration Statement).

10.3 Effect of Failure to File and Obtain and Maintain Effectiveness of Registration Statement. Subject to Section 10.2, if either: (a) a Registration Statement covering all of the Registrable Securities required to be covered thereby and required to be filed by the Company pursuant to this Agreement is: (i) not filed with the Commission on or before the Filing Deadline (a "***Filing Failure***"), or (ii) not declared effective by the Commission on or before the Effectiveness Deadline (an "***Effectiveness Failure***"), or (b) on any day during the Reporting Period and after the Effectiveness Date, sales of all of the Registrable Securities required to be included on such Registration Statement cannot be made (other than (i) during an Allowable Grace Period or (ii) if the Registration Statement is on Form S-1, for a period of 15 days following the date the Company files a post-effective amendment to incorporate the Company's Annual Report on Form 10-K) pursuant to such Registration Statement (including, without limitation, because of a failure to keep such Registration Statement effective, to disclose such information as is necessary for sales to be made pursuant to such Registration Statement or to register a sufficient number of shares of Common Stock) (a "***Maintenance Failure***"), then, in satisfaction of the damages to any holder of Registrable Securities by reason of any such delay in or reduction of its ability to sell the underlying shares of Common Stock, the Company shall pay to each holder of Registrable Securities relating to such Registration Statement an amount in cash equal to 1.0% of such holder's Pro Rata Interest in the Aggregate Purchase Price on each of the following dates: (x) the day of a Filing Failure and on every thirtieth day (prorated for periods totaling less than 30 days) thereafter until such Filing Failure is cured; (y) the day of an Effectiveness Failure and on every thirtieth day (prorated for periods totaling less than 30 days) thereafter until such Effectiveness Failure is cured; and (z) the initial day of a Maintenance Failure and on every thirtieth day (prorated for periods totaling less than 30 days) thereafter until such Maintenance Failure is cured. The payments to which a holder shall be entitled pursuant to this Section 10.3 are referred to herein as "***Registration Delay Payments***"; provided that no Registration Delay Payments shall be required following the termination of the Reporting Period, and provided further that in no event shall the aggregate Registration Delay Payments accruing under this Section 10.3 exceed 6% of a holder's Pro Rata Interest in the Aggregate Purchase Price (i.e., corresponding to a total delay of up to six months). The first such Registration Delay Payment shall be paid within three Business Days after the event or failure giving rise to such Registration Delay Payment occurred and all other Registration Delay Payments shall be paid on the earlier of (I) the last day of the calendar month during which such Registration Delay

Payments are incurred and (II) the third Business Day after the event or failure giving rise to the Registration Delay Payments is cured.

10.4 Related Obligations. At such time as the Company is obligated to file a Registration Statement with the Commission pursuant to Section 10.1 hereof, the Company will use commercially reasonable efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall submit to the Commission, within two Business Days after the Company learns that no review of a particular Registration Statement will be made by the staff of the Commission or that the staff has no further comments on a particular Registration Statement, as the case may be, a request for acceleration of effectiveness of such Registration Statement to a time and date not later than two Business Days after the submission of such request. The Company shall keep each Registration Statement effective pursuant to Rule 415 at all times with respect to the Purchaser's Registrable Securities until the expiration of the Reporting Period. The Company shall ensure that each Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading.

(b) The Company shall prepare and file with the Commission such amendments (including post-effective amendments) and supplements to a Registration Statement and the prospectus used in connection with such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the Securities Act, as may be necessary to keep such Registration Statement effective at all times during the Reporting Period, and, during such period, comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities of the Company covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement.

(c) Upon request of a Purchaser, the Company shall furnish to the Purchaser without charge, (i) promptly after the Registration Statement including the Purchaser's Registrable Securities is prepared and filed with the Commission, at least one copy of such Registration Statement and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference, and if requested by the Purchaser, all exhibits and each preliminary prospectus, (ii) upon the effectiveness of any Registration Statement, 10 copies of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as the Purchaser may reasonably request) and (iii) such other documents, including copies of any preliminary or final prospectus, as the Purchaser may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities.

(d) The Company shall notify the Purchaser in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, nonpublic information), and promptly prepare a

supplement or amendment to such Registration Statement to correct such untrue statement or omission, and upon request deliver 10 copies of such supplement or amendment to the Purchaser (or such other number of copies as the Purchaser may reasonably request). Unless such information is publicly available, the Company shall also promptly notify the Purchaser in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to the Purchaser by facsimile or email on the same day of such effectiveness), (ii) of any request by the Commission for amendments or supplements to a Registration Statement or related prospectus or related information, and (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate.

(e) The Company shall use commercially reasonable efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and to notify the Purchaser who holds Registrable Securities being sold of the issuance of such order and the resolution thereof or its receipt of notice of the initiation or threat of any proceeding for such purpose.

(f) If a Purchaser is required under applicable securities law to be described in the Registration Statement as an underwriter, at the reasonable request of the Purchaser, the Company shall furnish to the Purchaser, on the date of the effectiveness of the Registration Statement and thereafter from time to time on such dates as the Purchaser may reasonably request, (i) a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Purchaser, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, addressed to the Purchaser.

(g) If a Purchaser is required under applicable securities law to be described in the Registration Statement as an underwriter, upon the written request of the Purchaser in connection with the Purchaser's due diligence requirements, if any, the Company shall make available for inspection by (i) the Purchaser and its legal counsel and (ii) one firm of accountants or other agents retained by the Purchaser (collectively, the "***Inspectors***"), all pertinent financial and other records, and pertinent corporate documents and properties of the Company (collectively, the "***Records***"), as shall be reasonably deemed necessary by each Inspector solely for the purpose of establishing a due diligence defense under underwriter liability under the Securities Act, and cause the Company's officers, directors and employees to supply all information which any Inspector may reasonably request; provided, however, that each Inspector shall agree to hold in strict confidence and shall not make any disclosure (except to the Purchaser) or use of any Record or other information which the Company determines in good faith to be confidential, and of which determination the Inspectors are so notified, unless (a) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required under the Securities Act, (b) the release of such Records is ordered pursuant to a final, non-appealable subpoena or order from a court or government body of competent jurisdiction, or (c) the information in such Records has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement. The Purchaser agrees that it shall,

upon learning that disclosure of such Records is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order preventing disclosure of, the Records deemed confidential. Nothing herein (or in any other confidentiality agreement between the Company and the Purchaser) shall be deemed to limit the Purchaser's ability to sell Registrable Securities in a manner which is otherwise consistent with Applicable Laws.

