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 June 30, 2023

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 August 11, 2023 was 28,489,663.

Rockwell Medical, Inc. and Subsidiaries
Index to Form 10-Q

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

ROCKWELL MEDICAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars In Thousands)

	June 30, 2023	December 31, 2022
	(Unaudited)	
ASSETS		
Cash and Cash Equivalents	$ 8,959	$ 10,102
Investments Available-for-Sale	5,906	11,390
Accounts Receivable, net	5,411	6,259
Inventory	5,814	5,814
Prepaid and Other Current Assets	1,475	1,745
Total Current Assets	**27,565**	**35,310**
Property and Equipment, net	2,093	2,194
Inventory, Non-Current	1,276	1,276
Right of Use Assets-Operating, net	3,470	3,943
Right of Use Assets-Financing, net	2,185	2,468
Goodwill	921	921
Other Non-Current Assets	527	523
Total Assets	**$ 38,037**	**$ 46,635**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts Payable	$ 5,927	$ 4,053
Accrued Liabilities	3,763	7,702
Lease Liability-Operating - Current	1,560	1,483
Lease Liability-Financing - Current	541	522
Deferred License Revenue - Current	259	1,731
Term Loan - Net of Issuance Costs	4,631	1,631
Insurance Financing Note Payable	733	503
Customer Deposits	38	66
Total Current Liabilities	**17,452**	**17,691**
Lease Liability-Operating - Long-Term	2,022	2,581
Lease Liability-Financing - Long-Term	1,811	2,088
Term Loan, Net of Issuance Costs	4,740	7,555
Deferred License Revenue - Long-Term	2,470	2,600
Long Term Liability - Other	14	14
Total Liabilities	**28,509**	**32,529**
Stockholders' Equity:		
Preferred Stock, $0.0001 par value, 2,000,000 shares authorized; 15,000 shares issued and outstanding at June 30, 2023 and December 31, 2022	—	—
Common Stock, $0.0001 par value; 170,000,000 shares authorized; 16,795,673 and 12,163,673 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	2	1
Additional Paid-in Capital	403,203	402,701
Accumulated Deficit	(393,814)	(388,759)
Accumulated Other Comprehensive Income	137	163
Total Stockholders' Equity	**9,528**	**14,106**
Total Liabilities and Stockholders' Equity	**$ 38,037**	**$ 46,635**

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 June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net Sales	$ 18,080	$ 18,682	$ 37,748	$ 34,806
Cost of Sales	17,047	16,937	34,116	33,846
Gross Profit	1,033	1,745	3,632	960
Research and Product Development	167	926	445	2,494
Selling and Marketing	530	526	1,028	981
General and Administrative	3,295	4,775	6,545	8,592
Operating Loss	(2,959)	(4,482)	(4,386)	(11,107)
Other (Expense) Income				
Realized Gain on Investments	—	—	—	4
Interest Expense	(395)	(485)	(782)	(1,025)
Interest Income	49	—	113	—
Total Other Expense	(346)	(485)	(669)	(1,021)
Net Loss	$ (3,305)	$ (4,967)	$ (5,055)	$ (12,128)
Basic and Diluted Net Loss per Share	$ (0.18)	$ (0.43)	$ (0.27)	$ (1.20)
Basic and Diluted Weighted Average Shares Outstanding *	18,496,640	11,591,768	18,480,248	10,076,415

** See Note 3 for more detail related to Basic and Diluted Weighted Average Shares Outstanding*

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 June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net Loss	**$ (3,305)**	**$ (4,967)**	**$ (5,055)**	**$ (12,128)**
Unrealized Loss on Available-for-Sale Investments	(18)	—	(21)	—
Foreign Currency Translation Adjustments	(1)	(2)	(4)	(3)
Comprehensive Loss	**$ (3,324)**	**$ (4,969)**	**$ (5,080)**	**$ (12,131)**

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)

	PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL STOCKHOLDERS' EQUITY
	SHARES	AMOUNT	SHARES	AMOUNT				
Balance as of January 1, 2023	**15,000**	**$ —**	**12,163,673**	**$ 1**	**$ 402,701**	**$ (388,759)**	**$ 163**	**$ 14,106**
Net Loss	—	—	—	—	—	(1,750)	—	(1,750)
Unrealized Loss on Available-for-Sale Investments	—	—	—	—	—	—	(3)	(3)
Foreign Currency Translation Adjustments	—	—	—	—	—	—	(4)	(4)
Issuance of Common Stock upon exercise of Pre-Funded Warrants	—	—	389,000	—	—	—	—	—
Stock-based Compensation	—	—	—	—	193	—	—	193
Balance as of March 31, 2023	**15,000**	**—**	**12,552,673**	**1**	**402,894**	**(390,509)**	**156**	**12,542**
Net Loss	—	—	—	—	—	(3,305)	—	(3,305)
Unrealized Loss on Available-for-Sale Investments	—	—	—	—	—	—	(18)	(18)
Foreign Currency Translation Adjustments	—	—	—	—	—	—	(1)	(1)
Issuance of Common Stock upon exercise of Pre-Funded Warrants	—	—	4,118,000	1	—	—	—	1
Vesting of Restricted Stock Units Issued, net of taxes withheld	—	—	125,000	—	—	—	—	—
Stock-based Compensation expense	—	—	—	—	309	—	—	309
Balance as of June 30, 2023	**15,000**	**$ —**	**16,795,673**	**$ 2**	**$ 403,203**	**$ (393,814)**	**$ 137**	**$ 9,528**

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)

	PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL STOCKHOLDERS' EQUITY (DEFICIT)
	SHARES	AMOUNT	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)**
Net Loss	—	—	—	—	—	(4,967)	—	(4,967)
Foreign Currency Translation Adjustments	—	—	—	—	—	—	(2)	(2)

Issuance of common stock, net of offering costs/Public Offering	—	—	844,613	—	14,893	—	—	14,893
Issuance of common stock, net of offering costs/At-the-Market Offering	—	—	7,500	—	15	—	—	15
Issuance of preferred stock, net of offering costs	15,000	—	—	—	14,916	—	—	14,916
Vesting of Restricted Stock Units Issued, net of taxes withheld	—	—	10,958	—	—	—	—	—
Stock-based Compensation	—	—	—	—	97	—	—	97
Balance as of June 30, 2022	**15,000**	**$ —**	**9,407,296**	**$ 1**	**$ 402,304**	**$ (382,209)**	**$ 49**	**$ 20,145**

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 six months ended June 30, 2023 and 2022

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash Flows From Operating Activities:		
Net Loss	**$ (5,055)**	**$ (12,128)**
Adjustments To Reconcile Net Loss To Net Cash Used In Operating Activities:		
Depreciation and Amortization	330	279
Stock-based Compensation	502	(82)
Increase in Inventory Reserves	—	10
Non-cash lease expense from Right of Use Assets	1,017	1,027
Amortization of Debt Financing Costs and Accretion of Debt Discount	184	184
Loss on Disposal of Assets	—	(2)
Realized Gain on Sale of Investments Available-for-Sale	—	(4)
Changes in operating Assets and Liabilities:		
Accounts Receivable, net	848	(2,177)
Inventory	—	(1,063)
Prepaid and Other Assets	998	1,275
Accounts Payable	1,874	(797)
Lease Liability	(744)	(969)
Other Liabilities	(3,968)	(385)
Deferred License Revenue	(1,602)	(883)
Changes in operating Assets and Liabilities	(2,594)	(4,999)
Cash Used In Operating Activities	**(5,616)**	**(15,715)**
Cash Flows From Investing Activities:		
Purchase of Investments Available-for-Sale	(3,835)	(2,810)
Sale of Investments Available-for-Sale	9,298	11,972
Purchase of Equipment	(225)	(80)
Cash Provided by Investing Activities	**5,238**	**9,082**
Cash Flows From Financing Activities:		
Payments on Debt	—	(5,250)
Payments on Insurance Financing Note Payable	(503)	(439)
Payment on Financing Lease Liabilities	(258)	—
Proceeds from the Issuance of Common Stock	—	15,016
Offering Costs from the Issuance of Common Stock	—	(106)
Proceeds from the Issuance of Preferred Stock	—	15,000
Offering Costs from the Issuance of Preferred Stock	—	(85)
Cash (Used In) Provided by Financing Activities	**(761)**	**24,136**
Effect of exchange rate changes on cash	(4)	(3)
(Decrease) Increase in Cash and Cash Equivalents	(1,143)	17,500
Cash and Cash Equivalents at Beginning of Period	10,102	13,280
Cash and Cash Equivalents at End of Period	**$ 8,959**	**$ 30,780**
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest	$ 295	$ 998
Supplemental Disclosure of Noncash Investing and Financing Activities:		
Change in Unrealized Loss on Available-for-Sale Investments	$ (21)	$ —
Insurance Financing Note Payable	$ 733	$ —

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

1. Description of Business

Rockwell Medical, Inc. (the "Company", "Rockwell", "we", or "us") is a healthcare company that develops, manufactures, commercializes, and distributes a portfolio of hemodialysis products for dialysis providers worldwide.

Rockwell is a revenue-generating business and the second largest supplier of liquid and powder acid and bicarbonate concentrates for dialysis patients in the United States. Hemodialysis is the most common form of end-stage kidney disease treatment and is typically performed at freestanding outpatient dialysis centers, hospital-based outpatient centers, skilled nursing facilities, or in a patient’s home.

Rockwell provides the hemodialysis community with products controlled by a Quality Management System regulated by the U.S. Food and Drug Administration ("FDA"). Rockwell is ISO 13485 Certified and adheres to current Good Manufacturing Practices ("cGMP") and Association for Advancement of Medical Instrumentation ("AAMI") standards. Rockwell manufactures hemodialysis concentrates at its facilities in Michigan, South Carolina, and Texas totaling approximately 175,000 square feet, and manufactures its dry acid concentrate mixers at its facility in Iowa. Rockwell delivers the majority of its hemodialysis concentrates products and mixers to dialysis clinics throughout the United States and internationally utilizing its own delivery trucks and third-party carriers.

On July 10, 2023, Rockwell acquired the hemodialysis concentrates business from Evoqua Water Technologies LLC ("Evoqua"). This acquisition expands the Company's geographic footprint, customer base, and product offerings. In addition, this acquisition provides fully automated processing that potentially results in a lower cost to manufacture. As part of this acquisition, the Company now manufactures hemodialysis concentrates in Minnesota under a contract manufacturing agreement with a contract manufacturing organization. (See Note 16 for further detail).

In addition to its primary focus on hemodialysis concentrates, Rockwell also has a proprietary parenteral iron product, Triferic® (ferric pyrophosphate citrate ("FPC")), which is indicated to maintain hemoglobin in adult patients with hemodialysis-dependent chronic kidney disease. While Rockwell has discontinued commercialization of Triferic in the United States, the Company has established several international partnerships with companies seeking to develop and commercialize Triferic outside the United States and is working closely with these international partners to develop and commercialize Triferic in their respective regions. Additionally, Rockwell continues to evaluate the viability of its FPC platform and FPC's potential to treat iron deficiency, iron deficiency anemia, and acute heart failure.

Rockwell was incorporated in the state of Michigan in 1996 and re-domiciled to the state of Delaware in 2019. Rockwell's headquarters is located at 30142 Wixom Road, Wixom, Michigan 48393.

2. Liquidity and Capital Resources

As of June 30, 2023, Rockwell had approximately $14.9 million of cash, cash equivalents and investments available-for-sale, and working capital of $10.1 million. Net cash used in operating activities for the six months ended June 30, 2023 was approximately $5.6 million. Based on the currently available working capital, management believes the Company currently has sufficient funds to meet its operating requirements for at least the next twelve months from the date of the filing of this report.

On July 10, 2023, Armistice Capital Master Fund Ltd. (“Armistice”), which held a warrant to purchase 9,900,990 shares of common stock of the Company with an exercise price of $1.39 per share, exercised the warrant and the Company received gross proceeds of approximately $13.8 million (See Note 16 for further detail).

Also on July 10, 2023, Rockwell acquired the hemodialysis concentrates business from Evoqua Water Technologies LLC ("Evoqua") for an aggregate purchase price, subject to certain adjustments pursuant to the terms of the Purchase Agreement, of $11.0 million in cash paid at closing and equal annual installments of $2.5 million payable on each of the first and second anniversaries of the closing. In addition, the Company purchased approximately $1.2 million of inventory. This acquisition expands the Company's geographic footprint, customer base, and product offerings. In addition, this acquisition provides fully automated processing that potentially results in a lower cost to manufacture. As part of this acquisition, the Company manufactures hemodialysis concentrates under a contract manufacturing agreement with a contract manufacturing organization. (See Note 16 for further detail).

The Company continues to review its operational plans and execute on the acquisition of new customers, and has implemented cost containment activities. The Company may require additional capital to sustain its operations and make the investments it needs to execute its strategic plan. Additionally, the Company's operational plans include raising capital, if needed, by using its at-the-market ("ATM") facility or other methods or forms of financings, subject to existing limitations.

If the Company attempts to obtain additional debt or equity financing, the Company cannot assume such financing will be available on favorable terms, if at all.

As of June 30, 2023, the Company is no longer subject to the baby shelf limitations under Form S-3, which limit the amount the Company may offer pursuant to its registration statement on Form S-3.

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 is in compliance with all covenants (See Note 14 for further detail).

In addition, the global macroeconomic environment is uncertain, and could be negatively affected by, among other things, increased U.S. trade tariffs and trade disputes with other countries, instability in the global capital and credit markets, recent bank failures in the United States, supply chain weaknesses, and instability in the geopolitical environment, including as a result of the Russian invasion of Ukraine and other political tensions, and lingering effects of the COVID-19 pandemic. Such challenges have caused, and may continue to cause, recession fears, rising interest rates, foreign exchange volatility and inflationary pressures. At this time, the Company is unable to quantify the potential effects of this economic instability on our future operations.

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 June 30, 2023, and the condensed consolidated statements of operations, comprehensive loss, and changes in stockholders' equity for the three and six months ended June 30, 2023 and 2022 and cash flows for the six months ended June 30, 2023 and 2022 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 and six months ended June 30, 2023 are not necessarily indicative of results to be expected for the year ending December 31, 2023 or for any future interim period. The condensed consolidated balance sheet at December 31, 2022 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, 2022 and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 as filed with the SEC on March 30, 2023. The Company's consolidated subsidiaries consist 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.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles ("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.

Restatement of Loss Per Share

Earnings per share for the three and six months ended June 30, 2022 have been recalculated and restated and is presented on a comparable basis with the three and six months ended June 30, 2023. In the first quarter of 2023, the Company determined it should have included pre-funded warrants issued in Q2 2022 in the earnings per share calculation accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC') 260-10-45-13, which treats shares of common stock exercisable for little to no consideration as included in the denominator of both the basic and diluted earnings per share calculations. While the Company has determined the impact of including the pre-funded warrants in the earnings per share calculations does not have a material impact on previously issued financial statements and is correct to recalculate and restate amounts presented on a comparative and consistent basis with current period results. The table below summarizes previously reported and restated amounts on a comparative basis. See the table presentation of loss per share calculations as of June 30, 2023 and 2022 in the "Loss Per Share Including Restated Amounts" section below.

	Three Months Ended June 30,	Six Months Ended June 30,
	2022	2022
As Previously Reported:		
Net loss per share attributable to common stockholders - basic and diluted	$ (0.56)	$ (1.40)
Weighted average number of shares of common stock outstanding - basic and diluted	8,805,190	8,675,428
As Restated:		
Net loss per share attributable to common stockholders - basic and diluted	$ (0.43)	$ (1.20)
Weighted average number of shares of common stock outstanding - basic and diluted	11,591,768	10,076,415

Loss Per Share

Basic and diluted net loss per share for the three and six months ended June 30, 2023 and 2022, after giving effect to the restatement discussed above, was calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In Thousands, Except Shares and Per Share Amounts)	2023	2022	2023	2022
Numerator:				
Net loss	$ (3,305)	$ (4,967)	$ (5,055)	$ (12,128)
Net loss attributable to common stockholders for basic and diluted loss per share	$ (3,305)	$ (4,967)	$ (5,055)	$ (12,128)
Denominator:				
Weighted average number of shares of common stock outstanding - basic and diluted	18,496,640	11,591,768	18,480,248	10,076,415
Net loss per share attributable to common stockholders - basic and diluted	$ (0.18)	$ (0.43)	$ (0.27)	$ (1.20)

Included within the weighted average shares of common stock outstanding for the three and six months ended June 30, 2023 and 2022, are 1,793,000 and 9,056,377 shares of common stock issuable upon the exercise of the pre-funded warrants (See Note 10), as the warrants are exercisable at any time for nominal consideration, and as such, the shares are considered outstanding for the purpose of calculating basic and diluted net loss per share attributable to common stockholders.

The Company's potentially dilutive securities include stock options, restricted stock awards and units, convertible preferred stock and warrants. These securities were excluded from the computations of diluted net loss per share for the three and six months ended June 30, 2023 and 2022, as the effect would be to reduce the net loss per share. The following table includes the potential shares of common stock, presented based on amounts outstanding at each period end, that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

	As of June 30,	
	2023	2022
Options to purchase common stock	1,570,599	423,317
Unvested restricted stock awards	891	891
Unvested restricted stock units	313,065	125,000
Convertible Preferred Stock	1,363,636	1,363,636
Warrants to purchase common stock	10,196,268	12,303,432
Total	13,444,459	14,216,276

Adoption of Recent Accounting Pronouncements

The Company continually assesses new accounting pronouncements to determine their applicability. When it is determined 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 there are sufficient controls in place to ascertain the Company's consolidated financial statements properly reflect the change.