(h) The Company shall hold in confidence and not make any disclosure of information concerning the Purchaser provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement. The Company agrees that it shall, upon learning that disclosure of such information concerning the Purchaser is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to the Purchaser and allow the Purchaser, at the Purchaser's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order preventing disclosure of, such information.

(i) The Company shall cooperate with the Purchaser and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts, as the case may be, as the Purchaser may reasonably request and registered in such names as the Purchaser may request.

(j) If requested by a Purchaser, the Company shall, as soon as practicable, (i) incorporate in a prospectus supplement or post-effective amendment such information as the Purchaser reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement if reasonably requested by the Purchaser.

(k) The Company shall use commercially reasonable efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(l) The Company shall otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission in connection with any registration hereunder.

(m) Within two Business Days after a Registration Statement that covers Registrable Securities is declared effective by the Commission, the Company shall deliver to the transfer agent for such Registrable Securities (with copies to the Purchaser)

confirmation that such Registration Statement has been declared effective by the Commission.

(n) Notwithstanding anything to the contrary herein, at any time after the Effectiveness Date, the Company may delay the disclosure of material, non-public information concerning the Company the disclosure of which at the time is not, in the good faith opinion of the Board of Directors and its counsel, in the best interest of the Company and, in the opinion of counsel to the Company, otherwise required (a "***Grace Period***"); provided, that the Company shall promptly (i) notify the Purchaser in writing of the existence of material, non-public information giving rise to a Grace Period (provided that in each notice the Company will not disclose the content of such material, non-public information to the Purchaser) and the date on which the Grace Period will begin, and (ii) notify the Purchaser in writing of the date on which the Grace Period ends; and, provided further, that the Grace Periods shall not exceed an aggregate of 30 Trading Days during any 365-day period and the first day of any Grace Period must be at least 15 days after the last day of any prior Grace Period (each, an "***Allowable Grace Period***"). For purposes of determining the length of a Grace Period above, the Grace Period shall begin on and include the date the Purchaser receive the notice referred to in clause (i) and shall end on and include the later of the date the Purchaser receive the notice referred to in clause (ii) and the date referred to in such notice. The provisions of Section 10.4(e) hereof shall not be applicable during the period of any Allowable Grace Period. Upon expiration of the Grace Period, the Company shall again be bound by the first sentence of Section 10.4(d) with respect to the information giving rise thereto unless such material, non-public information is no longer applicable. Notwithstanding anything to the contrary, the Company shall cause its transfer agent to deliver un-legended shares of Common Stock to a transferee of any Purchaser in accordance with the terms of this Agreement in connection with any sale of Registrable Securities with respect to which a Purchaser has entered into a contract for sale, and delivered a copy of the prospectus included as part of the applicable Registration Statement (unless an exemption from such prospectus delivery requirement exists), prior to the Purchaser's receipt of the notice of a Grace Period and for which the Purchaser has not yet settled.

10.5 Obligations of the Purchaser.

(a) At least five Business Days prior to the first anticipated filing date of a Registration Statement, the Company shall notify the Purchaser in writing of any information the Company requires from the Purchaser in order to have that Purchaser's Registrable Securities included in such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particular Purchaser that the Purchaser shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it as shall be reasonably required to effect the effectiveness of the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(b) The Purchaser, by its acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any Registration Statement hereunder, unless the Purchaser has notified the Company in writing of the Purchaser's election to exclude all of the Purchaser's Registrable Securities from such Registration Statement.

(c) The Purchaser agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 10.4(e) or the

first sentence of Section 10.4(d), the Purchaser will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until the Purchaser's receipt of the copies of the supplemented or amended prospectus contemplated by Section 10.4(e) or the first sentence of Section 10.4(d) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary, the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of the Purchaser in accordance with the terms of this Agreement in connection with any sale of Registrable Securities with respect to which the Purchaser has entered into a contract for sale prior to the Purchaser's receipt of a notice from the Company of the happening of any event of the kind described in Section 10.4(e) or the first sentence of Section 10.4(d) and for which the Purchaser has not yet settled.

(d) The Purchaser covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it or an exemption therefrom in connection with sales of Registrable Securities pursuant to the Registration Statement.

10.6 Expenses of Registration. All reasonable expenses incurred in connection with registrations, filings or qualifications pursuant to this Section 10, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, and fees and disbursements of counsel for the Company, shall be paid by the Company. Notwithstanding the foregoing, in no event shall the Company be responsible for underwriting discounts, commissions, placement agent fees or other similar expenses payable with respect to Registrable Securities being sold or offered for sale by the Purchaser.

10.7 Reports under the Exchange Act. With a view to making available to the Purchaser the benefits of Rule 144 promulgated under the Securities Act or any other similar rule or regulation of the Commission that may at any time permit the Purchaser to sell securities of the Company to the public without registration ("***Rule 144***"), the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, during the Reporting Period;

(b) file with the Commission in a timely manner all reports and other documents required of the Company under the Exchange Act; and

(c) furnish to the Purchaser, so long as any Purchaser owns Registrable Securities, promptly upon request during the Reporting Period: (i) a written statement by the Company, if true, that it has complied with the reporting requirements of Rule 144, the Securities Act and the Exchange Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested to permit the Purchaser to sell such securities pursuant to Rule 144 without registration.