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, "Financial Instruments - Credit Losses (Topic 326)," which introduced an impairment model that is based on expected credit losses, rather than incurred losses, to estimate credit losses on certain types of financial instruments (e.g., loan commitments). The expected credit losses should consider historical information, current information, and reasonable and supportable forecasts, including estimates of prepayments, over the contractual term. Financial instruments with similar risk characteristics may be grouped together when estimating expected credit losses. In addition, ASC 326 requires expected credit relates losses for available-for-sale debt securities to be recorded through an allowance for credit losses, while non-credit related losses will continue to be recognized through other comprehensive income. The Company adopted the new guidance, as of January 1, 2023, and it did not have a material impact on the Condensed Consolidated Financial Statements.

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.

We currently operate in one market segment, the hemodialysis market, which involves the manufacture, sale and distribution of hemodialysis products to hemodialysis clinics, including pharmaceutical, dialysis concentrates, dialysis kits and other ancillary products used in the dialysis process. Our customer mix is diverse with most customer sales concentrations under 10% and one customer, DaVita, Inc., at approximately 50% for the six months ended June 30, 2023. Our accounts receivable from this customer were approximately 33% of the total consolidated accounts receivable balance at June 30, 2023.

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 concentrates 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 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 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 regulatory approval was probable as of the execution of the agreement. The amounts received from Baxter Healthcare Corporation (“Baxter”) were deferred and recognized as revenue at the point in time the estimated product sales under the agreement occurred.

In November 2022, Rockwell reacquired its distribution rights to its hemodialysis concentrates products from Baxter and terminated the exclusive distribution agreement. Under the exclusive distribution agreement, Baxter distributed and

commercialized Rockwell’s hemodialysis concentrates products and provided customer service and order delivery to nearly all United States customers. Following the reacquisition of these rights, Rockwell is now unrestricted in its ability to sell its hemodialysis concentrates products to dialysis clinics throughout the United States and around the world.

Rockwell agreed to pay Baxter a fee for the reacquisition of its distribution rights which was reflected as an expense at that time. This fee was payable in two equal installments on January 1, 2023 and April 1, 2023. As of June 30, 2023, all payments were completed.

For the majority of the Company’s U.S. and 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 a small subset of customers have payment terms averaging 60 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 June 30, 2023			Six Months Ended June 30, 2023		
Products By Geographic Area	Total	U.S.	Rest of World	Total	U.S.	Rest of World
Drug Revenues						

Product Sales – Point-in-time	$ —	$ —	$ —	$ —	$ —	$ —
License Fee – Over time	65	—	65	130	—	130
Total Drug Products	65	—	65	130	—	130
Concentrates Products						
Product Sales – Point-in-time	18,015	16,125	1,890	36,146	32,585	3,561
License Fee – Over time	—	—	—	1,472	1,472	—
Total Concentrate Products	18,015	16,125	1,890	37,618	34,057	3,561
Net Revenue	$ 18,080	$ 16,125	$ 1,955	$ 37,748	$ 34,057	$ 3,691

In thousands of U.S. dollars ($)	Three Months Ended June 30, 2022			Six Months Ended June 30, 2022		
Products By Geographic Area	Total	U.S.	Rest of World	Total	U.S.	Rest of World
Drug Revenues						
Product Sales – Point-in-time	$ 482	$ 209	$ 273	$ 641	$ 368	$ 273
License Fee – Over time	65	—	65	127	—	127
Total Drug Products	547	209	338	768	368	400
Concentrates Products						
Product Sales – Point-in-time	17,655	15,906	1,749	33,082	29,715	3,367
License Fee – Over time	480	480	—	956	956	—
Total Concentrate Products	18,135	16,386	1,749	34,038	30,671	3,367
Net Revenue	$ 18,682	$ 16,595	$ 2,087	$ 34,806	$ 31,039	$ 3,767

Contract balances

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

In thousands of U.S. dollars ($)	June 30, 2023	December 31, 2022
Accounts Receivable, net	$ 5,411	$ 6,259
Contract liabilities, which are included in deferred revenue	$ 2,729	$ 4,331

There were no bad debt expenses recognized related to any receivables arising from the Company's contracts with customers for the three and six months ended June 30, 2023 and 2022.

There were no other material contract assets recorded on the condensed consolidated balance sheet as of June 30, 2023 and December 31, 2022. The Company does not generally accept returns of its concentrates products and no material reserve for returns of concentrates products was established as of June 30, 2023 or December 31, 2022.

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

Transaction price allocated to remaining performance obligations

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 $2.7 million as of June 30, 2023. The amount relates primarily to upfront payments and consideration received from customers 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.

5. Investments - Available-for-Sale

Investments available-for-sale consisted of the following as of June 30, 2023 and December 31, 2022 (table in thousands):

	June 30, 2023				
	Amortized Cost	Unrealized Gain	Unrealized Loss	Accrued Interest	Fair Value
Available-for-Sale Securities					
Debt securities	$ 5,852	$ 54	$ —	$ —	$ 5,906

	December 31, 2022				
	Amortized Cost	Unrealized Gain	Unrealized Loss	Accrued Interest	Fair Value
Available-for-Sale Securities					
Debt securities	$ 11,315	$ 75	$ —	$ —	$ 11,390

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 June 30, 2023 and December 31, 2022, the amortized cost and estimated fair value of our available-for-sale securities were all due within one year.

6. Inventory

Components of inventory, net of reserves, as of June 30, 2023 and December 31, 2022 are as follows (table in thousands):

	June 30, 2023	December 31, 2022
Inventory - Current Portion		
Raw Materials	$ 2,805	$ 3,351
Work in Process	411	351
Finished Goods	2,598	2,112
Total Current Inventory	5,814	5,814
Inventory - Long Term	1,276	1,276
Total Inventory	$ 7,090	$ 7,090

As of both June 30, 2023 and December 31, 2022, Rockwell had total concentrate inventory aggregating $5.8 million against which Rockwell had reserved $25,000 for both periods. As of both June 30, 2023 and December 31, 2022, the Company classified $1.3 million of inventory as non-current, all of which was related to Triferic raw materials. This Triferic inventory will be utilized for the Company's international partnerships. In September 2022, the Company discontinued its New Drug Applications ("NDAs") for Triferic (dialysate) and Triferic AVNU in the United States.

7. Property and Equipment, net

As of June 30, 2023 and December 31, 2022, the Company's property and equipment consisted of the following (table in thousands):

	June 30, 2023	December 31, 2022
Leasehold Improvements	$ 1,398	$ 1,256
Machinery and Equipment	6,006	5,922
Information Technology & Office Equipment	1,845	1,845
Laboratory Equipment	807	807
Total Property and Equipment	10,056	9,830
Accumulated Depreciation	(7,963)	(7,636)
Property and Equipment, net	$ 2,093	$ 2,194

Depreciation expense for the three months ended June 30, 2023 and 2022 was $0.2 million and $0.1 million, respectively. Depreciation expense for both the six months ended June 30, 2023 and 2022 was $0.3 million.

8. Accrued Liabilities

Accrued liabilities as of June 30, 2023 and December 31, 2022 consisted of the following (table in thousands):

	June 30, 2023	December 31, 2022
Accrued Research & Development Expense	$ —	$ 43
Accrued Compensation and Benefits	1,574	2,568
Accrued Unvouchered Receipts	552	585
Accrued Workers Compensation	173	306
Other Accrued Liabilities	1,464	4,200
Total Accrued Liabilities	$ 3,763	$ 7,702

9. Deferred Revenue

In October 2014, the Company entered into an exclusive distribution agreement with Baxter, which had a term of 10 years and received an upfront fee of $20 million. The upfront fee was recorded as deferred revenue and was 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. On November 9, 2022, Rockwell reacquired its distribution rights to its hemodialysis concentrates products from Baxter and terminated the distribution agreement. Exclusivity and other provisions associated with the distribution agreement terminated November 9, 2022 and the remaining operational elements of the agreement terminated December 31, 2022. Rockwell agreed to provide certain services to a group of Baxter's customers until March 31, 2023. Under the distribution agreement, Baxter distributed and commercialized Rockwell’s hemodialysis concentrates products and provided customer service and order delivery to nearly all United States customers. Following the reacquisition of these rights, Rockwell is now unrestricted in its ability to sell its hemodialysis concentrates products to dialysis clinics throughout the United States and around the world. The Company recognized the remaining revenue of $1.5 million during the three months ended March 31, 2023.

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 $53,000 and $0.1 million for each of the three and six months ended June 30, 2023 and 2022, respectively. Deferred revenue related to the Wanbang Agreement totaled $2.2 million as of June 30, 2023 and $2.3 million as of December 31, 2022. On August 7, 2023, Rockwell was informed by Wanbang, the Company’s commercialization partner in China for Triferic, that the main efficacy results of Wanbang’s clinical trial for Triferic (dialysate) compared with placebo were not obtained. The Company is working with Wanbang to determine next steps.

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) in India. In consideration for the license, the Company received an upfront fee of $0.1 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 $2,500 and $5,000 for the three and six months ended June 30, 2023 and 2022, respectively. Deferred revenue related to the Sun Pharma Agreement totaled $65,000 and $70,000 as of June 30, 2023 and December 31, 2022, respectively.

In September 2020, the Company entered into a license and supply agreements with Jeil Pharmaceutical (the "Jeil Agreements"), for the rights to commercialize Triferic (dialysate) in South Korea. In consideration for the license, the Company received an upfront fee of $0.2 million. In May 2022, Jeil Pharmaceutical obtained regulatory approval in South Korea and paid the Company $0.2 million in consideration of reaching the milestone. The upfront fee and milestone payments were recorded as deferred revenue and are being recognized as revenue based on the agreement term. The Company recognized revenue of $5,200 and $10,400 for the three and six months ended June 30, 2023 and 2022, respectively. Deferred revenue related to the Jeil Agreement totaled approximately $0.4 million as of both June 30, 2023 and December 31, 2022.

In June 2021, the Company entered into license and supply agreements with Drogsan Pharmaceuticals (the "Drogsan Agreements"), for the rights to commercialize Triferic (dialysate) and Triferic AVNU in Turkey. In consideration for the license, the Company received an upfront fee of $0.15 million. The upfront fee was recorded as deferred revenue and will be recognized as revenue based on the agreement term. The Company recognized revenue of $3,750 and $7,500 for the three and six months ended June 30, 2023 and 2022, respectively. Deferred revenue related to the Drogsan Agreements totaled approximately $120,000 and $127,500 as of June 30, 2023 and December 31, 2022, respectively. In April 2023, Drogsan submitted a Marketing Authorization application and GMP application for Triferic AVNU to the Turkish Medicines and Medical Devices Agency, for which Drogsan received priority status and high priority status, respectively. Taking into consideration that Drogsan was granted an accelerated review for Triferic AVNU with the Turkish regulatory authority, Rockwell anticipates approval for Triferic AVNU in Turkey in 2024. Drogsan is responsible for all regulatory approval and commercialization activities.

10. Stockholders' Equity

The Company held its annual meeting of stockholders on May 23, 2023 (the "Annual Meeting"). At the Annual Meeting, the Company's stockholders approved the amendment and restatement of the Rockwell Medical, Inc. 2018 Long Term Incentive Plan to increase the number of shares of common stock issuable thereunder by 1,600,000 shares (the "Amended 2018 Plan").

Preferred Stock

On April 6, 2022, the Company and DaVita entered into the Securities Purchase Agreement (the "SPA"), which provided for the issuance by the Company of up to $15 million of preferred stock to DaVita. On April 6, 2022, the Company issued 7,500 shares of Series X Preferred Stock for gross proceeds of $7.5 million. On June 16, 2022 the Company issued an additional 7,500 shares of the Series X Preferred Stock to DaVita for gross proceeds of $7.5 million.

The Series X Preferred Stock was issued for a price of $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. As of June 30, 2023, the Series X Preferred Stock accreted a total $150,000.

The Series X Convertible Preferred Stock is convertible to common stock at a rate equal to the Face Amount, divided by a conversion price of $11.00 per share (subject to adjustment for future 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. 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.

Additionally, the Series X Preferred Stock has a deemed liquidation event and redemption clause which could be triggered if the sale of all or substantially all of the Company's assets relating to the Company's dialysis concentrates business line. Since the Series X Preferred Stock may be redeemed if certain assets are sold at the option of the holder, but is not mandatorily redeemable, the preferred stock has been classified as permanent equity and initially recognized at fair value of $15 million (the proceeds on the date of issuance) less issuance costs of $0.1 million, resulting in an initial value of $14.9 million. The Company will assess at each reporting period whether conditions have changed to now meet the mandatory redemption definition which could trigger liability classification.

As of both June 30, 2023 and December 31, 2022, there were 2,000,000 shares of preferred stock, $0.0001 par value per share, authorized and 15,000 shares of preferred stock issued and outstanding.

Common Stock

As of June 30, 2023 and December 31, 2022, there were 170,000,000 shares of common stock, $0.0001 par value per share, authorized and 16,795,673 and 12,163,673 shares issued and outstanding, respectively.

As of June 30, 2023 and 2022, the Company has reserved for issuance the following shares of common stock related to the potential exercise of employee stock options, unvested restricted stock, convertible preferred stock, pre-funded warrants and all other warrants (collectively, "common stock equivalents"):

	As of June 30,	
Common stock and common stock equivalents:	**2023**	**2022**
Common stock	16,795,673	9,407,296
Common stock issuable upon exercise of pre-funded warrants	1,793,000	9,056,377
Common stock and pre-funded stock warrants	18,588,673	18,463,673
Options to purchase common stock	1,570,599	423,317
Unvested restricted stock awards	891	891
Unvested restricted stock units	313,065	125,000
Convertible Preferred Stock	1,363,636	1,363,636
Warrants to purchase common stock	10,196,268	10,196,268
Total	32,033,132	30,572,785

During the three months ended June 30, 2023 and 2022, 4,118,000 and nil pre-funded warrants were exercised, respectively. During the six months ended June 30, 2023 and 2022, 4,507,000 and nil pre-funded warrants were exercised, respectively.

During the three and six months ended June 30, 2023 and 2022, no vested employee stock options were exercised.

Controlled Equity Offering

On April 8, 2022, the Company entered into the Sales Agreement with Cantor Fitzgerald & Co. as 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.

During the quarter ended June 30, 2023, no sales were made pursuant to the Sales Agreement. Approximately $12.2 million remains available for sale under the

ATM facility.

Registered Direct Offering

On May 30, 2022, the Company entered into the RD Purchase Agreement with the Purchaser named therein, pursuant to which the Company agreed to issue and sell, in a registered direct offering (the "Offering"), 844,613 shares of its common stock at price of $1.39 per share, and pre-funded warrants to purchase up to an aggregate of 7,788,480 shares of common stock (the "Pre-Funded Warrants" and the shares of common stock underlying the Pre-Funded Warrants, the "Warrant Shares"). The purchase price of each Pre-Funded Warrant is equal to the price at which a share of common stock was sold to the public in the Offering, minus $0.0001, and the exercise price of each Pre-Funded Warrant is $0.0001 per share.

A holder (together with its affiliates) may not exercise any portion of the Pre-Funded Warrants to the extent the holder would own more than 9.99% of the Company's outstanding common stock immediately after exercise, as such percentage ownership is determined in accordance with the terms of the Pre-Funded Warrant. The RD Purchase Agreement contains customary representations and warranties and agreements of the Company and the Purchaser and customary indemnification rights and obligations of the parties.

A total of 1,793,000 Pre-Funded Warrants remained outstanding as of June 30, 2023. On July 5, 2023, the remaining 1,793,000 Pre-Funded Warrants to purchase common stock were exercised.

Private Placement

Also on May 30, 2022, concurrently with the Offering, the Company entered into the PIPE Purchase Agreement relating to the offering and sale (the "Private Placement") of warrants to purchase up to a total of 9,900,990 shares of common stock (the "PIPE Warrants") and pre-funded warrants to purchase up to a total of 1,267,897 shares of common stock (the "Pre-
Funded PIPE Warrants"). Each warrant was sold at a price of $0.125 per underlying warrant share and is exercisable at an exercise price of $1.39 per share. The purchase price of each Pre-Funded Warrant was equal to the price at which a share of common stock was sold to the public in the Offering, minus $0.0001, and the exercise price of each Pre-Funded Warrant is $0.0001 per share. As of December 2022, all Pre-Funded PIPE Warrants have been exercised.

As of June 30, 2023, 9,900,990 PIPE Warrants remained outstanding. On July 10, 2023, 9,900,990 PIPE Warrants were exercised for 9,900,990 shares of common stock (See Note 16 for further details).

11. Stock-Based Compensation

The Company recognized total stock-based compensation expense during the three and six months ended June 30, 2023 and 2022 as follows (table in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Service-based awards:				
Restricted stock units	$ 119	$ 26	$ 164	$ 37
Stock option awards	190	72	338	272
Total Service Based Awards	309	98	502	309
Performance-based awards:				
Restricted stock awards	—	—	—	(391)
Total	$ 309	$ 98	$ 502	$ (82)

Performance Based Restricted Stock

A summary of the Company's restricted stock awards during the six months ended June 30, 2023 is as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2023	891	$ 62.70
Unvested at June 30, 2023	891	$ 62.70

A summary of the Company's restricted stock awards during the six months ended June 30, 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 June 30, 2022	891	$ 62.70

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 both June 30, 2023 and 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 in 2022.