10.8 Assignment of Registration Rights. The rights under Section 10 shall be automatically assignable by a Purchaser to any transferee of all or any portion of the Purchaser's Registrable Securities if: (i) the Purchaser agrees in writing with the transferee or assignee to assign such rights and a copy of such agreement is furnished to the Company within a reasonable time after such assignment; (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee and (b) the securities with respect to which such registration rights are being transferred or assigned; (iii) immediately following such transfer or assignment the further disposition of such securities by the transferee or assignee is restricted under the Securities Act or applicable

state securities laws; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein; and (v) such transfer shall have been made in accordance with the applicable requirements of this Agreement. Following any such transfer in accordance with this Section 10.8, the Company shall thereafter use commercially reasonable efforts to amend or supplement the selling stockholder table contained in the Registration Statement to reflect such change in beneficial ownership of the affected Registrable Securities.

10.9 Indemnification.

(a) Company Indemnification. The Company will indemnify each Purchaser who holds Registrable Securities (if Registrable Securities held by the Purchaser are included in the securities as to which such registration is being effected), each of its officers and directors, partners, members and each person controlling the Purchaser within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages or liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on (A) any untrue statement (or alleged untrue statement) of a material fact contained in any Registration Statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such Registration Statement, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or (B) any violation by the Company of the Securities Act, the Exchange Act, state securities laws or any rule or regulation promulgated under such laws applicable to the Company in connection with any such registration; and in each case, the Company will reimburse each the Purchaser, each of its officers and directors, partners, members and each person controlling the Purchaser, for any legal and any other expenses reasonably incurred, as such expenses are incurred, in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on (X) any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by the Purchaser or controlling person, and stated to be specifically for use therein, (Y) the use by a Purchaser of an outdated or defective prospectus after the Company has notified the Purchaser in writing that the prospectus is outdated or defective or (Z) a Purchaser's (or any other indemnified person's) failure to send or give a copy of the prospectus or supplement (as then amended or supplemented), if required, pursuant to Rule 172 under the Securities Act (or any successor rule) to the Persons asserting an untrue statement or alleged untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such person if such statement or omission was corrected in such prospectus or supplement.

(b) Purchaser Indemnification. Each Purchaser holding Registrable Securities will, if Registrable Securities held by the Purchaser are included in the securities as to which such registration is being effected, severally and not jointly, indemnify the Company, each of its directors and officers, and each person who controls the Company within the meaning of Section 15 of the Securities Act, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on: (A) any untrue statement (or alleged untrue statement) of a material fact contained in any such Registration Statement, prospectus, offering circular or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein

or necessary to make the statements therein not misleading, to the extent, and only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by the Purchaser and stated to be specifically for use therein, or (B) any violation by the Purchaser of the Securities Act, the Exchange Act, state securities laws or any rule or regulation promulgated under such laws applicable to the Purchaser, and in each case, the Purchaser will reimburse the Company, each other holder, and directors, officers, persons, underwriters or control persons of the Company and the other holders for any legal or any other expenses reasonably incurred, as such expenses are incurred, in connection with investigating or defending any such claim, loss, damage, liability or action; provided, that the indemnity agreement contained in this Subsection 10.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of such indemnifying Purchaser (which consent shall not be unreasonably withheld or delayed). The liability of any Purchaser for indemnification under this Subsection 10.9(b) in its capacity as a seller of Registrable Securities shall not exceed the amount of net proceeds to the Purchaser of the securities sold in any such registration.

(c) Notice and Procedure. Each party entitled to indemnification under this Section 10.9 (each, an "***Indemnified Party***") shall give written notice to the party required to provide indemnification (the "***Indemnifying Party***") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Agreement unless the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action and provided further, that the Indemnifying Party shall not assume the defense for matters as to which there is a conflict of interest or there are separate and different defenses. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party (whose consent shall not be unreasonably withheld), consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

(d) Contribution. If the indemnification provided for in this Section 10.9 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any losses, claims, damages or liabilities referred to herein, the Indemnifying Party, in lieu of indemnifying such Indemnified Party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the untrue statement or omission that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to

information and opportunity to correct or prevent such statement or omission; provided, that in no event shall any contribution by a Purchaser hereunder exceed the proceeds from the offering received by the Purchaser. The amount paid or payable by a party as a result of any loss, claim, damage or liability shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 10.9 was available to such party in accordance with its terms.

(e) Survival. The obligations of the Company and the Purchaser under this Section 10.9 shall survive completion of any offering of Registrable Securities in a Registration Statement and the termination of this Agreement. The indemnity and contribution agreements contained in this Section 10.9 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of other remedies or causes of action that the parties may have under this Agreement.

Section 11 . Definitions. Unless the context otherwise requires, the terms defined in this Section 11 shall have the meanings specified for all purposes of this Agreement. All accounting terms used in this Agreement, whether or not defined in this Section 11, shall be construed in accordance with GAAP.

"***Affiliate***" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

"***Business Day***" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

"***Effectiveness Date***" means the date the Registration Statement pursuant to Section 11 has been declared effective by the Commission.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***GAAP***" means U.S. generally accepted accounting principles consistently applied.

"***Governmental Entity***" means any national, federal, state, municipal, local, territorial, foreign or other government or any department, commission, board, bureau, agency, regulatory authority, self-regulatory organization or instrumentality thereof, or any court, judicial, administrative or arbitral body or public or private tribunal.

"***knowledge***" by a Person of a particular fact or other matter means the following: (a) if the Person is an individual, that such individual is actually aware or reasonably should be aware, after due inquiry, by virtue of such person's office, of such fact or other matter; and (b) if the Person is an entity, that any executive officer of such Person is actually aware or reasonably should be aware, after due inquiry, of such fact or other matter.

"***Material Adverse Effect***" means any (i) adverse effect on the reservation, issuance, delivery or validity of the Shares, as applicable, or the transactions contemplated hereby or on the ability of the Company to perform its obligations under this Agreement, or (ii) material adverse effect on the condition (financial or otherwise), prospects, properties, assets, liabilities, business or operations of the Company.

"***Material Contract***" means all written and oral contracts, agreements, deeds, mortgages, leases, subleases, licenses, instruments, notes, commitments, commissions, undertakings,

arrangements and understandings: (i) the breach of which by the Company would reasonably be expected to have a Material Adverse Effect, or (ii) that are required to be filed as exhibits by the Company with the Commission pursuant to Items 601(b)(1), 601(b)(2), 601(b)(4), 601(b)(9) or 601(b)(10) of Regulation S-K promulgated by the Commission.

"***Person***" means and includes all natural persons, corporations, business trusts, associations, companies, partnerships, joint ventures, limited liability companies and other entities and governments and agencies and political subdivisions.

"***Pro Rata Interest***" means the number of Registrable Securities held by a given party relative to the total number of Shares issued and sold hereunder.

"***Registration Statement***" means a registration statement or registration statements of the Company filed under the Securities Act pursuant to Section 10 hereof.

"***Reporting Period***" means the period commencing on the Closing Date and ending on the earliest of: (i) the date as of which the Purchaser may sell all of the Conversion Shares under Rule 144 without volume or manner-of-sale restrictions and without the requirement for the Company to be in compliance with the current public information requirements under Rule 144(c)(1) (or any successor thereto) promulgated under the Securities Act; or (ii) the date on which the Purchaser shall have sold all of the Shares (or the Conversion Shares, if applicable).

"***Required Holders***" means: (i) prior to the Closing, the Purchaser agreeing to invest at least 66% of the amount invested by all the Purchaser pursuant to this Agreement and (ii) from and after the Closing, the Purchaser beneficially owning (as determined pursuant to Rule 13d-3 under the Exchange Act) at least 66% of the then outstanding Shares.

"***Trading Day***" means any day on which the Common Stock is traded on the Trading Market; provided that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time).

"***Trading Market***" means the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: NYSE Amex Equities, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Markets Group Inc.

"***Transaction Documents***" means this Agreement and all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

Section 12 . Miscellaneous.

12.1 Waivers and Amendments. Upon the approval of the Company and the written consent of the Required Holders, the obligations of the Company and the rights of the Purchaser under this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely). Neither this Agreement, nor any provision hereof, may be changed, waived, discharged or terminated orally or by course of dealing, but only by an instrument in writing executed by the Company and the Required Holders.

12.2 Notices. All notices, requests, consents, and other communications under this Agreement shall be in writing and shall be deemed delivered: (a) when delivered, if delivered personally, (b) four Business Days after being sent by registered or certified mail, return receipt requested, postage prepaid, (c) one Business Day after being sent via a reputable nationwide overnight courier service guaranteeing next Business Day delivery, or (d) when receipt is acknowledged, in the case of email, in each case to the intended recipient as set forth below, with respect to the Company, and to the addresses set forth on the signature pages hereto, with respect to the Purchaser.

If to the Company:

Rockwell Medical, Inc.
30142 S. Wixom Road
Wixom, Michigan 48393
Attn: Chief Financial Officer
Email: Rskibsted@rockwellmed.com

with copies to:

Gibson, Dunn & Crutcher, LLP
555 Mission Street, Suite 3000
San Francisco, CA 94105
Attn: Ryan A. Murr
Email: rmurr@gibsondunn.com

or at such other address as the Company or each Purchaser may specify by written notice to the other parties hereto in accordance with this Section 12.2.

12.3 Cumulative Remedies. None of the rights, powers or remedies conferred upon the Purchaser on the one hand or the Company on the other hand shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to every other right, power or remedy, whether conferred by this Agreement or now or hereafter available at law, in equity, by statute or otherwise.

12.4 Successors and Assigns. All the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective parties hereto, the successors and permitted assigns of each Purchaser and the successors of the Company, whether so expressed or not. None of the parties hereto may assign its rights or obligations hereof without the prior written consent of the Company, except that a Purchaser may, without the prior consent of the Company, assign its rights to purchase the Shares hereunder to any of its Affiliates (provided each such Affiliate agrees to be bound by the terms of this Agreement and makes the same representations and warranties set forth in Section 4 hereof). This Agreement shall not inure to the benefit of or be enforceable by any other Person.

12.5 Headings. The headings of the Sections and paragraphs of this Agreement have been inserted for convenience of reference only and do not constitute a part of this Agreement.

12.6 Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its conflict of law principles. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be brought in any federal or state court located in the County of New Castle in the State of Delaware, and each of the parties hereby consents to the jurisdiction of such courts (and

of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court.

12.7 Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts (including counterparts delivered by facsimile or other electronic format) shall be deemed an original, shall be construed together and shall constitute one and the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

12.8 Entire Agreement. This Agreement contains the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and, except as set forth below, this agreement supersedes and replaces all other prior agreements, written or oral, among the parties hereto with respect to the subject matter hereof and thereof. Notwithstanding the foregoing, this Agreement shall not supersede any confidentiality or other non-disclosure agreements that may be in place between the Company and any Purchaser.

12.9 Severability. If any provision of this Agreement shall be found by any court of competent jurisdiction to be invalid or unenforceable, the parties hereby waive such provision to the extent that it is found to be invalid or unenforceable. Such provision shall, to the maximum extent allowable by law, be modified by such court so that it becomes enforceable, and, as modified, shall be enforced as any other provision hereof, all the other provisions hereof continuing in full force and effect.

* * *

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed as of the Effective Date.

THE COMPANY:

ROCKWELL MEDICAL, INC.

By: /s/ Russell Skibsted
Name: Russell Skibsted
Title: Chief Financial Officer

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed as of the Effective Date.

PURCHASER:

DAVITA, INC.