Service-Based Restricted Stock Units

A summary of the Company's service-based restricted stock units during the six months ended June 30, 2023 is as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2023	125,000	$ 1.47
Granted	313,065	1.87
Vested	(125,000)	1.47
Unvested at June 30, 2023	313,065	$ 1.87

A summary of the Company's service-based restricted stock units during the six months ended June 30, 2022 is as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2022	29,289	$ 12.87
Granted	125,000	1.47
Vested	(23,515)	11.33
Forfeited	(5,774)	19.00
Unvested at June 30, 2022	125,000	$ 1.47

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 $0.1 million and $25,554 was recognized for the three months ended June 30, 2023 and 2022, respectively. Stock-based compensation expense of $0.2 million and $37 thousand was recognized for the six months ended June 30, 2023 and 2022, respectively. As of June 30, 2023, the unrecognized stock-based compensation expense was $0.5 million, which is expected to be recognized over an estimated weighted average remaining term of less than 1.7 years.

Service-Based Stock Options

The fair value of the service-based stock options granted for the six months ended June 30, 2022 were based on the following assumptions:

	Six Months Ended June 30, 2023
Exercise price	$1.37 - $2.83
Expected stock price volatility	81.64% - 81.9%
Risk-free interest rate	3.41% - 3.55%
Term (years)	4 - 6

A summary of the Company's service-based stock option activity for the six months ended June 30, 2023 is as follows:

	Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Outstanding at January 1, 2023	1,206,905	$ 8.32	8.9
Granted	382,745	1.48	5.5
Forfeited	(13,447)	4.02	—
Expired	(5,604)	19.01	—
Outstanding at June 30, 2023	1,570,599	$ 6.65	8.7
Exercisable at June 30, 2023	301,986	$ 26.15	6.5

A summary of the Company's service-based stock option activity for the six months ended June 30, 2022 is as follows:

	Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Outstanding at January 1, 2022	528,591	$ 32.01	7.5
Granted	909	4.07	9.5
Forfeited	(24,488)	15.00	—
Expired	(81,695)	83.32	—
Outstanding at June 30, 2022	423,317	$ 23.03	7.8
Exercisable at June 30, 2022	227,412	$ 31.19	5.8

The aggregate intrinsic value 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. The intrinsic value of the outstanding options were not significant for all periods presented.

During the six months ended June 30, 2023, the Company granted 382,745 stock options to purchase shares of common stock. During the six months ended June 30, 2023, 13,447 shares were forfeited and 5,604 shares expired. Forfeitures are recorded in the period of occurrence and compensation expense is adjusted accordingly.

Stock-based compensation expense recognized for service-based stock options was $0.2 million and $0.1 million for the three months ended June 30, 2023, and 2022 respectively. Stock-based compensation expense recognized for service-based stock options was $0.3 million and $0.3 million for the six months ended June 30, 2023, and 2022, respectively. As of June 30, 2023, total stock-based compensation expense related to unvested options not yet recognized totaled approximately $0.9 million, which is expected to be recognized over an estimated weighted average remaining term of 8.7 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 June 30, 2023 and December 31, 2022, the Company has accrued $85,400 relating to certain IP reimbursement expenses and certain sublicense royalty fees, which 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, sub-licensable, 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 was 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, sub-licensable, 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 sub-license milestone payments are not yet considered probable, and no milestone payments have been accrued as of June 30, 2023 and December 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 six 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 2026. In addition, Rockwell occupied 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 June 30, 2023, the Company had operating and finance lease liabilities of $5.9 million and right-of-use assets of $5.7 million, which are included in the condensed consolidated balance sheet.

At December 31, 2022, the Company had operating and finance lease liabilities of $6.7 million and right-of-use assets of $6.4 million, which are included in the condensed consolidated balance sheet.

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

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Operating leases				
Operating lease cost	$ 391	$ 366	$ 735	$ 745
Interest on lease obligations	64	65	124	135
Variable lease cost	109	92	224	187
Operating lease expense	564	523	1,083	1,067
Finance leases				
Non-cash lease expense from right-of-use assets	141	141	282	282
Interest on lease obligations	38	45	77	92
Finance lease expense	179	186	359	374
Short-term lease rent expense	4	4	8	8
Total lease expense	$ 747	$ 713	$ 1,450	$ 1,449
Other information				
Payments for principal from operating leases	$ 478	$ 447	$ 902	$ 911
Payments for interest from finance leases	$ 38	$ 45	$ 77	$ 92
Payments for principal from finance leases	$ 129	$ 119	$ 258	$ 237
Weighted-average remaining lease term – operating leases	2.7	3.2	2.7	3.2
Weighted-average remaining lease term – finance leases	3.9	4.9	3.9	4.9
Weighted-average discount rate – operating leases	6.5 %	6.3 %	6.5 %	6.3 %
Weighted-average discount rate – finance leases	6.4 %	6.4 %	6.4 %	6.4 %

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

	Operating	Finance
Year ending December 31, 2023 (remaining)	$ 875	$ 335
Year ending December 31, 2024	1,511	672
Year ending December 31, 2025	1,021	676
Year ending December 31, 2026	362	666
Year ending December 31, 2027	131	311
Total	3,900	2,660
Less present value discount	(318)	(308)
Operating and finance lease liabilities	$ 3,582	$ 2,352

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 or a third tranche of $7.5 million, which were tied to the achievement of certain milestones by a specific date. 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 was 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 was 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 June 30, 2023 and 2022, interest expense amounted to $0.3 million and $0.4 million, respectively. For the six months ended June 30, 2023 and 2022, interest expense amounted to $0.6 million and $0.8 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 contained customary representations and warranties and covenants, subject to customary carve outs, and included financial covenants related to liquidity and trailing twelve months sales of Triferic, with the latter beginning with the period ending December 31, 2020.

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 $7.5 million 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 $5.0 million if the aggregate principal amount of Term Loans is greater than $15 million pursuant to the liquidity covenant in the Loan Agreement.

On November 10, 2022, the Company entered into a Second Amendment to the Loan and Security Agreement (the “Second Amendment”) dated as of November 14, 2022 with Innovatus, which amended the Loan Agreement. Pursuant to the Second Amendment, the Company (i) prepaid an aggregate principal amount of $5.0 million in Term Loans in one installment on November 14, 2022; (ii) shall pay interest only payments until September 2023 at which time will resume scheduled debt payments. Additionally, the financial covenants related to the trailing twelve months sales of Triferic was replaced with a trailing 6 months revenue of our concentrates products beginning with the period ending September 30, 2022. The Company cannot assure that it 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. 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.

As of June 30, 2023, the Company was in compliance with all covenants under the Loan Agreement.

As of June 30, 2023, the outstanding balance of the Term Loan was $9.4 million, net of unamortized issuance costs and discount of $0.6 million.

The following table reflects the schedule of principal payments on the Term Loan as of June 30, 2023 (in thousands):

	Principal Payments
2023 (remaining)	$ 2,000
2024	6,000
2025	2,000
	$ 10,000

15. Insurance Financing Note Payable

On June 3, 2023, the Company entered into a short-term note payable for $0.7 million, bearing interest at 9.59% per annum to finance various insurance policies. Principal and interest payments related to this note began on July 3, 2023 and will be paid on a straight-line amortization over nine months with the final payment due on March 3, 2024. As of June 30, 2023, the outstanding balance was $0.7 million.

16. Subsequent Events

On July 5, 2023, all of the remaining Pre-Funded Warrants to purchase 1,793,000 shares of common stock issued on May 30, 2022 were exercised. The exercise price of each Pre-Funded Warrant was $0.0001 per share and resulted in gross proceeds to the Company of $179 (See Note 10 for more detail on the Pre-Funded Warrants).

Asset Purchase Agreement

On July 10, 2023, the Company executed and consummated the transactions contemplated by an Asset Purchase Agreement (the "Purchase Agreement") with Evoqua.

Subject to the terms and conditions of the Purchase Agreement, at the closing of the transaction (the "Closing"), the Company purchased from Evoqua substantially all of the assets of Evoqua that are related to its business of manufacturing, marketing, distributing, and selling hemodialysis concentrates products in powder and liquid form (the "Concentrates Business") for an aggregate purchase price, subject to certain adjustments pursuant to the terms of the Purchase Agreement, of $11.0 million in cash paid at Closing and equal annual installments of $2.5 million payable on each of the first and second anniversaries of the Closing.

The foregoing summary of the Purchase Agreement is subject to, and qualified in its entirety by reference to, the Purchase Agreement, which is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q.

Warrant Exercise and Reload Warrants

On July 10, 2023, the Company entered into a letter agreement (the "Letter Agreement") with Armistice Capital Master Fund Ltd. ("Armistice"), which held a warrant (the "Prior Warrant") to purchase 9,900,990 shares of common stock of the Company (the "Common Stock") with an exercise price of $1.39 per share, offering Armistice the opportunity to exercise the Prior Warrant for cash, provided the Prior Warrant was exercised for cash on or prior to 5:00 P.M. Eastern Time on July 10, 2028 (the "End Date"). In addition, Armistice would receive a "reload" warrant (the "Reload Warrant") to purchase 3,750,000 shares of Common Stock with an exercise price of $5.13 per share, the closing price as reported by the Nasdaq Capital Market on July 7, 2023. The terms of the Reload Warrant and Letter Agreement provide for customary resale registration rights. The Letter Agreement also provides that for a period of 45 days after the issuance of the Reload Warrant, the Company's may not sell shares of Common Stock pursuant to its sales agreement with Cantor Fitzgerald & Co., dated as of April 8, 2022, at price per share less than $6.25. The Reload Warrant may be exercised at all times prior to the 54 months month anniversary of its issuance date. The Prior Warrant and the Reload Warrant both provide that a holder (together with its affiliates) may not exercise any portion of the Prior Warrant or the Reload Warrant to the extent that the holder would own more than 9.99% of the Company's outstanding Common Stock immediately after exercise, as such percentage ownership is determined in accordance with the terms of such warrant. To the extent the exercise of the Prior Warrant would result in Armistice holding more than 9.99% of the Company's outstanding Common Stock, such shares of Common Stock in excess of 9.99% will be held in abeyance. The Letter Agreement amended the Prior Warrant to extend the expiration date thereof to one year following the original expiration date set forth therein.

Armistice exercised the Prior Warrant on July 10, 2023, and the Company received gross proceeds of approximately $13.8 million from the exercise of the Prior Warrant as a result of such exercise pursuant to the terms of the Letter Agreement. As of July 10, 2023, following the exercise of the Prior Warrant, the Company had 28,489,663 shares of common stock outstanding. The Letter Agreement and Reload Warrant were entered into pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, and Regulation D as promulgated thereunder.

The foregoing summaries of the Reload Warrant and the Letter Agreement are subject to, and qualified in their entirety by reference to, the Reload Warrant and the Letter Agreement, which are filed as Exhibits 4.1 and 10.1 to this Quarterly Report on Form 10-Q, respectively.

International Distribution Agreement

On August 7, 2023, Rockwell was informed by Wanbang, the Company's commercialization partner in China for Triferic, that the main efficacy results of Wanbang's clinical trial for Triferic (dialysate) compared with placebo were not obtained. The Company is working with Wanbang to determine next steps.

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," "is focused on" 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 successfully integrate and acquisitions: 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 renegotiate certain terms of our supply contracts; our ability to successfully implement certain cost containment and cost-cutting measures; our ability to achieve profitability and statements regarding our anticipated future financial condition, operating results, cash flows and business plans.

While we believe 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, 2022 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 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

Rockwell Medical is a healthcare company that develops, manufactures, commercializes, and distributes a portfolio of hemodialysis products for dialysis providers worldwide.

Rockwell is a revenue-generating business, the second largest supplier of liquid and powder acid and bicarbonate concentrates for dialysis patients in the United States. Hemodialysis is the most common form of end-stage kidney disease treatment and is typically performed at freestanding outpatient dialysis center, hospital-based outpatient centers, skilled nursing facilities, or in a patient's home. This represents a large market opportunity for which we believe Rockwell's products are well-positioned to meet the needs of patients.

Rockwell provides the hemodialysis community with products controlled by a Quality Management System regulated by the U.S. Food and Drug Administration ("FDA"). Rockwell is ISO 13485 Certified and adheres to current Good Manufacturing Practices ("cGMP") and Association for Advancement of Medical Instrumentation ("AAMI") standards. Rockwell manufactures hemodialysis concentrates at its facilities in Michigan, South Carolina, and Texas totaling approximately 175,000 square feet, and manufactures its dry acid concentrate mixers at its facility in Iowa. Rockwell delivers the majority of its hemodialysis concentrates products and mixers to dialysis clinics throughout the United States and internationally utilizing its own delivery trucks and third-party carriers. Rockwell has developed a core expertise in manufacturing and delivering hemodialysis concentrates, and has built a longstanding reputation for reliability, quality, and excellent customer service.

On July 10, 2023, Rockwell acquired the hemodialysis concentrates business (the "Evoqua Acquisition") from Evoqua Water Technologies LLC ("Evoqua"). The Evoqua Acquisition expands the Company's geographic footprint, customer base, and product offerings. In addition, the Evoqua Acquisition provides fully automated processing that potentially has a lower cost to manufacture. As part of this acquisition, the Company manufactures hemodialysis concentrates in Minnesota under a contract manufacturing agreement with a contract manufacturing organization. (See Note 16 for further detail).

In addition to its primary focus on hemodialysis concentrates, Rockwell also has a proprietary parenteral iron product, Triferic (ferric pyrophosphate citrate, ("FPC")), which is indicated to maintain hemoglobin in adult patients with hemodialysis-dependent chronic kidney disease. While Rockwell has discontinued commercialization of Triferic in the United States, the Company has established several international partnerships with companies seeking to develop and commercialize Triferic outside the United States and is working closely with these international partners to develop and commercialize Triferic in their respective regions. Additionally, Rockwell continues to evaluate the viability of its FPC platform and FPC's potential to treat iron deficiency, iron deficiency anemia, and acute heart failure.

Rockwell's strategy is focused on growing the Company's revenue-generating business, which currently includes hemodialysis concentrates and international partnerships for Triferic and achieving profitability to put the Company in a stronger and more stable financial position.

Hemodialysis Concentrates Business: Rockwell is the second largest supplier of life-sustaining hemodialysis concentrates products to dialysis clinics in the United States. Our hemodialysis concentrates products are used to sustain a patient's life by removing toxins and balancing electrolytes in a dialysis patient's bloodstream. A key element of our dialysis business strategy going forward is to improve the strength of our concentrates business. We believe we can achieve this by growing our business through the addition of new customers, expanding our territory coverage, increasing the efficiency of our production, and pricing our products appropriately to drive profitability.

Prior to the second quarter of 2022, Rockwell's concentrates business operated at a loss. This loss was accelerated due to inflation, which has increased our manufacturing and operating costs. We undertook discussions with our largest customers to renegotiate our existing supply contracts to improve the profitability of this business line. On April 6, 2022, we amended our agreement with our long-time partner, DaVita, Inc. ("DaVita"), a leading provider of kidney care, to enable us to

stabilize our concentrates business. The amended agreement provides a stronger financial arrangement which encompasses pricing, cost share, cost cutting, and joint efforts to improve supply chain, all of which is intended to drive Rockwell's concentrates business to operate profitably in the future. We are currently in discussions with DaVita on an extension to the agreement. In addition to the amended agreement, DaVita invested $15 million in preferred stock in two equal tranches. The first tranche of $7.5 million was funded on April 7, 2022. The second tranche of $7.5 million was funded on June 16, 2022. We continue to review our entire supply chain to identify opportunities for improvement, prioritizing initiatives that will have the largest impact on long-term efficiency, profitability, and growth.

On November 9, 2022, Rockwell reacquired its distribution rights to its hemodialysis concentrates products from Baxter and has agreed to terminate the exclusive distribution agreement dated October 2, 2014. Exclusivity and other provisions associated with the distribution agreement terminated November 9, 2022 and the remaining operational elements of the agreement terminate December 31, 2022. Under the exclusive distribution agreement, Baxter distributed and commercialized Rockwell's hemodialysis concentrates products in the United States and certain other countries. Rockwell manufactured all hemodialysis concentrates products and provided customer service and order delivery to nearly all U.S. customers. Following the reacquisition of these rights, Rockwell is now able to sell its hemodialysis concentrates products directly to dialysis clinics throughout the United States and around the world. Additionally, Rockwell is now able to independently price its products, eliminate costs associated with manufacturing covenants, improve manufacturing efficiencies, realize the full benefits from those improvements, and develop, in-license, or acquire new products to develop a broader kidney care products portfolio. This is expected to improve Rockwell's overall profitability and set the Company on a positive growth trajectory. Collectively, we believe this affords Rockwell the opportunity to expand its leadership position within a large market opportunity. According to an independent research report from L.E.K. Consulting LLC, which was commissioned by Rockwell in 2022, the hemodialysis concentrates market in the United States alone was valued at $380 million in 2022 and is anticipated to grow to approximately $500 million by 2026.

Triferic: Our first two branded products from our FPC platform, Triferic (dialysate) and Triferic AVNU, are indicated 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 addition, Rockwell established six international partnerships to develop and commercialize Triferic in China, India, Korea, Turkey, Peru and Chile.

In 2022, Rockwell undertook a strategic review of Triferic's viability in the United States. Triferic was launched into a very competitive marketplace with well-entrenched products and a lack of consensus regarding unmet medical needs for dialysis patients with anemia. Due to its limited market adoption, unfavorable reimbursement, and absence of interest from other companies to license or acquire Triferic despite Rockwell's significant effort to partner the program, the Company discontinued its NDAs for Triferic and Triferic AVNU in the United States in the fourth quarter of 2022. Sustaining Triferic commercially in the United States resulted in annual losses to Rockwell. The decision to discontinue the NDAs was not made lightly as the Company realizes the direct impact this action had on patients using the products. Triferic and its approved presentations were not discontinued for safety reasons.

Rockwell continues to support its partners outside the United States who have exclusive license agreements to develop and commercialize Triferic in China, India, Korea, Turkey, Peru and Chile. Partnering in these regions allows us to better leverage the development, regulatory, commercial presence, and expertise of business partners to increase sales of our products throughout the world. Currently, India, Peru and Chile development work has been put on hold. However, we believe there is still potential opportunity for Triferic internationally and will work diligently to support our partners, which requires minimal financial commitment from Rockwell and provides us with potential for near- and long-term revenue.

On August 7, 2023, Rockwell was informed by Wanbang, the Company's commercialization partner in China for Triferic, that the main efficacy results of Wanbang's clinical trial for Triferic (dialysate) compared with placebo were not obtained. The Company is working with Wanbang to determine next steps.

Research and Development Pipeline: FPC for Home Infusion is Rockwell's follow-up to Triferic and utilizes the FPC platform in the home infusion setting.

In late 2021, Rockwell filed an Investigational New Drug ("IND") application with the United States Food and Drug Administration ("FDA") for the treatment of iron deficiency anemia in patients, who are receiving medications in the home infusion setting. During the second quarter 2022, Rockwell provided the FDA with supplemental data to be used in Rockwell's clinical studies and to clinically support the Company's IND application for home infusion. The FDA placed this program on Clinical Hold and requested that additional data related to the microbiology and short-term stability of this formulation be provided to support the application. During the third quarter of 2022, Rockwell conducted a microbiological and short-term stability study of FPC for Home Infusion, in accordance with FDA guidance, to support the Company's IND application. Preliminary results from the microbiology and short-term stability study indicated that the program would likely not meet the FDA's requirements to support the IND application and would require significant capital expenditure and resources to support additional re-formulation work and conduct a Phase 2 trial. As a result, Rockwell has put development work associated with FPC for Home Infusion on hold.

Rockwell is also exploring FPC's impact on the treatment of hospitalized acute heart failure patients, which affects more than one million people in the United States annually. Rockwell conducted a pre-IND meeting with the FDA in 2022 and will determine the path forward for FPC in acute heart failure as the Company works toward profitability.

Results of Operations for the Three Months Ended June 30, 2023 and 2022

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

	For the Three Months Ended June 30,				
	2023	**% of Revenue**	**2022**	**% of Revenue**	**% Change**
Net Sales	**$ 18,080**		**$ 18,682**		**(3)%**
Cost of Sales	17,047	94 %	16,937	91 %	1
Gross Profit	1,033	6	1,745	9	(41)
Research and Product Development	167	1	926	5	(82)
Selling and Marketing	530	3	526	3	1
General and Administrative	3,295	18	4,775	26	(31)
Operating Loss	**$ (2,959)**	**(16)%**	**$ (4,482)**	**(24)%**	**(34)%**

Net Sales

During the three months ended June 30, 2023, our net sales were $18.1 million compared to net sales of $18.7 million during the three months ended June 30, 2022. The decrease of $0.6 million was primarily due to the reduction of deferred revenue related to Rockwell reacquiring its distribution rights and terminating the Baxter distribution agreement. Overall, product revenue for the three months ended June 30, 2023 was $18.0 million compared to product revenue of $17.6 million during the three months ended June 30, 2022, an increase of $0.4 million. Rockwell expects this trend to continue as we work to integrate the Evoqua Acquisition (See Note 16).

Gross Profit

Cost of sales during the three months ended June 30, 2023 was $17.0 million, resulting in gross profit of $1.0 million during the three months ended June 30, 2023, compared to cost of sales of $16.9 million and a gross profit of $1.7 million during the three months ended June 30, 2022. Gross profit decreased by $0.7 million primarily due to the reduction of the recognition of the deferred revenue related to the termination of the Baxter distribution agreement (See Note 9).

Research and Product Development Expense

Research and product development expenses were $0.2 million and $0.9 million for the three months ended June 30, 2023 and 2022, respectively. Research and product development expenses decreased by $0.7 million due to greater expense management over project costs, a reduction in headcount and the decision to put all research related to our FPC for home infusion program on hold due to the significant capital expenditure and resources to support additional re-formulation work and conduct a Phase 2 trial.

Selling and Marketing Expense

Selling and marketing expenses were unchanged at $0.5 million for both the three months ended June 30, 2023, and 2022. We continue to evaluate marketing spend and focus on target opportunities for greater return on investments.

General and Administrative Expense

General and administrative expenses were $3.3 million during the three months ended June 30, 2023, compared with $4.8 million during the three months ended June 30, 2022. The decrease of $1.5 million is primarily due to improved expense management and the reduced usage of outside consultants and government agencies.

Other Income (Expense)

Other income for the three months ended June 30, 2023 and 2022 was $49,000 and nil, respectively. Other expense for the three months ended June 30, 2023 and 2022 was $0.4 million and $0.5 million, respectively, primarily due to interest expense related to our debt facility (See Note 14).

Results of Operations for the Six Months Ended June 30, 2023 and 2022

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

	For the Six Months Ended June 30,				
	2023	**% of Revenue**	**2022**	**% of Revenue**	**% Change**
Net Sales	**$ 37,748**		**$ 34,806**		**8 %**
Cost of Sales	34,116	90 %	33,846	97 %	1
Gross Profit	3,632	10	960	3	278
Research and Product Development	445	1	2,494	7	(82)
Selling and Marketing	1,028	3	981	3	5
General and Administrative	6,545	17	8,592	25	(24)
Operating Loss	**$ (4,386)**	**(12)%**	**$ (11,107)**	**(32)%**	**(61)%**

Net Sales

During the six months ended June 30, 2023, our net sales were $37.7 million compared to net sales of $34.8 million during the six months ended June 30, 2022. The increase of $2.9 million was primarily due to the restructuring of our supply contract with DaVita, the reacquired rights to commercialize and distribute our products, onboarding of new customers and increased pricing to other customers. Overall, product revenue for the six months ended June 30, 2023 was $36.1 million compared to product revenue of $33.1 million during the three months ended June 30, 2022, an increase of $3.0 million.

Gross Profit

Cost of sales during the six months ended June 30, 2023 was $34.1 million, resulting in gross profit of $3.6 million during the six months ended June 30, 2023, compared to cost of sales of $33.8 million and a gross profit of $1.0 million during the six months ended June 30, 2022. Gross profit increased by $2.6 million primarily due to the restructuring of our supply contract with DaVita, recognition of the remaining deferred revenue related to the termination of the Baxter distribution agreement (See Note 9), onboarding of new customers and increased pricing to other customers. In addition, Rockwell completed the Evoqua Acquisition in July 2023, which is expected to expand our capabilities (See Note 16).

Research and Product Development Expense

Research and product development expenses were $0.4 million and $2.5 million for the six months ended June 30, 2023 and 2022, respectively. Research and product development expenses decreased by $2.1 million due to greater cash management over project costs, a reduction in headcount and the decision to put all research related to our FPC for Home Infusion program on hold due to the significant capital expenditure and resources to support additional re-formulation work and conduct a Phase 2 trial.

Selling and Marketing Expense

Selling and marketing expenses were unchanged at $1.0 million for both the six months ended June 30, 2023, and 2022. We continue to evaluate marketing spend and focus on target opportunities for greater return on investments.

General and Administrative Expense

General and administrative expenses were $6.5 million during the six months ended June 30, 2023, compared with $8.6 million during the six months ended June 30, 2022. The decrease of $2.1 million is primarily due to the reduced usage of outside consultants and government agencies.

Other Income (Expense)

Other income for the six months ended June 30, 2023 and 2022 was $0.1 million related to cash equivalents and nil, respectively. Other expense for the six months ended June 30, 2023 and 2022 was $0.8 million and $1.0 million of interest expense related to our debt facility, respectively (See Note 14).

Liquidity and Capital Resources

As of June 30, 2023, we had approximately $14.9 million of cash, cash equivalents and investments available-for-sale, and working capital of $10.1 million. Net cash used in operating activities for the six months ended June 30, 2023 was approximately $5.6 million. Based on the currently available working capital, management believes the Company currently has sufficient funds to meet its operating requirements for at least the next twelve months from the date of the filing of this report.

On July 10, 2023, Armistice Capital Master Fund Ltd. ("Armistice") exercised its warrant to purchase 9,900,990 shares of common stock with an exercise price of $1.39 per share and the Company received gross proceeds of approximately $13.8 million (See Note 16).

Also on July 10, 2023, Rockwell completed the Evoqua Acquisition for an aggregate purchase price, subject to certain adjustments pursuant to the terms of the Purchase Agreement, of $11.0 million in cash paid at closing and equal annual installments of $2,500,000 payable on each of the first and second anniversaries of the closing. In addition, the Company also purchased approximately $1.2 million of inventory. The Evoqua Acquisition expands the Company's geographic footprint, customer base, and product offerings. In addition, the Evoqua Acquisition provides fully automated processing that potentially results in a lower cost to manufacture. As part of the Evoqua Acquisition, the Company manufactures hemodialysis concentrates under a contract manufacturing agreement with a contract manufacturing organization. (See Note 16).

The Company continues to review its operational plans and executing on the acquisition of new customers and cost containment activities. The Company may require additional capital to sustain its operations and make the investments it needs to execute its strategic plan. Additionally, the Company's operational plans include raising capital, if needed, by using our ATM facility or other methods or forms of financings, subject to existing limitations.

If the Company attempts to obtain additional debt or equity financing, the Company cannot assume such financing will be available on favorable terms, if at all.

As of June 30, 2023, the Company is no longer subject to the baby shelf limitations under Form S-3, which limit the amount the Company may offer pursuant to its registration statement on Form S-3.

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 is in compliance with all covenants (See Note 14).

In addition, the global macroeconomic environment is uncertain, and could be negatively affected by, among other things, increased U.S. trade tariffs and trade disputes with other countries, instability in the global capital and credit markets, recent bank failures in the United States, supply chain weaknesses, and instability in the geopolitical environment, including as a result of the Russian invasion of Ukraine and other political tensions, and lingering effects of the COVID-19 pandemic. Such challenges have caused, and may continue to cause, recession fears, rising interest rates, foreign exchange volatility and inflationary pressures. At this time, the Company is unable to quantify the potential effects of this economic instability on our future operations.

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.

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 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 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 our ability to fund our activities in the long term will be highly dependent upon i) our ability to execute on the growth strategy of our hemodialysis concentrates business, ii) our ability to achieve profitability, and iii) our ability to identify, develop, in-license, or acquire new products in developing our renal care product portfolio. All of these strategies are subject to significant risks and uncertainties such that there can be no assurance we will be successful in achieving them. If we are unsuccessful in executing our business plan and 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 $5.6 million for the six months ended June 30, 2023 compared to net cash used in operating activities of $15.7 million for the six months ended June 30, 2022. The decrease in cash used from operating activities during the current period was primarily due to a decrease in net loss, offset by changes in current balance sheet accounts in the ordinary course of business of approximately $2.6 million, including an increase in accounts payable of $1.9 million, a decrease in other liabilities of $4.0 million, a decrease in deferred revenue of $1.6 million for recognition of the remaining deferred revenue related to the termination of the Baxter distribution agreement and a decrease in prepaid and other assets of $1.0 million.

Cash Provided by Investing Activities

Net cash provided by investing activities was $5.2 million during the six months ended June 30, 2023 compared to net cash provided by investing activities of $9.1 million for the six months ended June 30, 2022. The net cash provided by investing activities during the six months ended June 30, 2023 was primarily due to sales and purchase of available-for-sale investments during the period.

Cash (Used in) Provided by Financing Activities

Net cash used in financing activities was $0.8 million during the six months ended June 30, 2023 compared to the net cash provided by financing activities of $24.1 million for the six months ended June 30, 2022. The net cash used in financing activities during the six months ended June 30, 2023 was primarily due to the Company making interest only payments on the Company's debt and short term insurance note payable.

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, 2022.

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, 2022. 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, 2022.

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 Quarterly Report on 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 designed to ensure material information required to be disclosed in our reports 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 such information is accumulated and communicated to our management, including our Chief Executive Officer as appropriate, to allow timely decisions regarding required financial disclosure. In designing and evaluating the disclosure controls and procedures, we recognized a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance 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, 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 June 30, 2023. Based upon that evaluation, our Chief Executive Officer concluded our disclosure controls and procedures were effective as of June 30, 2023.

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

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 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, 2022. 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, 2022 under "Item 1A - Risk Factors" except as noted below.

We may fail to realize the anticipated benefits of the Evoqua Acquisition, including an improved financial position, and those benefits may take longer to realize than expected.

On July 10, 2023, we completed our acquisition of the hemodialysis concentrates business (the "Evoqua Acquisition") from Evoqua Water Technologies LLC ("Evoqua"). Our ability to realize the anticipated benefits of the Evoqua Acquisition, including an improved financial position, expanded geographic footprint, customer base and product offerings, and increased manufacturing capacity, will depend in part on the integration of Evoqua's business with ours. There can be no assurance that we will be able to operate Evoqua's business profitably or integrate it successfully into our operations in a timely fashion, or at all.

Following the Evoqua Acquisition, the size of the combined company's business is significantly larger than our business prior to the Evoqua Acquisition. Our future success as a combined company depends, in part, upon our ability to manage this expanded business, which will pose substantial challenges for our management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. The dedication of management resources to this integration could detract attention from our current day-to-day business, and we cannot assure stockholders that there will not be substantial costs associated with the transition process or other negative consequences as a result of these integration efforts.

Because we have limited financial resources, by investing in the Evoqua Acquisition, we may forgo or delay pursuit of other opportunities that may have proven to have greater commercial potential. Also, we now possess certain liabilities and obligations, including contractual liabilities and obligations, that were assumed by us upon closing of the Evoqua Acquisition. Further, it is possible that undisclosed, contingent, or other liabilities, problems or obligations may arise in the future of which we were previously unaware. These disclosed and undisclosed liabilities could have an adverse effect on our business, financial condition and results of operations.

These factors, including incurring unexpected costs or delays in connection with integration of the two businesses, or the failure of the combined company to perform as expected, could decrease or delay the expected accretive effect of the Evoqua Acquisition, negatively affect our stock price and harm our financial condition, results of operations or business prospects. As a result, it cannot be assured that the Evoqua Acquisition will result in the full realization of the benefits anticipated from the Evoqua Acquisition or in the anticipated time frames or at all.

A few customers account for a substantial portion of the end user sales of our concentrate products. The loss of any of these customers could have a material and adverse effect on our business, results of operations, financial position and cash flows.

Sales of our medical device products are highly concentrated in a few customers. One customer accounted for nearly half of our sales in each of the last three years and for a substantial number of the clinics we serve. We experienced further concentration with regard to that customer and an additional customer through the Evoqua Acquisition. The loss of any of these significant customers could have a material adverse effect on our business, results of operations, financial position and cash flows.

Our agreement with our largest customer in our concentrates business is set to expire on December 31, 2023 and our inability to negotiate a new agreement would have a material and adverse effect on our financial condition and results of operations.

Our Products Purchase Agreement with DaVita is set to expire on December 31, 2023. The Products Purchase Agreement is a fixed price agreement that contains a number of limitations on our ability to raise prices. In April 2022, we amended our Products Purchase Agreement to raise our prices in light of inflationary pressures. However, rising costs and declining volumes ordered by DaVita since April 2022 have had and could continue to have a negative impact on our business. The Products Purchase Agreement requires 90 days' notice of non-renewal upon expiration. If we are unable to reach an agreement with DaVita on new terms that make economic sense for us, we do not expect to enter into a new agreement. This would result in the loss of approximately one-half of our current volume of concentrates products and would have a material and adverse effect on our financial condition and results of operations and would likely lead to the implementation of cost saving measures that would negatively impact our activities. In addition, DaVita is a customer of the business that was the subject of the Evoqua Acquisition and the contract with that business is also set to expire on December 31, 2023. Our failure to renegotiate that contract could also result in lost business.

We depend on a third party to manufacture products for the business that was the subject of the Evoqua Acquisition. If this organization are unable or unwilling to manufacture our newly acquired concentrates products, or if the organization fails to comply with applicable regulations or otherwise fails to meet our requirements, our business will be harmed.

We rely on a contract manufacturing organization ("CMO") to manufacture our newly acquired concentrates products. If that CMO is unable to manufacture those products in sufficient quantities and on a consistent basis, or if it becomes unwilling to produce the products for us, we may not be able to fulfill our contractual requirements or sell those products while we look for an alternative. We currently have a single-source supplier, and our supply contract expires in mid-2024. If we were to experience a supply disruption, it could take an extended period of time to find and qualify an alternate supplier or to take over the manufacturing ourselves. The manufacturing facilities and processes used by our CMO must be approved by the FDA before the products manufactured by such CMO can be sold. After approval, our CMO must meet certain ongoing regulatory requirements for product testing and stability of commercially marketed products. We do not control the manufacturing processes of our CMO and depend on it to comply with current good manufacturing practices ("cGMP") and obtain and maintain regulatory approval. If approval for a

CMO is not received or ongoing testing does not continue to meet approved standards and approval is withdrawn, the CMO's production would be delayed or suspended, which could adversely affect our business. If that was to happen, we may be forced to find another capable CMO or take over production ourselves. Any such circumstance could significantly hamper our ability to supply our customers in a timely manner, which may have a material adverse effect on our financial condition and results of operations.

The market price of our common stock has fluctuated in the past, and is likely to continue to be volatile, which could subject us to litigation.

The market price of our common stock has fluctuated and is likely to be subject to further wide fluctuations in response to numerous factors, many of which are beyond our control, such as those in this "Risk Factors" section and others including:

- the reporting of sales, operating results and cash resources;
- announcements by commercial partners or competitors of new commercial products, clinical progress or the lack thereof, significant contracts, commercial relationships or capital commitments;
- the entry into, or termination of, key agreements, including key commercial partner agreements and acquisition agreements;
- changes in the structure of healthcare payment systems;
- the loss of key employees;
- changes in estimates or recommendations by securities analysts, if any, who cover our common stock;
- our ability to obtain regulatory approvals for our product candidates, and delays or failures to obtain such approvals;
- failure of any of our product candidates, if approved, to achieve commercial success;
- issues in manufacturing our device products or product candidates;
- the results of any future clinical trials of our product candidates;
- the initiation of, material developments in, or conclusion of litigation to enforce or defend any of our intellectual property rights or defend against the intellectual property rights of others; and
- the introduction of technological innovations or new therapies that compete with our products or product candidates.