By: /s/ Patrick McKinnon

Name: Patrick McKinnon

Title: Chief Financial Officer, Kidney Care

**Approved as to form:**

**DAVITA INC.**

By: /s/ David Witek

Name: David Witek

Title: VP, Associate General Counsel

# AMENDMENT ONE TO PRODUCTS PURCHASE AGREEMENT

This Amendment One ("**Amendment**") to Products Purchase Agreement is by and between Rockwell Medical, Inc., a Delaware corporation ("**Rockwell**"), and DaVita Inc., f/k/a DaVita Healthcare Partners Inc., a Delaware corporation ("**DaVita**") on behalf of itself and for the benefit of the DaVita Facilities (collectively the "**Parties**"), and is entered into as of April 6, 2022 (the "**Amendment Effective Date**") amends the Products Purchase Agreement dated as of July 1, 2019 by and between the Parties (the "**Agreement**"). Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Agreement.

WHEREAS, the Parties entered into the Agreement wherein Rockwell agreed to sell to DaVita, and DaVita agreed to purchase from Rockwell, certain Products;

WHEREAS, concurrently herewith, the Parties are entering into a Securities Purchase Agreement relating to the purchase by DaVita of preferred securities of Rockwell on the terms set forth therein (the "**Securities Purchase Agreement**"); and

WHEREAS, the Parties desire to amend the Agreement in accordance with the terms and conditions thereof.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the following terms:

1. **Amendments to Agreement**. The Agreement is hereby amended as follows:

1.1. Products and Price List. Exhibit A to the Agreement is hereby amended as set forth in Exhibit A to this Amendment.

1.2. Price Increase**.** Section 3.4 of the Agreement is hereby amended and restated in its entirety as follows:

"Section 3.4 Costs.

(a) Regulatory Costs.

i. Commencing on [***], and no more than [***] each calendar year during the remaining Term, if an applicable Governmental Authority during any applicable contract year after January 2, 2022 has changed the designation of such Product from a medical device to a drug and such change has increased Rockwell's manufacturing costs with respect to such Product ("Regulatory Costs") by at least [***] percent over the manufacturing costs with respect to such Product for the most recent calendar year for such Product, the Purchase Price for such Product shall be increased by the amount of such Regulatory Costs, provided that in no event will the increase in Purchase Price for any Product attributable to Regulatory Costs exceed [***] in any calendar year.

ii. If Rockwell believes the Regulatory Costs for a Product would result in an increase to the Purchase Price of such Product, Rockwell may submit a written notice to DaVita requesting an increase in the Purchase Price of such Product, together with reasonably detailed documentation showing Rockwell's calculation of the Regulatory

Costs for the applicable calendar year for such Product and Rockwell's Regulatory Costs for the most recent calendar year in which there was a Purchase Price increase for such Product. DaVita will have thirty (30) days after receipt by DaVita of such notice to review the documentation of Rockwell's calculation of the Regulatory Costs for such Product. Rockwell agrees to reasonably cooperate with DaVita's review and will provide DaVita with reasonable access to Rockwell's books and records relating to such Regulatory Costs during normal business hours. If DaVita disagrees with Rockwell's calculation of the Regulatory Costs for such Product, DaVita may deliver a notice setting forth its objections to Rockwell's calculation of the Regulatory Costs. DaVita and Rockwell will use commercially reasonable efforts to reach an agreement on the calculation of the Regulatory Costs for such Product for a period of thirty (30) days after receipt by Rockwell of such notice. If DaVita and Rockwell are not able to agree on the calculation of the Regulatory Costs for such Product, the parties will retain a mutually acceptable independent accounting firm (using the procedures described in Article XVI) to determine the Regulatory Costs for such Product, during which time the Purchase Price for the Product(s) shall remain unchanged. The cost of such accountant will be borne equally by the Parties.

(b) Inflationary Costs.

i. Commencing with the calendar quarter ending June 30, 2022, and each calendar quarter thereafter during the Term and Transition Period (if any), within thirty (30) days following the end of such quarter, Rockwell shall deliver to DaVita a written notice ("Inflationary Cost Notice") containing reasonably detailed documentation setting forth: (i) Rockwell's calculation of the actual amount of the Inflationary Costs for each Product during such quarter (ii) Rockwell's calculation of the increase or decrease (as applicable) in the Inflationary Costs for each Product during such quarter as compared with the Budgeted Inflationary Cost for each Product for such quarter, and (iii) Rockwell's calculation of the resulting amount owed to Rockwell by DaVita or payable by Rockwell to DaVita for such quarter. DaVita will have thirty (30) days after receipt by DaVita of each Inflationary Cost Notice to review the documentation of Rockwell's calculations for such quarter. Rockwell agrees to reasonably cooperate with DaVita's review and will provide DaVita with reasonable access to Rockwell's books and records relating to such Inflationary Costs during normal business hours.

ii. If DaVita disagrees with Rockwell's calculation of the Inflationary Costs for such quarter, DaVita may deliver a notice setting forth its objections to Rockwell's calculation. DaVita and Rockwell will use commercially reasonable efforts to reach an agreement on the calculation of the Inflationary Costs for such quarter for a period of thirty (30) days after receipt by Rockwell of such notice. If DaVita and Rockwell are not able to agree on the calculation of the Inflationary Costs for such quarter, the parties will retain a mutually acceptable independent accounting firm (using the procedures

described in Article XVI) to determine the Inflationary Costs. The cost of such accountant will be borne equally by the Parties.

iii. If the aggregate actual Inflationary Costs for all Products ordered by DaVita during a calendar quarter is less than the Budgeted Inflationary Costs for such Products for such calendar quarter, then: (a) if DaVita has not delivered a timely objection with respect to an Inflationary Cost Notice, upon the expiration of thirty (30) days after DaVita's receipt of the applicable Inflationary Cost Notice, or (b) if DaVita has delivered a timely objection with respect to such Inflationary Cost Notice, the date on which the objection is resolved in accordance with Section 3.4(b)(i) above, Rockwell shall issue a credit memo to DaVita for an amount equal to the difference (or, with respect to the last calendar quarter in the Term, receive payment for the difference).