In addition, third parties may engage in trading strategies that result in intentional volatility to and control over our stock price. We recently experienced a steep reduction in our stock price which may have been due to an article that negatively portrayed the Company. Moreover, the stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of individual companies. These broad market fluctuations may also adversely affect the trading price of our common stock.

In the past, following periods of volatility in the market price of a company's securities, stockholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm our profitability and reputation.

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.

On August 11, 2023, the Board of Directors of Rockwell terminated the employment of Marc Hoffman as Chief Medical Officer of the Company, effective immediately. The termination of employment of Dr. Hoffman by the Company without cause entitles Dr. Hoffman to severance in accordance with the Employment Agreement, dated September 24, 2019, by and between the Company and Dr. Hoffman (the "Employment Agreement"). The severance benefits under the Employment Agreement are subject to the execution and non-revocation of a release of claims in favor of the Company. Dr. Hoffman will provide consulting services to the Company for up to one year following his termination to assist with the transition of his responsibilities and other related matters, during which time his unvested equity awards will continue to vest in accordance with their terms.

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
4.1 *	Common Stock Purchase Warrant, dated July 10, 2023, issued to Armistice Capital Master Fund Ltd.
10.1 *	Letter Agreement, dated July 10, 2023, by and between Rockwell Medical, Inc. and Armistice Capital Master Fund Ltd.
10.2 *	Asset Purchase Agreement dated July 10, 2023 by and between Rockwell Medical, Inc. and Evoqua Water Technologies LLC.
10.3 *	Rockwell Medical, Inc. Amended and Restated 2018 Long Term Incentive Plan.
31.1*	Certification 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 June 30, 2023, 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

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: August 14, 2023 /s/ Mark Strobeck

Mark Strobeck, Ph.D.
Chief Executive Officer (Principal Executive Officer and Interim Financial Officer)

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT

ROCKWELL MEDICAL, INC.

Warrant Shares: 3,750,000 Issue Date: July 10, 2023

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, Armistice Capital Master Fund Ltd. or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on July 10, 2028 (the "Termination Date") but not thereafter, to subscribe for and purchase from Rockwell Medical, Inc., a Delaware corporation (the "Company"), up to 3,750,000 shares (as subject to adjustment hereunder, the "Warrant Shares") of the Company's Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Warrant Inducement Agreement (as defined below).

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith

by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Board of Directors" means the board of directors of the Company.

"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; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.0001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Securities" means the Warrants and the Warrant Shares.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Subsidiary" means any subsidiary of the Company and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the Common Stock is traded on a Trading Market.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or OTCQX (or any successors to any of the foregoing).

"Transfer Agent" means American Stock Transfer & Trust Company, LLC, the current transfer agent of the Company, with a mailing address of 6201 15th Avenue, Brooklyn, New York 11219 and any successor transfer agent of the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrant Inducement Agreement" means the warrant inducement agreement, dated as of July 10, 2023, as amended, modified or supplemented from time to time in accordance with its terms.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant**

Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.

b) Exercise Price. The exercise price per share of Common Stock under this Warrant shall be **$5.13**, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance or resale of the Warrant Shares to or by the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(68) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the characteristics of the Warrants being exercised, and the holding period of the Warrant Shares being issued may be tacked on to the holding period of this Warrant. The Company agrees not to take any position contrary to this Section 2(c).

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's

or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming cashless exercise of the Warrants), and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earlier of (A) the earlier of (i) two (2) Trading Days and (ii) the number of days comprising the Standard Settlement Period, in each case after the delivery to the Company of the Notice of Exercise and (B) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received by the Warrant Share Delivery Date. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the third Trading Day after the Warrant Share Delivery Date) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to

the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for

same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one (1) Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the

Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall

not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, that to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person (excluding a merger effected solely to change the Company's name), (ii) the Company (or any Subsidiary), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant),

the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, that, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, Holder shall only be entitled to receive from the Company or any Successor Entity the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Stock of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Stock are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Stock of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Stock will be deemed to have received common stock of the Successor Entity (which Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black-Scholes Option Pricing Model obtained from the "OV" function on Bloomberg determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the greater of (i) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (ii) the highest VWAP during the period beginning on the Trading Day immediately preceding the announcement of the applicable Fundamental Transaction (or the consummation of the applicable Fundamental Transaction, if earlier) and ending on the Trading Day of the Holder's request pursuant to this Section 3(e) and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date and (E) a zero cost of borrow. The payment of the Black Scholes Value will be made by wire

transfer of immediately available funds (or such other consideration) within the later of (i) five Business Days of the Holder's election and (ii) the date of consummation of the Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, use reasonable best efforts to deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Company shall use reasonable best efforts to provide that the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the

Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Company's subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section

4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Issue Date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting the rights of a Holder to receive Warrant Shares on a "cashless exercise," and to receive the cash payments contemplated pursuant to Sections 2(d)(i) and 2(d)(iv), in no event will the Company be required to net cash settle an exercise of this Warrant.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then, such action may be taken or such right may be exercised on the next succeeding Trading Day.

d) Authorized Shares.

The Company covenants that, at all times during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary

Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against a party hereto or their respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with

evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding the fact that the right to exercise this Warrant terminates on the Termination Date. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, Attention: Megan Timmins, email address: mtimmins@rockwellmed.com, or such other email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the e-mail address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of

the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company, on the one hand, and the Holder of this Warrant, on the other hand.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ROCKWELL MEDICAL, INC.

By: /s/ Mark Strobeck_____
Name: Mark Strobeck
Title: CEO

NOTICE OF EXERCISE

TO: **ROCKWELL MEDICAL, INC.**

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to exercise the Warrant to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____

Holder's Signature:

Holder's Address:

ROCKWELL MEDICAL, INC.

July 10, 2023

Holder of Common Stock Purchase Warrant

Re: Inducement Offer to Exercise Common Stock Purchase Warrants

Dear Holder:

Rockwell Medical, Inc., a Delaware corporation (the "Company"), is pleased to offer to you the opportunity to exercise all of the Common Stock Purchase Warrant issued to you on June 2, 2022 (with a current exercise price of $1.39 per share), (the "Existing Warrant"), currently held by you (the "Holder"). The offer and resale of the Existing Warrants and the 9,900,990 shares of common stock, par value $0.0001 per share ("Common Stock"), underlying the Existing Warrants ("Warrant Shares") have been registered pursuant to registration statement Form S-1 (File No. 333-265768) (the "Registration Statement"). The Registration Statement is currently effective and, upon exercise of the Existing Warrants pursuant to this letter agreement, will be effective for the issuance or sale, as the case may be, of the Warrant Shares. Capitalized terms not otherwise defined herein shall have the meanings set forth in the New Warrant (as defined below).

In consideration for exercising the Existing Warrants held by you (the "Warrant Exercise"), at an exercise price equal to $1.39 per Warrant Share, the Company hereby offers to issue you or your designee a new unregistered Common Stock Purchase Warrant pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended ("Securities Act"), to purchase up to 3,750,000 shares of Common Stock, which shall be substantially in the form of Exhibit A attached hereto, will be exercisable in accordance with the terms thereof, and have an exercise price equal to $5.13 (the "New Warrants" and such shares of Common Stock issuable upon exercise of the New Warrants, the "New Warrant Shares"). To the extent that you countersign this letter agreement and deliver the exercise price for the Warrant Exercise, this letter will constitute an amendment of the Existing Warrants with respect to the expiration date of the Existing Warrants which will be extended up to one year from the expiration date in such warrant to the extent necessary to accommodate the abeyance in furtherance of the Beneficial Ownership Limitation (as defined below) as set forth in the succeeding paragraph.

The New Warrants certificates will be delivered within two Business Days following the date hereof. Notwithstanding anything herein to the contrary, in the event the exercise of Existing Warrants would otherwise cause the Holder to exceed a beneficial ownership limitation equal to 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon such exercise ("Beneficial Ownership Limitation"), the Company shall only issue such number of Warrant Shares to the Holder that would not cause the Holder to exceed the maximum number of Warrant Shares permitted thereunder with the balance to be held in abeyance until notice from the Holder that the balance (or portion thereof) may be issued in compliance with such limitations, which abeyance shall be evidenced through this agreement and the Existing Warrants which shall be deemed prepaid thereafter, and exercised pursuant to a Notice of Exercise in the Existing Warrant (provided no additional exercise price shall be payable).

Expressly subject to the paragraph immediately following this paragraph below, Holder may accept this offer by signing this letter below, with such acceptance constituting Holder's exercise in full of the Existing Warrants for an aggregate exercise price set forth on the Holder's signature page hereto (the "Warrants Exercise Price") on or before 12:00 p.m. Eastern on July 10, 2023.

Additionally, the Company agrees to the representations, warranties and covenants set forth on Annex A attached hereto. Holder represents and warrants that it is an "accredited investor" as defined in Rule 501 of the Securities Act, and agrees that the New Warrants will contain restrictive legends when issued, and neither the New Warrants nor the Common Stock issuable upon exercise of the New Warrants will initially be registered under the Securities Act. At the time the Holder was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any New Warrants, it will be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7), (a)(8), (a)(9), (a)(12), or (a)(13) under the Securities Act.

With respect to the New Warrant Shares to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "Issuer Covered Person") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Purchasers a copy of any disclosures provided thereunder.

The Company is not aware of any person (other than any Issuer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the transactions contemplated in this letter agreement.

The Company will notify the Holder in writing, prior to the date of issuance of the New Warrants of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, reasonably be expected to become a Disqualification Event relating to any Issuer Covered Person, in each case of which it is aware.

The Holder understands that the New Warrants and the Common Stock underlying New Warrants are not, and may never be, registered under the Securities Act, or the securities laws of any state and, accordingly, each certificate, if any, representing such securities shall bear a legend substantially similar to the following:

> "NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES."

Certificates evidencing Common Stock underlying the New Warrants shall not contain any legend (including the legend set forth above), (i) following any sale of such Common Stock pursuant to Rule 144 under the Securities Act (assuming cashless exercise of the New Warrants) or pursuant to an effective registration statement, or (ii) if such Common Stock is eligible for sale under Rule 144 (assuming cashless exercise of the New Warrants), without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Common Stock and without volume or manner-of-sale restrictions, and the earliest of clauses (i) and (ii), the "Delegend Date")). The Company shall use commercially reasonable efforts to cause its counsel to issue a legal opinion to the transfer agent promptly after the Delegend Date if required by the Company and/or the transfer agent to effect the removal of the legend hereunder. If all or any portion of a New Warrant is exercised at a time in connection with any sale of such New Warrant Shares pursuant to Rule 144 (assuming cashless exercise of the New Warrants) or pursuant to an effective registration statement or when such New Warrant Shares are eligible for resale under Rule 144 (assuming cashless exercise of the New Warrants) by the Holder without volume or manner-of-sale limitations or any requirement for the Company to comply with the current public information obligations of Rule 144(c) pursuant to Rule 144, then such Common Stock shall be issued free of all legends. The Company agrees that following the Delegend Date or at such time as such legend is no longer required under this Section, it will, no later than two (2) Trading Days following the delivery by the Holder to the Company or the transfer agent of a

certificate representing the Common Stock underlying the New Warrants issued with a restrictive legend accompanied by such customary and reasonably acceptable documentation referred to above (such second Trading Day, the "Legend Removal Date"), deliver or cause to be delivered to the Holder a certificate representing such shares that is free from all restrictive and other legends or, at the request of the Holder shall credit the account of the Holder's prime broker with the Depository Trust Company System as directed by the Holder.

Upon receipt of written notice from the Company that a registration statement or prospectus contains a Misstatement (as defined below) or that the registration statement or prospectus can no longer be relied upon or used, the Holder shall forthwith discontinue disposition of New Warrants, until it has received copies of a supplemented or amended prospectus correcting the Misstatement (it being understood that the Company hereby covenants to prepare and file such supplement or amendment as soon as reasonably practicable after the time of such notice), or until it is advised in writing by the Company that the use of the prospectus may be resumed. If the filing, initial effectiveness or continued use of a registration statement in respect of any registration at any time would require the Company to make an Adverse Disclosure (as defined below) or would, under the U.S. Securities and Exchange Commission's (the "Commission") rules and regulations, require the inclusion in such registration statement of financial statements that are unavailable to the Company for reasons beyond the Company's reasonable control, the Company may, upon giving prompt written notice of such action to the Holder, delay the filing or initial effectiveness of, or suspend use of, such registration statement, provided, however, that the Company may not delay the filing or initial effectiveness of, or suspend use of, such registration statement on more than one occasion or for more than twenty (20) consecutive calendar days, or more than forty-five (45) total calendar days in each case during any twelve-month period. In the event the Company exercises its rights under the preceding sentence, the Holder agrees to suspend, immediately upon their receipt of the notice referred to above, their use of the prospectus relating to any registration statement in connection with any sale or offer to sell New Warrant Shares. The Company shall immediately notify the Holder of the expiration of any period during which it exercised its rights under this paragraph. "Misstatement" means an untrue statement of a material fact or an omission to state a material fact required to be stated in a registration statement or prospectus, or necessary to make the statements in a registration statement or prospectus (in the light of the circumstances under which they were made) not misleading. "Adverse Disclosure" shall mean any public disclosure of material non-public information, which disclosure, in the good faith judgment of the Chief Executive Officer or principal financial officer of the Company, after consultation with counsel to the Company, (i) would be required to be made in any registration statement or prospectus in order for the applicable registration statement or prospectus not to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein (in the case of any prospectus and any preliminary prospectus, in the light of the circumstances under which they were made) not misleading, (ii) would not be required to be made at such time if the applicable registration statement or prospectus were not being filed, declared effective or used, as the case may be, and (iii) the Company has a bona fide business purpose for not making such information public.

From the date hereof until ninety (90) days after the date hereof, other than the issuance of shares of Common Stock in an "at-the-market" offering (x) until forty-five (45) days after the date hereof, at a price per share of greater than or equal to $6.25, or (y) thereafter, at any price per share, neither the Company nor any subsidiary of the Company shall (i) issue, enter into any agreement to issue or announce the issuance or proposed issuance of any Common Stock or any securities of the Company or any subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock, or (ii) file any registration statement, or amendment or supplement thereto, with the Commission other than those filed pursuant to this agreement. From the date hereof until one (1) year after the date hereof, the Company shall be prohibited from effecting or entering into an agreement to effect any issuance by the Company or any of its Subsidiaries of Common Stock or Common Stock Equivalents (or a combination of units thereof) involving a Variable Rate Transaction. "Variable Rate Transaction" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional shares of Common Stock either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the shares of Common Stock at any time after the initial issuance of such debt or equity securities or (B) with a conversion, exercise or

exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Stock or (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit, whereby the Company may issue securities at a future determined price, regardless of whether shares pursuant to such agreement have actually been issued and regardless of whether such agreement is subsequently canceled; provided, however, that the issuance of shares of Common Stock in an "at the market" offering shall not be deemed a Variable Rate Transaction if such shares are sold, (x) until forty-five (45) days after the date hereof, at a price per share of greater than or equal to $6.25, or, (y) thereafter, at any price per share. Any Purchaser shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages. Notwithstanding the foregoing, the foregoing shall not apply in respect of an Exempt Issuance, except that no Variable Rate Transaction shall be an Exempt Issuance. "Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (b) securities upon the exercise or exchange of or conversion of any securities issued hereunder, and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date hereof, provided that such securities have not been amended since the date hereof to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith, and provided that any such issuance shall only be to a party (or to the equityholders of a party) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

If this offer is accepted and this letter agreement is executed and delivered to the Company on or before the 12:00 p.m. on July 10, 2023, the Company shall file a Current Report on Form 8-K with the Commission disclosing all material terms of the transactions contemplated hereunder, including this letter agreement as an exhibit thereto with the Commission within the time required by the Exchange Act. From and after the issuance of such press release or the filing of such Form 8-K, the Company represents to you that it shall have publicly disclosed all material, non-public information delivered to you by the Company, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated hereunder. In addition, effective upon the issuance of such press release or the filing of such Form 8-K, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and you and your Affiliates on the other hand, shall terminate. From and after the issuance of such press release or the filing of such Current Report on Form 8-K, the Company represents to the Holder that none of the Company's directors, officers, employees or agents will provide the Holder with any material, nonpublic information that is not disclosed in the Current Report on Form 8-K. The Company represents, warrants and covenants that, upon acceptance of this offer, the shares underlying the Existing Warrants shall be issued free of any legends or restrictions on resale by Holder and all of the Warrant Shares shall be delivered electronically through the Depository Trust Company within 2 business days of the date the Company receives the Warrants Exercise Price (or, with respect to Warrant Shares that would otherwise be in excess of the Beneficial Ownership Limitation, within 2 business days of the date the Company is notified by Holder that its ownership is less than the Beneficial Ownership Limitation). The terms of the Existing Warrants, including but not limited to the obligations to deliver the Warrant Shares, shall otherwise remain in effect as if the acceptance of this offer were a formal Notice of Exercise (including but not limited to any liquidated damages and compensation in the event of late delivery of the Warrant Shares).

As soon as practicable (and in any event within 35 calendar days of the date of this letter agreement), the Company shall file a resale registration statement (the "Resale Registration Statement") on Form S-3 providing for the resale by the Holders of the New Warrant Shares issued and issuable upon

exercise of the New Warrants. The Company shall use commercially reasonable efforts to cause such Resale Registration Statement to become effective within 90 days following the date of this letter agreement and to keep such Resale Registration Statement effective at all times until no Holder owns any New Warrants or New Warrant Shares issuable upon exercise thereof.

****

Within two (2) business days from the Holder's execution of this letter, the Holder shall make available for "Delivery Versus Payment" to the Company immediately available funds equal to the number of Existing Warrants being exercised multiplied by the exercise price per share as set forth above and the Company shall deliver the Warrant Shares via "Delivery Versus Payment" to the Holder and shall deliver the New Warrants registered in the name of the Holder.

Sincerely yours,

ROCKWELL MEDICAL, INC.

By: /s/ Mark Strobeck Name: Mark Strobeck

Title: CEO

Accepted and Agreed to:

ARMISTICE CAPITAL MASTER FUND LTD.

By: /s/ Steven Boyd Name: Steven Boyd
Title: CIO of Armistice Capital, LLC, the Investment Manager

Number of Warrants Exercised	9,900,990
Aggregate Existing Warrant Exercise Price	$13,762,376.10
New Warrants:	3,750,000
Beneficial Ownership Blocker:	4.99%

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

EVOQUA WATER TECHNOLOGIES LLC
(“**Seller**”)

AND

ROCKWELL MEDICAL, INC.
(“**Purchaser**”)

DATED AS OF JULY 10, 2023

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("**Agreement**") is entered into as of July 10, 2023, by and between Evoqua Water Technologies LLC, a Delaware limited liability company ("**Seller**"), Rockwell Medical, Inc., a Delaware corporation ("**Purchaser**"). Purchaser and Seller are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**." Capitalized terms not defined elsewhere in this Agreement have the meanings given to them in Section 10.12.

BACKGROUND

WHEREAS, Seller, among its other business units, manufactures or has manufactured, markets, distributes, and sells hemodialysis concentrate products in powder and liquid form (the "**Concentrates Business**"; it being understood that all other businesses and operations of Seller are specifically excluded from the definition of the Concentrates Business); and

WHEREAS, Seller desires to sell and assign to Purchaser certain assets and liabilities primarily associated with the Concentrates Business, and Purchaser desires to purchase and assume from Seller those assets and liabilities, all on the terms and subject to the conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are conclusively acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

Article I
SALE OF ASSETS

1.1. Sale of Assets. At the Closing, Seller shall sell, convey, transfer, and irrevocably assign and deliver to Purchaser, and Purchaser shall purchase and acquire from Seller, free and clear of any and all Encumbrances (except for Permitted Encumbrances), all of Seller's right, title and interest in and to the assets, properties, and rights described below in this Section 1.1, other than any Excluded Assets, to the extent owned or held by Seller as of the Closing Date and used primarily in the Concentrates Business, as conducted as of the Closing Date (collectively, the "**Acquired Assets**").

(a) all assets primarily related to the Concentrates Business recorded or reflected on the audited consolidated balance sheet of Evoqua Water Technologies Corp. as of September 30, 2022 (such balance sheet, together with all related notes and schedules thereto, the "**Balance Sheet**") (including assets such as Contracts to which no value was attributed);

(b) all assets primarily related to the Concentrates Business acquired by Seller since the date of the Balance Sheet which, had they been held by Seller on such date, would have been recorded or reflected on the Balance Sheet (including assets such as Contracts to which no value would have been attributed);

(c) all inventory, finished goods, raw materials, and work in progress used primarily in the Concentrates Business (the "**Inventory**");

(d) all manufacturing equipment, supplies and other tangible personal property used primarily in the Concentrates Business, including the manufacturing equipment,

supplies and other tangible personal property listed on Disclosure Schedule 1.1(d) (the "**Equipment**");

(e) all Contracts of Seller primarily relating to the Concentrates Business, including the Contracts set forth on Disclosure Schedule 1.1(e), and the portion of the Dividable Contracts primarily relating to the Concentrates Business (which Dividable Contracts shall include the Contract Manufacturing Agreement) (collectively, the "**Purchased Contracts**");

(f) all U.S. Food and Drug Administration 510(k) clearances for the Concentrates Business;

(g) the Intellectual Property associated primarily with the Concentrates Business as set forth on Disclosure Schedule 1.1(g) (the "**Purchased Intellectual Property**"); *provided, however*, for the avoidance of doubt, Seller's use (prior to Closing) of the Purchased Intellectual Property in combination with other trademarks, copyrights, trade secrets or other Intellectual Property of Seller does not grant and shall not be interpreted as granting to Purchaser any rights in or to any Intellectual Property of Seller or other Excluded Asset by virtue of use of such Purchased Intellectual Property in close proximity to such Intellectual Property of Seller or Excluded Assets;

(h) originals, or where not available, copies, of all books and records in Seller's possession that primarily relate to the Concentrates Business or the Acquired Assets, other than books and records set forth in Section 1.2(e) ("**Books and Records**");

(i) except as set forth in Section 1.2(i) or Section 1.2(j) all rights, Claims and causes of action of Seller against third parties to the extent arising from or related to the Acquired Assets or the Assumed Liabilities; and

(j) all Permits primarily related to the Concentrates Business, to the extent such Permits are assignable or transferable under applicable Law.

1.2. Excluded Assets. All assets of Seller not expressly listed in Section 1.1 are excluded and will be retained by Seller (collectively, the "**Excluded Assets**"). The Excluded Assets include all of Seller's right, title, and interest in and to the following assets:

(a) all (i) cash and cash equivalents, wherever located, including bank balances and bank accounts, monies in possession of any banks, savings and loans or trust companies and similar cash items on hand and (ii) investment securities or other investments;

(b) all accounts and notes receivable, and similar rights to receive payments of Seller or any Affiliate of Seller arising out of the operation or conduct of the Concentrates Business before the Closing Date;

(c) all Contracts that Seller is a party to other than the Purchased Contracts (including those portions of the Dividable Contracts not primarily related to the Concentrates Business);

(d) all Intellectual Property other than the Purchased Intellectual Property;

(e) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of Seller, all employee-related or employee benefit-related files or records, and any other books and records which Seller is prohibited from disclosing or transferring to Purchaser under applicable Law or is required by applicable Law to retain;

(f) all insurance policies of Seller and all rights to applicable claims and proceeds thereunder;

(g) all Benefit Plans and trusts or other assets attributable thereto;

(h) the name "Evoqua" and any adaptations, derivations and combinations thereof and any trademarks, trade names, service marks, domain names, and social media account names that use or incorporate any such name (collectively, the "**Retained Names**");

(i) all rights, Claims and causes of action of Seller under the Contract Manufacturing Agreement arising from or related to matters occurring prior to the Closing;

(j) all of Seller's rights under that certain Asset Purchase Agreement (the "**Cantel APA**") by and among Seller and Cantel Medical LLC ("**Cantel**") dated December 20, 2021, including any Claims or causes of action arising thereunder;

(k) all rights, Claims and causes of action arising from or related to any Excluded Asset;

(l) all assets, properties and rights used or owned by Seller in its businesses other than used primarily in connection with the Concentrates Business;

(m) the equity interest in Seller or any Affiliates of Seller;

(n) all taxpayer and other identification numbers of Seller;

(o) all Tax assets (including duty and Tax refunds, credits and prepayments) of Seller or any of its Affiliates (other than (x) those relating to or arising from the Assumed Liabilities and (y) deposits or advance payments (or prepayments) of Asset Taxes imposed with respect to the Acquired Assets (to the extent such items (or beneficial ownership thereof) can be transferred under applicable Law and to the extent such deposits or advance payments (or prepayments) were utilized for the payment of, and actually offset liability for an equivalent amount of, Asset Taxes with respect to a Tax period or portion thereof ending prior to the Closing Date (such deposits, advance payments and/or prepayments, "**Tax Payments**"), and supporting documentation related thereto;

(p) the assets set forth on Disclosure Schedule 1.2(p); and

(q) the rights which accrue or will accrue to Seller under the Transaction Documents.

1.3. Liabilities.

(a) Assumed Liabilities. Purchaser agrees to assume and pay, perform, and discharge when due (i) all Liabilities arising under the Purchased Contracts on or following the Closing Date, (ii) all Liabilities arising on or after the Closing Date from the operation of the Concentrates Business or the ownership or use of the Acquired Assets, including all Liabilities associated with the maintenance, repair, removal, and disposal of the Equipment after Closing; (iii) all Liabilities, obligations and commitments for refunds, adjustments, allowances, repairs, and warranty claims to the extent attributable to the sale of goods, products, or services in connection with the Concentrates Business on or after the Closing Date; (iv) all Liabilities of Purchaser or its Affiliates relating to employee benefits, compensation or other arrangements with respect to any Transferred Employee arising on or after the Closing; (v) all Liabilities associated with the regulatory certifications, approvals, clearances, authorizations, registrations

or consents for the Concentrates Business, including any U.S. Food and Drug Administration 510(k) clearances for the Concentrates Business, in each case solely to the extent arising on or after the Closing Date and (vi) any Asset Taxes to the extent Purchaser acquired Tax Payments for the same (collectively, the "**Assumed Liabilities**").

(b) Retained Liabilities. Purchaser shall not assume and shall not be responsible to pay, perform or discharge any of the following liabilities or obligations of Seller (collectively, the "**Retained Liabilities**"):

(i) any Liabilities to the extent arising out of Seller's ownership or operation of the Concentrates Business and the Acquired Assets prior to the Closing Date except to the extent any such liability, obligation or commitment constitutes an Assumed Liability;

(ii) any Liabilities arising from or relating to product returns or recalls, in each case to the extent relating to products sold prior to the Closing Date but only to the extent such Liabilities exceed $25,000 in the aggregate, in which case Seller shall be responsible for only those Liabilities exceeding $25,000;

(iii) any Liabilities to the extent arising out of the Excluded Assets;

(iv) all Indebtedness and Liabilities related to trade accounts payable to third parties in connection with the Concentrates Business that remain unpaid as of the Closing Date;

(v) any Liabilities for Taxes (i) arising from, relating to, or with respect to, the Concentrates Business, the Acquired Assets or the Assumed Liabilities for any taxable period or portion thereof ending (or that is deemed to end pursuant to Section 6.6(b)) prior to the Closing Date (other than Asset Taxes in respect of which Tax Payments were made and acquired by Purchaser pursuant to this Agreement), (ii) of Seller (or its direct and indirect owners or predecessors) for any Tax period, including any income Taxes that arise as a result of the Contemplated Transactions, (iii) of any Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, by contract or otherwise, which Taxes relate to an event, or transaction relating to (or entered into by) Seller (or its direct or indirect owners or predecessors), in each case, occurring before the Closing, (iv) arising from, or with respect to (A) any assets other than the Acquired Assets or (B) the operation by Seller of any business other than the Concentrates Business and/or (v) arising from any noncompliance with applicable bulk sale Laws;

(vi) except as specifically provided in Section 6.8, any Liabilities of Seller to the extent arising out of the employment, or termination of employment, of any Employee prior to the Closing Date; and

(vii) any Liabilities or obligations of Seller arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby, including fees and expenses of counsel, accountants, consultants, advisers and others.

1.4. Dividable Contracts. Seller shall use its commercially reasonable efforts to cause the transfer to Purchaser on the Closing Date of such portion of each Dividable Contract that primarily relates to the Concentrates Business. Upon such transfer, the transferred portion of each Dividable Contract shall become an Acquired Asset, and any related Liability (to the extent

arising on or after the Closing Date) shall become an Assumed Liability assumed hereunder by Purchaser.

1.5. Non-transferable Acquired Assets. This Agreement shall not constitute an agreement or attempted agreement to transfer, sublease, or assign any privilege, right or interest in any Acquired Asset or any claim, right or benefit arising thereunder or resulting therefrom, if an attempted assignment thereof without the consent required or necessary of a third party would constitute a breach or violation thereof. If a consent of a third party is required to assign any interest in a Acquired Asset and such consent has not been obtained prior to the date of this Agreement, or if an attempted assignment would be (or for some reason is) ineffective, then Seller shall use its commercially reasonable efforts, and Purchaser will cooperate with Seller to the extent commercially reasonable, to obtain promptly such authorizations, consents or waivers. Pending such authorization, consent or waiver, Seller shall hold any asset that has not been transferred or assigned for the benefit of Purchaser (and Purchaser shall reimburse Seller for all direct costs associated with the maintenance and retention of such assets), and the Parties shall cooperate with each other in any reasonable and lawful arrangements designed to provide to Purchaser the benefits of use of such asset that it would have obtained had the asset been conveyed to Purchaser at the Closing, provided that in any such event, Purchaser shall be solely responsible for paying, satisfying, discharging and performing all Liabilities (to the extent arising on or after the Closing Date) under any such Acquired Asset.

Article II
PURCHASE PRICE

1.1. Purchase Price. In consideration of the sale and transfer of the Acquired Assets and assumption of the Assumed Liabilities, Purchaser shall pay and deliver to Seller an aggregate purchase price amount equal to sixteen million dollars ($16,000,000) plus the Final Inventory Amount (collectively, the "**Purchase Price**"). The Purchase Price shall be paid by Purchaser to Seller as follows:

(a) at Closing, an amount equal to eleven million dollars ($11,000,000) (the "**Closing Purchase Price**") plus the Estimated Inventory Amount, by wire transfer of immediately available funds to an account designated by Seller;

(b) on the first anniversary of the Closing Date, subject to Section 8.4(d), two million five hundred thousand dollars ($2,500,000), by wire transfer of immediately available funds to an account designated by Seller (the "**First Deferred Payment**"); and

(c) on the second anniversary of the Closing Date, two million five hundred thousand dollars ($2,500,000), by wire transfer of immediately available funds to an account designated by Seller (the "**Second Deferred Payment**" and collectively with the First Deferred Payment, the "**Deferred Payments**")

1.2. Inventory Adjustment.

(a) No later than three (3) days before the Closing, Seller shall provide to Purchaser a statement calculated in accordance with the accounting methods and procedures set forth on Disclosure Schedule 2.2(a) (the "**Estimated Inventory Statement**") setting forth Seller's good faith calculation of the estimated Inventory Amount (the "**Estimated Inventory Amount**") together with reasonably detailed supporting calculations demonstrating each component thereof.

(b) No later than thirty (30) days after the Closing Date, Purchaser (with the assistance of Seller to the extent reasonably requested by Purchaser) shall prepare and deliver to

Seller a statement calculated in accordance with the accounting methods and procedures set forth on Disclosure Schedule 2.2(a) setting forth Purchaser's calculation of the Inventory Amount (the "**Closing Inventory Amount**") as of the Closing together with reasonably detailed supporting calculations demonstrating each component thereof.

(c) If Seller disagrees with Purchaser's calculation of the Closing Inventory Amount, Seller may, within thirty (30) days after receipt of such statement (the "**Objection Period**"), deliver to Purchaser a notice disagreeing therewith and setting forth Seller's objections (the "**Objection Notice**"). The Objection Notice shall specify in reasonable detail those items or amounts as to which Seller disagrees, the basis of such disagreement and, if the disagreement relates to the calculation of amounts, Seller's calculation of such amounts. If the Objection Notice is not timely received by Purchaser within the Objection Period, Seller shall be deemed to agree in all respects with Purchaser's calculation of the Closing Inventory Amount, and such calculation shall be final and binding on the Parties and shall be deemed the "**Final Inventory Amount**." If an Objection Notice is timely received by Purchaser within the Objection Period, Purchaser and Seller shall, during the thirty (30) days following Purchaser's receipt of such notice, use their good faith, reasonable efforts to reach an agreement on the disputed items. If such an agreement is reached, the calculation as so agreed shall be final and binding on the Parties. If Purchaser and Seller are unable to reach such an agreement, Purchaser and Seller shall jointly retain a mutually acceptable independent accounting firm that has not provided services to or represented either Purchaser or Seller or any of their respective affiliates during the previous five (5) years (the "**Accountant**") to resolve any remaining disagreements (it being understood that in making such calculation, the Accountant shall be functioning as an expert and not as an arbitrator). Purchaser and Seller shall execute, if requested by the Accountant, a reasonable engagement letter, including customary indemnification provisions in favor of the Accountant. Purchaser and Seller shall direct the Accountant to render a determination in writing as promptly as practicable and in any event within thirty (30) days after its retention and the Parties shall cooperate with the Accountant during its engagement and make available the records and workpapers necessary for its review. The Accountant shall consider only those items and amounts set forth in the Objection Notice that Purchaser and Seller have been unable to resolve, and the Accountant shall review only the records and workpapers submitted and base its determination solely on such submissions and the related computational materials. In resolving any disputed item, the Accountant may not assign a value to any item greater than the greatest value of such item claimed by Purchaser or Seller or less than the smallest value for such item claimed by Purchaser or Seller. The Accountant's determination shall be based on and calculated in accordance with the accounting methods and procedures set forth on Disclosure Schedule 2.2(a). The determination of the Accountant shall be conclusive and binding upon the Parties (absent fraud or manifest error) and enforceable by any court of competent jurisdiction. The calculation as finally determined pursuant to this Section 2.2(c) shall be deemed the Final Inventory Amount.

(d) Purchaser, on the one hand, and Seller, on the other hand, shall each bear a percentage of the fees and expenses of the Accountant in the inverse proportion to which the Accountant determines such Party is correct in its calculation of the Final Inventory Amount. For example, if the Accountant determines that Purchaser is 75% correct in its calculation of the Final Inventory Amount, Seller shall bear 75% of the Accountant's fees and expenses. Purchaser and Seller shall each bear 100% of their own related expenses.