iv. If the aggregate actual Inflationary Costs for all Products ordered by DaVita during a calendar quarter is greater than the Budgeted Inflationary Costs for such Products for such calendar quarter, then: (a) if DaVita has not delivered a timely objection with respect to an Inflationary Cost Notice, no earlier than thirty (30) days after DaVita's receipt of the applicable Inflationary Cost Notice, or (b) if DaVita has delivered a timely objection with respect to such Inflationary Cost Notice, the date on which the objection is resolved in accordance with Section 3.4(b)(i) above, Rockwell shall invoice DaVita for an amount equal to the difference.

v. Commencing with the calendar quarter ending December 31, 2022, and each calendar quarter thereafter during the Term, if the weighted average Inflationary Costs for all Products has increased by twenty percent (20%) or greater as compared with the Budgeted Inflationary Costs for all Products for such quarter, then: (a) Rockwell will continue to supply Products pursuant to the terms of this Agreement, (b) the parties will meet in good faith not later than forty-five (45) days following the end of the applicable quarter to discuss equitable adjustments to this Agreement, and (c) if the Parties are unable to agree upon equitable adjustments to this Agreement within fifteen (15) days after such meeting, DaVita may at any time thereafter terminate this Agreement in accordance with Section 2.3(e).

vi. Rockwell shall use its commercially reasonable efforts to reduce (or minimize increases in) Inflationary Costs during the Term. All calculations described in this Section 3.4(b) shall be made in a manner consistent with the accounting policies used to establish the 2022 Budget. Schedule 3.4(b) includes illustrative Inflationary Cost calculations described in this Section 3.4(b)."

1.3. Term and Termination.

1.3.1. Section 2.3 of the Agreement is hereby amended to add a new Section 2.3(e) as follows:

"(e) At any time following the date on which: (i) an Event of Default occurs, or (ii) the parties are unable to agree upon an adjustment to this

Agreement as described in Section 3.4(b)(v)(c), DaVita shall have the right to terminate this Agreement upon one hundred eighty (180) days' prior written notice to Rockwell."

1.3.2. A new Section 2.6 is hereby added to the Agreement as follows:

"2.6 Transition. Upon DaVita's request upon written notice to Rockwell given at least ninety (90) days prior to the expiration of the Initial Term or other applicable termination of the Agreement, the Term of the Agreement shall be extended for a period of up to one hundred eighty (180) days following the expiration or termination date (the "Transition Period") to assist DaVita in transitioning from purchasing under this Agreement; provided that the Purchase Price of any Product ordered during the Transition Period will be the Purchase Price applicable to such Product on the day immediately prior to the first day of the Transition Period. At least thirty (30) days prior to the commencement of such Transition Period, DaVita will provide Rockwell with a written transition plan containing an estimated forecast of monthly purchase volumes and Committed Facilities to be serviced by Rockwell during the Transition Period (the "Transition Plan"), which shall be approved in writing by Rockwell, such approval not to be unreasonably withheld. Each month during the Transition Period, DaVita shall submit a rolling three (3) month estimated forecast of monthly purchase volumes and Committed Facilities to be serviced by Rockwell during each month in such forecast period. The Committee will meet monthly during the Transition Period to discuss any changes to the Transition Plan, subject to the mutual agreement of the Parties. DaVita will provide at least thirty (30) days prior written notice to Rockwell of any Discontinuation Event during the Transition Period. During the Transition Period, Rockwell shall use commercially reasonable efforts to continue to fulfill all orders for each Product submitted hereunder in accordance with the terms herein (including, without limitation, the Regulatory Costs and Inflationary Costs provisions set forth in Section 3.4) and provide transition assistance reasonably requested by DaVita to allow the successor supplier to continue without material interruption or adverse effect and to facilitate the orderly transfer of supplies to the appropriate parties and in compliance with applicable laws."

1.4. Discontinuation Event.

1.4.1. Section 17.1 of the Agreement is hereby amended and restated in its entirety as follows:

"17.1 Discontinuation Event.

(a) DaVita agrees that: (i) in the event a Committed DaVita Facility intends on discontinuing its purchase of the Products from Rockwell (a "Discontinuation Event"), it shall provide Rockwell with at least ninety (90) days prior written notice of such Discontinuation Event and (ii) if such Discontinuation Event will result in changes to delivery dates and times to remaining Committed DaVita Facilities, Rockwell shall use its commercially reasonable efforts to provide DaVita with a revised schedule of delivery dates and times within thirty (30) days of the receipt of the notice by Rockwell from DaVita of the Discontinuation Event; provided that any Committed DaVita Facility subject to a Discontinuation Event shall remain subject to the Product Commitment until

the expiration of the ninety (90) day notice period relating to the Discontinuation Event as to such Committed DaVita Facility.

(b) Prior to the date on which an Event of Default has occurred, DaVita further agrees that in the event a Discontinuation Event occurs as to multiple Committed DaVita Facilities in a geographic county, group of nearby counties, or subdivisions of a county (a "Market"), it shall use its commercially reasonable efforts to implement such Discontinuation Event as to such Committed DaVita Facilities in such Market in a manner which assists Rockwell in minimizing the negative effect it would experience as a result of such Discontinuation Event. In the event of a breach by DaVita of the provisions of this Section 17.1(b) prior to the date on which an Event of Default has occurred, Rockwell's sole and exclusive remedy shall be to terminate this Agreement pursuant to Section 2.4(e). This Section 17.1(b) shall not apply and shall be deemed to have no further force or effect: (i) from and after the date on which an Event of Default has occurred, or (ii) during the Transition Period."