(e) If the Estimated Inventory Amount exceeds the Final Inventory Amount, Seller shall pay to Purchaser, in the manner as provided in this Section 2.2(e), only the amount of such excess as an adjustment to the Purchase Price. If the Final Inventory Amount exceeds the Estimated Inventory Amount, Purchaser shall pay to Seller, in the manner as provided in this Section 2.2(e), only the amount of such excess as an adjustment to the Purchase Price. If the Estimated Inventory Amount equals the Final Inventory Amount, no payment shall be due by

either Party. Any payment due pursuant to this Section 2.2(e), shall be made within five (5) days after the Final Inventory Amount has been finally determined, by wire transfer by Purchaser or Seller, as the case may be, of immediately available funds to the account of the other Party, as may be designated in writing by such other Party.

1.3. Purchase Price Allocation. The Parties shall allocate the Purchase Price (as may be adjusted pursuant to Section 2.2), the amount of the Assumed Liabilities and any other amounts treated as consideration for U.S. federal income tax purposes among the Acquired Assets for tax purposes (the "**Purchase Price Allocation**") in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended (the "**Code**"), the treasury regulations promulgated thereunder and the methodology set forth on Exhibit A hereto. Purchaser shall, as soon as reasonably practical (but in any event within sixty (60) days after the Final Inventory Amount has been finally determined pursuant to Section 2.2 and prior to the filing of any Tax Return that includes information related to the Contemplated Transactions, or such earlier time as determined by Purchaser) propose a draft Purchase Price Allocation to Seller. Seller shall be entitled to propose to Purchaser any reasonable changes (such proposal, an "**Allocation Objection Notice**") to the draft Purchase Price Allocation within thirty (30) days of the receipt thereof. If Seller timely delivers an Allocation Objection Notice (and identifies in reasonable detail the basis for its objection(s)) to Purchaser, then Seller and Purchaser shall negotiate in good faith and shall use their reasonable efforts to agree upon the Purchase Price Allocation. If Seller and Purchaser are unable to reach such an agreement regarding the Purchase Price Allocation within thirty (30) days of Seller's delivery of the Allocation Objection Notice, Purchaser and Seller shall jointly retain a mutually acceptable independent accounting firm that has not provided services to or represented either Purchaser or Seller or any of their respective affiliates during the previous five (5) years (the "**Allocation Accountant**") to resolve any remaining disagreements (it being understood that in making such calculation, the Allocation Accountant shall be functioning as an expert and not as an arbitrator). Purchaser and Seller shall direct the Allocation Accountant to render a determination in writing as promptly as practicable and in any event within thirty (30) days after its retention and the Parties shall cooperate with the Allocation Accountant during its engagement and make available the records and workpapers necessary for its review. The Allocation Accountant shall consider only those items and amounts set forth in the Allocation Objection Notice that Purchaser and Seller have been unable to resolve, and the Allocation Accountant shall review only the records and workpapers submitted and base its determination solely on such submissions and the related computational materials. In resolving any disputed item, the Allocation Accountant may not assign a value to any item greater than the greatest value of such item claimed by Purchaser or Seller or less than the smallest value for such item claimed by Purchaser or Seller. The Allocation Accountant's determination shall be based on and calculated in accordance with Section 1060 of the Code, the treasury regulations promulgated thereunder and the methodology set forth on Exhibit A. The determination of the Allocation Accountant shall be conclusive and binding upon the Parties (absent fraud or manifest error) and enforceable by any court of competent jurisdiction. The Parties shall split any fees related to retaining the Allocation Accountant evenly. Except as otherwise required by Law, (a) none of the Parties shall take a position on any Tax Return or in any Legal Proceeding inconsistent with the Purchase Price Allocation, as finalized, and (b) the Parties shall file all Tax Returns and forms consistent with the Purchase Price Allocation, as finalized. Any indemnity payment made pursuant to Article VIII shall be treated by each of the Parties as an adjustment to the Purchase Price (except to the extent treated as interest pursuant to applicable Law).

1.4. Withholding. Notwithstanding any other provision in this Agreement, Purchaser shall have the right to deduct and withhold any Taxes from any payments to be made hereunder required to be deducted or withheld pursuant to applicable Law. Unless Seller does not timely provide the deliverable required in Section 5.2(e), Purchaser shall notify Seller at least three (3) days prior to deducting and withholding from any consideration otherwise payable to Seller

pursuant to this Agreement (to the extent practicable) and shall use commercially reasonable efforts to cooperate with Seller prior to the Closing in seeking to reduce or eliminate any such deduction or withholding. To the extent that amounts are so withheld and timely remitted to the applicable Governmental Entity, such withheld amounts shall be treated for all purposes of this Agreement as having been delivered and paid to Seller or any other recipient of payment in respect of which such deduction and withholding was made.

Article III
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Purchaser that the representations and warranties contained in this Article III are true and correct.

1.1. Organization, Power and Qualification. Seller is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware. Seller has the full power and authority to own its property and to carry on the Concentrates Business as presently conducted. Seller is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the ownership or operation of the Acquired Assets or the conduct of the Concentrates Business makes such qualification or licensing necessary, except for any such failures to be so qualified or licensed and in good standing that, individually or in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Effect.

1.2. Authorization and Enforceability. Seller has the full right, power and authority to enter into and perform this Agreement and each of the other Transaction Documents to which it is a party and to consummate the Contemplated Transactions. The execution, delivery and performance by Seller of this Agreement and each of the other Transaction Documents to which it is a party, and the consummation by Seller of the Contemplated Transactions, have been duly authorized by all necessary limited liability company action on the part of Seller. This Agreement and each of the other Transaction Documents to which Seller is a party have been duly executed and delivered by Seller and, assuming due authorization, execution and delivery by Purchaser, constitute valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium or similar laws affecting the rights of creditors generally and general equity principles (regardless of whether enforceability is considered a proceeding at or in equity) (the "**Bankruptcy and Equity Exceptions**").

1.3. Non-contravention; Consents. The execution, delivery and performance by Seller of this Agreement and each of the other Transaction Documents to which it is a party and the consummation of the Contemplated Transactions do not and will not:

(a) result in a default of or under (i) any of the terms of the organizational documents of Seller or (ii) any Order applicable to or binding upon Seller;

(b) except as set forth on Disclosure Schedule 3.3(b):

(i) result in any breach of or constitute a default (or an event that, with notice or lapse of time or both, would become a default) under any Purchased Contract;

(ii) require any consent of or notice to any Person under any Purchased Contract;

(iii) give to others any right of termination, amendment, modification, acceleration or cancellation of, or allow the imposition of any fees or penalties, or require the offering or making of any payment or redemption under, any Purchased Contract;

(iv) result in the creation of any Encumbrance on any of the Acquired Assets pursuant to, any note, bond, mortgage, indenture or Contract to which Seller is a party or by which Seller, the Concentrates Business or the Acquired Assets may be bound or affected;

(c) except as set forth on Disclosure Schedule 3.3(c), require Seller to provide any notice to, make any material declaration or filing with, or obtain the consent or approval of, any Governmental Entity; or

(d) conflict with or violate any Law applicable to Seller, the Concentrates Business or any of the Acquired Assets or by which Seller, the Concentrates Business or any of the Acquired Assets may be bound or affected.

1.4. Title to Assets; Sufficiency of Assets. Seller has good, valid and marketable title to, or in the case of leased properties and assets, valid leasehold interests in, all of the Acquired Assets, free and clear of any and all Encumbrances except for Permitted Encumbrances. Except as set forth on Disclosure Schedule 3.4, the Acquired Assets are sufficient for the continued conduct of the Concentrates Business after the Closing in substantially the same manner as conducted immediately prior to the Closing and, except for the Excluded Assets, constitute all of the rights, property and assets necessary to conduct the Concentrates Business as currently conducted. The delivery to Purchaser of the Bill of Sale and other instruments of assignment, conveyance and transfer pursuant to this Agreement and the other Transaction Documents will transfer to Purchaser good and valid title to or a valid leasehold interest in all of the Acquired Assets, free and clear of any Encumbrance other than Permitted Encumbrances.

1.5. Absence of Changes. Since January 3, 2022, Seller has conducted the Concentrates Business in the Ordinary Course of Business and there has not occurred any event or condition which has had or could reasonably be expected to have a Material Adverse Effect.

1.6. Purchased Contracts. Except as set forth on Disclosure Schedule 3.6, all of the Purchased Contracts are in full force and effect and are valid and binding obligations of Seller (to the extent such Purchased Contracts constitute binding obligations of the other parties thereto) enforceable in accordance with their respective terms, except as such enforcement may be limited by the Bankruptcy and Equity Exceptions. Purchaser either has been supplied with, or has been given access to, a correct and complete copy of each Purchased Contract that is material to the Concentrates Business, other than purchase orders issued or entered into in the Ordinary Course of Business. Seller is not in violation, breach of or default under any such Purchased Contract. To Seller's Knowledge, no other party to any such Purchased Contract is in violation, breach of or default under any such Purchased Contract. There are no outstanding or, to Seller's Knowledge, threatened, Claims for indemnification by or against, Seller under any such Purchased Contract.

1.7. Intellectual Property.

(a) Seller owns or has the right to use all Purchased Intellectual Property. All of the Purchased Intellectual Property is valid, enforceable and subsisting. Since January 3, 2022, Seller has not received any notice or Claim challenging or questioning the ownership, validity or enforceability of any Purchased Intellectual Property. There is no Claim pending or, to Seller's Knowledge, threatened, in any court or before any Governmental Entity challenging or questioning the ownership, validity or enforceability of any Purchased Intellectual Property.

The Purchased Intellectual Property is not subject to any Order restricting the use of such Intellectual Property or that would impair the validity or enforceability of such Intellectual Property.

(b) Seller has taken all commercially reasonable actions to maintain and protect its rights in the Purchased Intellectual Property including by maintaining the confidentiality of its related trade secrets and know-how. To Seller's Knowledge: (i) the conduct of the Concentrates Business as currently conducted does not infringe, misappropriate, dilute or otherwise violate the Intellectual Property of any Person; and (ii) no Person is infringing, misappropriating or otherwise violating any Purchased Intellectual Property. All Persons who have contributed to or participated in the conception and development of the Purchased Intellectual Property either (A) have been party to a written "work-for-hire" or similar contract with Seller that, in accordance with all applicable Laws, has granted Seller full, effective, exclusive and original ownership of such Purchased Intellectual Property, (B) have executed appropriate instruments of assignment in favor of a Seller as assignee that have conveyed to Seller full, effective and exclusive ownership of such Purchased Intellectual Property or (C) have issued a valid license for Seller to use such Purchased Intellectual Property. Notwithstanding anything to the contrary in this Agreement, this Section 3.7(b) constitutes the sole representation and warranty of Seller under this Agreement with respect to any actual or alleged infringement, misappropriation or other violation by Seller of any Intellectual Property of any other Person.

1.8. Legal Proceedings. Except as set forth on Disclosure Schedule 3.8, there are no actions, suits, Claims, investigations or other Legal Proceedings pending or, to Seller's Knowledge, threatened against or by Seller relating to or affecting the Concentrates Business, the Acquired Assets or the Assumed Liabilities.

1.9. Compliance With Laws; Permits.

(a) Except as set forth on Disclosure Schedule 3.9(a), Seller is in compliance in all material respects with all Laws applicable to the conduct of the Concentrates Business as currently conducted or the ownership and use of the Acquired Assets.

(b) All Permits required to be obtained from Governmental Entities required for Seller to conduct the Concentrates Business as currently conducted in all material respects or for the ownership and use of the Acquired Assets have been obtained by, or for the benefit of, Seller and are valid and in full force and effect.

1.10. Insurance. Seller has sufficient liability insurance reasonably appropriate in connection with the activities carried on by it relating to the Concentrates Business and all necessary and appropriate coverages for a similar business, including commercial general liability, commercial automobile, errors and omissions, commercial excess liability, fiduciary and workers' compensation insurance.

1.11. FDA Regulatory Compliance.

(a) The Concentrates Business products are being or have, since January 3, 2022, been manufactured, tested, packaged, labeled, distributed, and sold in compliance in all material respects with all applicable requirements under the Federal Food, Drug and Cosmetic Act ("**FDCA**") and the regulations of the Food and Drug Administration ("**FDA**") promulgated thereunder and all other applicable Laws. Seller holds all authorizations required by applicable Laws to operate the Concentrates Business, and all such authorizations are current and in full force and effect. Seller has made available to Purchaser true and complete copies of all material governmental correspondence (including copies of official notices, citations or decisions) in the files of Seller relating to such authorizations. Seller has made available to Purchaser true and

complete copies of all material governmental correspondence (including copies of official notices, citations or decisions) sent or received by Seller primarily related to the Concentrates Business since January 3, 2022.

(b) All Permits required to be obtained from FDA for Seller to conduct the Concentrates Business as currently conducted or for the ownership and use of the Acquired Assets, in each case in all material respects, have been obtained by Seller and are valid and in full force and effect, and each of the Concentrates Business products has been cleared by the FDA, to the extent required by applicable Law.

(c) Since January 3, 2022, to Seller's Knowledge, all applications, notifications, submissions, information, claims, reports and filings utilized as the basis for or submitted in connection with any and all requests for an authorization relating to a Concentrates Business product were true, accurate and complete in all material respects as of the date of submission. Since January 3, 2022, to Seller's Knowledge, any necessary or required updates, changes, corrections or modifications to such applications, notifications, submissions, information, claims, reports, filings and other data have been submitted to FDA or other Governmental Entity and as so updated, changed, corrected or modified remain true, accurate and complete in all material respects.

(d) Since January 3, 2022, Seller has not received any written communication from FDA or any other Governmental Entity, including without limitation any warning letter or untitled letter that alleges or suggests that the Concentrates Business is not in compliance with any applicable requirements under the FDCA or the FDA regulations promulgated thereunder.

(e) To Seller's Knowledge, there are no Claims or Legal Proceedings pending or threatened, against Seller relating to the Concentrates Business products, including those relating to or arising under applicable Law relating to government health care plans, private health care plans, or the privacy and confidentiality of patient health information.

1.12. Employment Matters.

(a) Seller is not a party to, bound by, any collective bargaining or other agreement with a labor organization representing any of the employees working primarily in the Concentrates Business (such employees working primarily for the Concentrates Business and employed by Seller, the "**Employees**"). There has not been, nor, to Seller's Knowledge, has there been, since January 3, 2022, any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor activity or dispute affecting any of the Employees. There are no unfair labor practice charges, unfair labor practice complaints, union grievances, or other administrative charges by any Employee against Seller pending, or, to Seller's Knowledge, threatened in writing against Seller.

(b) Seller is in compliance with all applicable Laws pertaining to employment and employment practices to the extent they relate to the Employees, except to the extent non-compliance would not be material to the Concentrates Business.

(c) Disclosure Schedule 3.12(c) contains a list, as of the date hereof, of all current Employees and other employees of Seller that work primarily for the Concentrates Business, with the following information: (i) name; (ii) title or position; (iii) hire date; (iv) annual salary or hourly rate; and (v) Fair Labor Standards Act classification.

(d) Disclosure Schedule 3.12(d) contains a list, as of the date hereof, of the names of any independent contractor retained by Seller that performed services for the Concentrates Business, at a cost in excess of $100,000 annually ("**Independent Contractors**").

To Seller's Knowledge, there has been no determination by any Governmental Entity that any Independent Contractor is an employee of Seller.

(e) The representations and warranties set forth in this Section 3.12 are Seller's sole and exclusive representations and warranties regarding employment matters.

1.13. Employee Benefit Matters.

(a) Disclosure Schedules 3.13(a) contains a complete list of each material Benefit Plan.

(b) Each Benefit Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service, or with respect to a pre-approved plan, can rely on an opinion letter from the Internal Revenue Service to the pre-approved plan sponsor, to the effect that such plan is so qualified and that the plan and the trust related thereto are exempt from federal income Taxes under Sections 401(a) and 501(a), respectively, of the Code, and, to Seller's Knowledge, nothing has occurred that could reasonably be expected to cause the revocation of such determination letter from the Internal Revenue Service or the unavailability of reliance on such opinion letter from the Internal Revenue Service, as applicable.

(c) Except as set forth on Disclosure Schedules 3.13(c), no Benefit Plan provides for: (i) payment of money or property to any Employee; or (ii) accelerated vesting or additional rights or benefits (including funding of compensation or benefits through a trust or otherwise) to any Employee, in each case, as a result of the execution of this Agreement. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will result in "excess parachute payments" within the meaning of Section 280G(b) of the Code to any Employee.

(d) The representations and warranties set forth in this Section 3.13 are Seller's sole and exclusive representations and warranties regarding the Benefit Plans and employee benefit matters.

1.14. Taxes. Except as set forth on Disclosure Schedule 3.14:

(a) Since January 3, 2022, Seller has timely filed all income and other material Tax Returns required to be filed with respect to the Concentrates Business and the Acquired Assets (taking into account any extension of time to file), and each such Tax Return has been prepared in material compliance with all applicable Laws and regulations and is true and correct in all material respects..

(b) Since January 3, 2022, all income and other material Taxes in respect of the Concentrates Business and/or the Acquired Assets (in each case whether or not shown on any Tax Return) have been paid on a timely basis (taking into account any extension of time within which to file).

(c) Since January 3, 2022, Seller has complied in all material respects with applicable Tax Laws relating to the payment, withholding and reporting of Taxes with respect to the Acquired Assets and the Concentrates Business.

(d) There are no Encumbrances for Taxes upon any of the Acquired Assets other than Permitted Encumbrances.

(e) There are no actual or proposed Tax deficiencies, assessments or adjustments with respect to the Concentrates Business or the Acquired Assets; and there are no pending, or to Seller's Knowledge, threatened actions concerning any Tax Liabilities or Tax Returns with respect to the Concentrates Business or the Acquired Assets.