1.5. Reporting.

1.5.1. A new Section 17.4 is hereby added to the Agreement as follows:

"17.4 Reporting. Rockwell will provide to DaVita:

(a) as soon as available, but no later than thirty (30) days after the last day of each fiscal month (other than the last fiscal month of any fiscal quarter, in which case as soon as available, but no later than forty-five (45) days after the last day of such fiscal quarter) a compliance certificate certified by an officer of Rockwell attaching a Rockwell prepared summary consolidated balance sheet and income statement covering the consolidated operations of Rockwell and its subsidiaries for such fiscal month; and

(b) upon Rockwell becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, prompt (and in any event within three (3) Business Days) written notice of such occurrence, which such notice shall include a reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default."

1.6. Certain Defined Terms.

1.6.1. Article XVIII of the Agreement is hereby amended to add each of the following defined terms:

1.6.1.1. "2022 Budget" means the detailed line item budget attached as Schedule 1.6.1.1.

1.6.1.2. "2023 Budget" means the detailed line item budget for 2023 as mutually agreed upon by the Parties by no later than January 15, 2023 and prepared in a manner consistent with Rockwell's accounting practices and policies used to prepare the 2022 Budget and, with respect to budgeted Inflationary Costs, calculated based on Rockwell's actual Inflationary Costs in the fourth calendar

quarter of 2022. If DaVita and Rockwell are not able to agree on a 2023 Budget by such date, the Parties will, within fifteen (15) days thereafter, retain a mutually acceptable independent accounting firm (using the procedures described in Article XVI of the Agreement) to resolve disagreements relating to establishment of the 2023 Budget, which firm may, in its discretion, take into account third party studies relating to inflationary costs. The cost of such accountant will be borne equally by the Parties.

1.6.1.3. "Adjusted Cost of Goods Sold" means cost of goods sold, as adjusted to remove payments made or add credits given relating to Inflationary Costs, determined in accordance with Rockwell's accounting practices and policies used to prepare the 2022 Budget. Schedule 2.4 includes an illustrative calculation of Adjusted Cost of Goods Sold.

1.6.1.4. "Adjusted Gross Margin Percentage" means, for a calendar year, Rockwell's (i) gross sales to DaVita *minus* Adjusted Cost of Goods Sold, *divided by* (ii) gross sales to DaVita, determined in accordance with Rockwell's accounting practices and policies used to prepare the 2022 Budget. Schedule 2.4 includes an illustrative calculation of Adjusted Gross Margin Percentage.

1.6.1.5. "Budgeted Inflationary Costs" means, during: (i) calendar year 2022, the budgeted Inflationary Costs calculated based on the 2022 Budget, (ii) calendar year 2023, the budgeted Inflationary Costs calculated based on the 2023 Budget, or (iii) for the Transition Period (if any), the mutually agreed upon budgeted Inflationary Costs for the Transition Period calculated based on Rockwell's actual Inflationary Costs in the fourth calendar quarter of 2023, in each case determined in a manner consistent with Rockwell's accounting practices and policies used to prepare the 2022 Budget.

1.6.1.6. "Event of Default" means Rockwell's failure to: (i) provide notice and confirmation to DaVita that the Financing Event has occurred by June 30, 2022, or (ii) at all times maintain a cash and cash equivalent balance in an amount of no less than ten million dollars ($10,000,000).

1.6.1.7. "Financing Event" means Rockwell has received an additional $15 million in aggregate proceeds from a third party through the sale of equity securities that are junior or pari passu to the Series X Preferred with respect to its rights, preferences and privileges.

1.6.1.8. "Inflationary Costs" has the meaning set forth on Schedule 1.6.1.8.

1.7. Public Announcements.

1.7.1. Section 19.18 of the Agreement is hereby amended and restated in its entirety as follows:

"19.18 Public Announcements. Except as otherwise required pursuant to any applicable federal or state securities laws or stock listing requirements, no party hereto shall make any public announcement of any kind or any filing with respect to the other party hereto or any of the transactions provided for herein without the prior written consent of the other party hereto. The disclosing party shall give reasonable prior advance notice of the proposed text of any such announcement or

filing to the other party for its prior review and approval, which review and approval shall not be unreasonably conditioned, withheld or delayed. The parties further agree that if either party is required to file this Agreement or any amendment hereto pursuant to any applicable federal or state securities laws or stock listing requirements, the disclosing party shall redact pricing and other competitively sensitive terms to the extent consistent with applicable interpretations and guidance of the staff of the Securities and Exchange Commission."

1.8. Schedules. The Agreement is hereby amended to add as Schedules to the Agreement each of the Schedules attached to this Amendment and referred to herein.

2. **Cost Optimization.**

2.1. Commencing with the calendar year ending December 31, 2022, and each calendar year thereafter during the Term, within thirty (30) days following the end of such year, Rockwell shall deliver to DaVita a written notice ("Cost Optimization Notice") containing reasonably detailed documentation setting forth: (i) Rockwell's actual Adjusted Gross Margin Percentage for such year, (ii) Rockwell's calculation of the increase or decrease (as applicable) in its actual Adjusted Gross Margin Percentage for such year as compared with (x) for year-end 2022, Rockwell's Adjusted Gross Margin Percentage based on the 2022 Budget or (y) for year-end 2023, Rockwell's actual 2022 Adjusted Gross Margin Percentage, and (iii) Rockwell's calculation of the resulting amount (if any) owed to DaVita for such year. DaVita will have thirty (30) days after receipt by DaVita of each Cost Optimization Notice to review the documentation of Rockwell's calculations for such year. Rockwell agrees to reasonably cooperate with DaVita's review and will provide DaVita with reasonable access to Rockwell's books and records relating to such Adjusted Gross Margin Percentage during normal business hours. If DaVita disagrees with Rockwell's calculation of Adjusted Gross Margin Percentage for such year, DaVita may deliver a notice setting forth its objections to Rockwell's calculation of Adjusted Gross Margin Percentage. DaVita and Rockwell will use commercially reasonable efforts to reach an agreement on the calculation of Adjusted Gross Margin Percentage for such year for a period of thirty (30) days after receipt by Rockwell of such notice. If DaVita and Rockwell are not able to agree on the calculation of Adjusted Gross Margin Percentage for such year, the Parties will retain a mutually acceptable independent accounting firm (using the procedures described in Article XVI of the Agreement) to determine Adjusted Gross Margin Percentage. The cost of such accountant will be borne equally by the Parties. For the avoidance of doubt, the calculations to which reference is made in this Section 2.1 refer to sales and delivery of Products to DaVita and costs related thereto.

2.2. If Rockwell's Adjusted Gross Margin Percentage (x) for year-end 2022, is greater than 2022 Budget, or (y) for year-end 2023, is greater than Rockwell's actual 2022 Adjusted Gross Margin Percentage, then DaVita shall invoice Rockwell for an amount equal to: (i) fifty percent (50%) of the percentage increase in Adjusted Gross Margin Percentage, *multiplied by*, (ii) gross sales to DaVita for such year. Such amount shall be paid by Rockwell on terms net twenty (20) days.

2.3. In the event the Agreement is terminated prior to the end of the Term, the calculations and payment contemplated by this Section 2 shall be made as of the then most-recently completed calendar quarter in the year in which the Agreement is terminated.

2.4. All calculations described in this Section 2 shall be made in a manner consistent with the accounting policies used to establish the 2022 Budget. Schedule 2.4 includes illustrative Adjusted Gross Margin Percentage calculations described in this Section 2.

3. **Establishment of Joint Advisory Committee.**

3.1. Promptly after the Amendment Effective Date, the Parties shall establish a joint advisory committee (the "**Committee**"). The Committee shall be comprised of three (3) representatives of each Party, each of whom shall have expertise and operational responsibilities with respect to the Products and sufficient seniority within the appointing Party's organization to facilitate productive interaction within the Committee. A Party may appoint and change any of its representatives from time to time in its sole discretion upon written notice to the other Party.

3.2. The Committee will be a forum for the identification and review of opportunities for reducing costs associated with the manufacture and distribution of Products, including, but not limited to, the following:

3.2.1. Identification and evaluation of potential operational changes, such as: plant redesign, labor efficiencies, SKU rationalization, liquid to dry product conversion, G&A cost reduction, raw material cost reduction, logistics network optimization and transportation cost reduction;

3.2.2. Identification and evaluation of opportunities for reducing Inflationary Costs;

3.2.3. Review of the initiation and execution of operational changes; and

3.2.4. Review of key variance drivers and performance indicators.

3.3. The Committee shall meet no less frequently than monthly unless otherwise agreed by the Parties. The Parties shall establish a meeting schedule by mutual agreement and meetings may be held remotely if so agreed. Subject to reasonable advance notice to the other Party and appropriate confidentiality undertakings, a Party may invite other members of its organization to attend a particular meeting. Each Party shall be responsible for the expenses incurred by its own representatives in participating in the Committee. During the Term, Rockwell will provide the Committee with such information as the Committee shall reasonably request to perform its responsibilities.

4. **Representations and Warranties**.

4.1. Each Party hereby represents and warrants to the other Party as follows:

4.1.1. Standing and Authority. Such Party has the requisite corporate power, right, and authority to enter into this Amendment and to consummate the transactions contemplated hereby. Such Party's execution and delivery of this Amendment and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of such Party.

4.1.2. Execution; Delivery; Binding Effect. This Amendment has been duly executed and delivered by such Party, and constitutes the legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms.

4.1.3. No Conflicts. Neither the execution, delivery, or performance of this Amendment by such Party nor the consummation of the transactions contemplated in this Amendment, shall (a) conflict with, contravene, or result in a breach of any statute or administrative regulation, or of any law, rule, regulation, ordinance, order, writ, injunction, judgment, or decree of any Governmental Authority or of any arbitration award to which such Party is a party or by which any of the properties or assets of such Party are or may be bound or (b) conflict with, contravene, or violate any agreement, understanding, or arrangement to which such Party is a party or by which any of the properties or assets of such Party are or may be bound.

4.2. Consents. Rockwell hereby represents and warrants to DaVita that Rockwell has obtained the consents listed on Schedule 4.2, and provided documentation evidencing its receipt of such consents to DaVita.

5. **Miscellaneous**.

5.1. Except as expressly modified herein, all other terms and provisions of the Agreement (including, without limitation, the service levels described in Section 4.1 of the Agreement) shall continue in full force and effect. In the event of any conflict or ambiguity between this Amendment and the Agreement (or any exhibit or attachment to the Agreement), this Amendment shall govern and control with regard to the subject matter contained herein.

* * *

**IN WITNESS WHEREOF**, duly authorized representatives of each of the Parties have executed this Amendment effective upon the Amendment Effective Date.

**DAVITA INC.**

By: /s/ Patrick McKinnon

Name: Patrick McKinnon

Title: Chief Financial Officer, Kidney Care

**ROCKWELL MEDICAL, INC.**

By: /s/ Russell Ellison

Name: Russell Ellison, MD

Title: Chief Executive Officer

**Approved as to form:**

**DAVITA INC.**

By: /s/ David Witek

Name: David Witek

Title: VP, Associate General Counsel

**Exhibit 31.1**

**CERTIFICATION PURSUANT TO RULE 13a-14(a)**

I, Russell Ellison, certify that:

1. have reviewed this quarterly report on Form 10-Q of Rockwell Medical, Inc.;

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

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

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

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

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

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

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

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

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

Date: May 16, 2022

/s/ Russell Ellison
Russell Ellison
Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATION PURSUANT TO RULE 13a-14(a)**

I, Russell Skibsted, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 16, 2022

/s/ Russell Skibsted
Russell Skibsted
Chief Financial Officer

**EXHIBIT 32.1**

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

In connection with the Quarterly Report of Rockwell Medical, Inc. (the "Company") on Form 10-Q for the quarter ending March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1. the Periodic 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 Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 16, 2022 /s/ Russell Ellison

Russell Ellison
Chief Executive Officer

Date: May 16, 2022 /s/ Russell Skibsted

Russell Skibsted
Chief Financial Officer