(f) Since January 3, 2022, no written claim has been made by any Governmental Entity in any jurisdiction where Taxes are not paid or Tax Returns are not filed with respect to the Concentrates Business or the Acquired Assets that Taxes should be paid or Tax Returns should be filed in that jurisdiction with respect to the Concentrates Business or the Acquired Assets in each case because of an issue substantially related to the Concentrates Business or the Acquired Assets.

(g) Seller is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2.

(h) Seller has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency that relates to the Acquired Assets or the Concentrates Business, which waiver or agreement is still in effect.

(i) None of the Assumed Liabilities is (or includes) (i) an obligation under any (A) transfer pricing, closing, or other agreement or arrangement with any Governmental Entity that will impose any Liability on Purchaser after the Closing or (B) Tax allocation, sharing, indemnification or similar agreement, arrangement, understanding, or practice with respect to Taxes, or (ii) an obligation to pay the Taxes of any Person as a transferee or successor, by contract, or otherwise by operation of Law, including an obligation under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law).

(j) Seller has complied in all material respects with its obligations under any and all escheat or unclaimed property Laws applicable to the Acquired Assets or the Concentrates Business.

1.15. Customers and Vendors.

(a) Disclosure Schedule 3.15 sets forth with respect to the Concentrates Business (i) each supplier to whom Seller paid more than $200,000 for goods or services (excluding rental, lease and license payments) in the year 2022 (collectively, the "**Material Suppliers**"), and (ii) each customer that paid Seller more than $200,000 for goods and services in the year 2022 (collectively, the "**Material Customers**"). Seller has not received any written notice that any of the Material Suppliers or Material Customers have ceased, or intends to cease, to supply goods or services to or purchase goods or services from the Concentrates Business or to otherwise terminate or materially reduce its relationship with the Concentrates Business.

(b) Seller has made available to Purchaser copies of all contracts with Material Customers primarily related to the Concentrates Business, other than purchase orders issued or entered into in the Ordinary Course of Business.

1.16. Inventory. All Inventory is salable in the Ordinary Course of Business, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established. All Inventory is owned by Seller free and clear of all Encumbrances, other than Permitted Encumbrances.

1.17. Brokers. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in

connection with the Contemplated Transactions based upon arrangements made by or on behalf of any of Seller.

1.18. Revenue. Any income statements or similar statements of revenue with respect to the Concentrates Business which have been made available by Seller to Purchaser via the Virtual Data Room are true and correct in all material respects.

1.19. No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS Article III (INCLUDING THE RELATED PORTIONS OF THE DISCLOSURE SCHEDULES) SELLER HAS NOT MADE NOR MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, EITHER WRITTEN OR ORAL.

Article IV
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller that each of the representations and warranties contained in this Article IV are true and correct:

1.1. Organization. Purchaser is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware.

1.2. Authorization and Enforceability. Purchaser has the full right, power (corporate or otherwise) and authority to enter into and perform this Agreement and each of the other Transaction Documents to which it is a party and to consummate the Contemplated Transactions. The execution, delivery and performance by Purchaser of this Agreement and each of the other Transaction Documents to which it is a party, and the consummation by Purchaser of the Contemplated Transactions, have been duly authorized by all necessary action (corporate or otherwise) on the part of Purchaser. This Agreement and each of the other Transaction Documents to which Purchaser is a party have been duly executed and delivered by Purchaser and, assuming due authorization, execution and delivery by Seller, constitute valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms, except as such enforceability may be limited by applicable Bankruptcy and Equity Exceptions.

1.3. Non-contravention. The execution, delivery and performance by Purchaser of this Agreement and each of the other Transaction Documents to which it is a party and the consummation of the Contemplated Transactions do not and will not result in a default of or under (a) any of the terms of the organizational documents of Purchaser or (b) any Law, Permit, Order or material Contract applicable to or binding upon Purchaser.

1.4. Government Approvals. Except as set for on Disclosure Schedule 4.4, Purchaser is not required to provide any notice to, make any material declaration or filing with, or obtain the consent or approval of any Governmental Entity (a) for the execution, delivery and performance by Purchaser of this Agreement or any of the Transaction Documents to which Purchaser is a party or (b) in connection with Purchaser's consummation of the Contemplated Transactions.

1.5. Brokers. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Contemplated Transactions based upon arrangements made by or on behalf of Purchaser or any Person acting on its behalf.

1.6. Independent Investigation. Purchaser has conducted its own independent investigation, review and analysis of the Concentrates Business and the Acquired Assets, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of Seller for such purpose. Purchaser acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the Contemplated Transactions, Purchaser has relied solely upon its own investigation and the express representations and warranties of Seller set forth in Article III of this Agreement (including related portions of the Disclosure Schedules) and in the other Transaction Documents; and (b) neither Seller nor any other Person has made any representation or warranty as to Seller, the Concentrates Business, the Acquired Assets or this Agreement, except as expressly set forth in Article III of this Agreement (including the related portions of the Disclosure Schedules) and the other Transaction Documents.

1.7. Sufficiency of Funds and Solvency. Purchaser has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement. Immediately after giving effect to the Contemplated Transactions, Purchaser shall be solvent and shall: (a) be able to pay its debts as they become due; (b) own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities); and (c) have adequate capital to carry on its business. No transfer of property is being made and no obligation is being incurred in connection with the Contemplated Transactions with the intent to hinder, delay or defraud either present or future creditors of Purchaser or Seller. In connection with the Contemplated Transactions, Purchaser has not incurred, nor plans to incur, debts beyond its ability to pay as they become absolute and matured.

Article V
CLOSING

1.1. Closing. The closing of the Contemplated Transactions (the "**Closing**") shall take place on July 10th, 2023, or at such other place or at such other time or on such other date as Seller and Purchaser mutually may agree in writing (such date, the "**Closing Date**") remotely via the electronic exchange of documents and signatures, and shall be effective as of 11:59 p.m. (ET) on the Closing Date.

1.2. Closing Deliverables by Seller. At or prior to the Closing, Seller shall have delivered or made available to Purchaser:

(a) a Bill of Sale, executed by Seller, substantially in the form of Exhibit B attached hereto (the "**Bill of Sale**");

(b) an Assignment and Assumption Agreement, executed by Seller, substantially in the form attached hereto as Exhibit C (the "**Assignment and Assumption Agreement**");

(c) a side letter among Seller, Purchaser and Medivators Inc. ("**Medivators**"), which, among other things: (i) assigns to Purchaser that portion of the Contract Manufacturing Agreement and that portion of the Transition Services Agreement, dated January 3, 2022, by and between Seller and Medivators ("**Medivators TSA**"), each to the extent primarily relating to the Concentrates Business and (ii) extends the term of the Contract Manufacturing Agreement and the Medivators TSA between Purchaser and Medivators as it relates to the portion of the business primarily relating to the Concentrates Business (the "**Side Letter**") in the form attached hereto as Exhibit D, executed by Seller and Medivators;

(d) an intellectual property assignment agreement in the form of Exhibit E hereto (the "**Intellectual Property Assignment Agreement**"), executed by Seller;

(e) a properly completed and duly executed IRS Form W-9 from Seller (or its regarded owner for U.S. federal income tax purposes, as applicable) certifying that it is exempt from backup withholding;

(f) a transition services agreement in the form attached hereto as Exhibit F (the "**Transition Services Agreement**"), executed by Seller; and

(g) such other documents, instruments of sale, transfer, conveyance, and assignment reasonably necessary in connection with the Contemplated Transactions.

1.3. Closing Deliverables by Purchaser. At or prior to the Closing, Purchaser shall have delivered to Seller:

(a) the Closing Purchase Price plus the Estimated Inventory Amount in immediately available funds by wire transfer to an account designated by Seller;

(b) the Assignment and Assumption Agreement, executed by Purchaser;

(c) the Intellectual Property Assignment Agreement, executed by Purchaser;

(d) the Transition Services Agreement, executed by Purchaser;

(e) the Side Letter, executed by Purchaser; and

(f) such other documents and instruments reasonably necessary in connection with the Contemplated Transactions.

Article VI
COVENANTS

1.1. Conduct of Business Prior to the Closing. Between the date of this Agreement and the Closing, unless Purchaser shall otherwise consent in advance in writing, Seller shall (i) cause the Concentrates Business to be conducted only in the Ordinary Course of Business, and shall preserve in all material respects substantially intact the Acquired Assets and the organization of the Concentrates Business (ii) use commercially reasonable efforts to keep available the services of the Concentrates Business and retain the current employees and consultants of the Concentrates Business and preserve the current relationships of the Concentrates Business with customers, suppliers and other persons with which it has significant business relations; and (iii) not make, revoke or modify any Tax election, settle or compromise any Tax liability or file any Tax Return relating to the Concentrates Business other than on a basis consistent with past practice.

1.2. Public Announcements. Unless otherwise required by applicable Law or stock exchange requirements (based upon the reasonable advice of counsel), no Party shall make any public announcements in respect of this Agreement or the Contemplated Transactions or otherwise communicate with any news media without the prior written consent of the other Party (which consent shall not be unreasonably conditioned, withheld or delayed), and the Parties shall cooperate as to the timing and contents of any such announcement.

1.3. Covenants Regarding Information. From the date of this Agreement until the Closing Date, Seller shall afford Purchaser and its Representatives reasonable access (including

for inspection and copying) at all reasonable times, in a manner as not to unreasonably interfere with the conduct of the Concentrates Business or any other businesses of Seller, to the Acquired Assets (provided that with respect to any Acquired Assets that are located at the CMA Facility or any other third party locations Purchaser's access shall be limited by the Property Guidelines and any other applicable third party rules or regulations with respect to such third party facility) and Seller's Representatives, properties, offices, plants and other facilities, and books and records primarily relating to the Concentrates Business and the Acquired Assets, and shall furnish Purchaser with such financial, operating and other data and information in connection with the Concentrates Business and the Acquired Assets as Purchaser may reasonably request. Notwithstanding anything to the contrary in this Agreement, Seller shall not be required to disclose any information to Purchaser if such disclosure would (x) on the advice of counsel, jeopardize any attorney-client or other privilege or any attorney work product protection; (y) on the advice of counsel, contravene any applicable Law, including the rules of any securities exchange, fiduciary duty or binding agreement entered into prior to the date of this Agreement; or (z) reveal bids received from third parties in connection with transactions similar to those contemplated by this Agreement and any information and analysis (including financial analysis) relating to such bids. Prior to the Closing, without the prior written consent of Seller, Purchaser shall not contact any suppliers to, or Employees or customers of, the Concentrates Business or any other business of Seller; provided that the Parties shall cooperate in good faith to agree following the date hereof on a permissive communication plan with respect to such suppliers and customers.

1.4. Supplement to Disclosure Schedules. From time to time prior to the Closing Date, Seller may update the Disclosure Schedules hereto with respect to any matter hereafter arising (each a "**Schedule Supplement**"). In the event a Schedule Supplement is made for the purpose of (a) updating the Disclosure Schedules with respect to transactions and events occurring after the date hereof; or (b) updating the Disclosure Schedules for transactions consummated with the written consent of Purchaser, then such Schedule Supplement shall be deemed (solely as of the Closing Date) to automatically amend and supplement the applicable Disclosure Schedules.

1.5. Further Assurances. Each of the parties agrees to work diligently, expeditiously and in good faith to consummate the transactions contemplated by this Agreement. Each Party agrees to execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all and every further reasonable act, deed, conveyance, transfer and assurance necessary to assure their compliance with the terms, provisions, purposes and intents of this Agreement and the effectiveness of the rights, benefits and remedies provided for hereby.

1.6. Taxes.

(a) Purchaser, on the one hand, and Seller, on the other hand, shall each be responsible fifty percent (50%) of all transfer, documentary, sales, use, stamp, registration, recording and other similar Taxes triggered by the sale and purchase of the Acquired Assets ("**Transfer Taxes**"). Purchaser shall file all necessary Tax Returns related thereto and Seller shall reasonably cooperate with Purchaser in duly and properly preparing, executing, and filing such Tax Returns. The Parties each waive compliance with the bulk sales laws and any other similar laws (including state Tax Laws) in any applicable jurisdiction in respect of the Contemplated Transactions; provided, that, for the avoidance of doubt, nothing contained in this Section 6.6 will limit recoveries available to the Purchaser Indemnitees pursuant to Section 8.2.

(b) Asset Taxes levied with respect to the Acquired Assets for a taxable period that includes the Closing Date shall be apportioned between Seller, on the one hand, and Purchaser, on the other hand, as of the Closing Date based on the number of days of such taxable period included in the period ending on the day prior to the Closing Date (with respect to any

such taxable period, the "**Pre-Closing Tax Period**"), and the number of days of such taxable period beginning on or after the Closing Date (with respect to any such taxable period, the "**Post-Closing Tax Period**"). Seller shall be liable for the proportionate amount of such Taxes that is attributable to the Pre-Closing Tax Period and Purchaser shall be liable for the proportionate amount of such Taxes that is attributable to the Post-Closing Tax Period.

(c) Following the Closing Date, each of Purchaser and Seller shall use commercially reasonable efforts to make available to the other party during normal business hours, all books and records, non-income Tax Returns, proof of payment of Taxes, documents, files, officers or employees (without substantial interruption of employment) or other relevant information (in each case, whether or not in existence as of the Closing Date) necessary or useful for the preparation (i) of Tax Returns for any Tax period ending on or prior to the Closing Date or (ii) for audits, inquiries or other disputes with any taxing authorities, in each case with respect to Seller relating to any Tax period ending on or prior to the Closing Date; provided that each Party shall have the right to redact any portions of any such non-income Tax Return or Tax information deemed by it in good faith to be confidential before providing any such Tax Return or Tax information to the other Party.

1.7. Intellectual Property; No Use of Certain Names.

(a) Purchaser hereby acknowledges and agrees that nothing in this Agreement grants or shall be deemed to grant to Purchaser or its Affiliates the right to use, or any title or interest in or to, any Intellectual Property of Seller or any of its Affiliates that does not constitute Purchased Intellectual Property, including any names used by Seller or its Affiliates including the Retained Names (which shall include lower case and capitalized versions, and various variations of such names) and any logos used by Seller or its Affiliates (the "**Retained Logos**") or any trademark, trade name, service mark, domain name, social media account name, or other similar term that is a derivative of any Retained Name or Retained Logo (collectively, "**Seller Intellectual Property**"). The prohibitions in this Section 6.7 shall apply to any and all uses whatsoever of Seller Intellectual Property including the use of Seller Intellectual Property on any stationery or invoices or otherwise, which identify or in any way make use of Seller Intellectual Property.

(b) Purchaser shall, and shall cause the Concentrates Business, promptly, and in any event within thirty (30) days after the Closing, to revise the Equipment, print advertising, product labeling and all other information or other materials or Acquired Assets, including any internet or other electronic communications, to delete all references to Seller Intellectual Property and to otherwise discontinue use of Seller Intellectual Property; provided, however, that for a period of thirty (30) days after the Closing Date, Purchaser may continue to use Equipment that displays Seller Intellectual Property or distribute product literature relating to the Concentrates Business that uses any Seller Intellectual Property. Notwithstanding the foregoing, in no event shall Purchaser or the Concentrates Business use any Seller Intellectual Property after the Closing in any manner or for any purpose different from the use of such Seller Intellectual Property by Seller during the thirty (30) day period preceding the Closing. With respect to Inventory, Purchaser may continue to sell such Inventory, notwithstanding that it may bear one or more of Seller Intellectual Property, for a reasonable time after the Closing (not to exceed thirty (30) days). Any such permitted use of Seller Intellectual Property shall inure to the benefit of Seller and Purchaser shall not take any action to limit, transfer or contest ownership of any Seller Intellectual Property or take any action in response to any claims regarding Seller Intellectual Property.

1.8. Employees and Employee Benefits.

(a) Effective as of the Closing Date, Purchaser may, following consultation with Seller, offer employment to any Employees, including Employees who are absent due to vacation, family leave, short-term disability or other approved leave of absence (the Employees who accept such employment and commence employment on the Closing Date, the "**Transferred Employees**").

(b) For not less than twelve (12) months following the Closing, Purchaser shall provide or cause to be provided to each Transferred Employee with: (i) employment in a position comparable to such Transferred Employee's position immediately prior to the Closing; (ii) a base salary, or in the case of an hourly employee, a base hourly wage rate, and target bonus and incentive opportunities that are each no less favorable than each such Transferred Employee's base salary or hourly wage rate and target bonus and incentive opportunities immediately prior to the Closing; and (iii) employee benefits (excluding any equity-based, change in control benefits, or benefits provided under any 401(k) plans) that are, with respect to each Transferred Employee, no less favorable in the aggregate than the benefits provided to such Transferred Employee under the Benefit Plans immediately prior to the Closing.

(c) From and after the Closing, to the extent practicable, Purchaser shall cause each employee benefit plan of Purchaser covering a Transferred Employee or cause the insurance carrier of any such plan, as applicable, to (i) credit each such Transferred Employee under each such plan for their periods of service with Seller for eligibility and vesting purposes, vacation accrual and severance benefits; (ii) waive any eligibility waiting period, insurability requirement or preexisting condition limitations otherwise applicable to such Transferred Employees and their eligible dependents under any such plan that provides health benefits; and (iii) credit any year-to-date deductible, co-payment and out-of-pocket maximums incurred by such Transferred Employees and their eligible dependents under the Benefit Plans.

(d) Effective as of the Closing, the Transferred Employees shall cease active participation in the Benefit Plans. Seller shall remain liable for all eligible claims for benefits under the Benefit Plans that are incurred by the Transferred Employees prior to the Closing Date. For purposes of this Agreement, the following claims shall be deemed to be incurred as follows: (i) life, accidental death and dismemberment, short-term disability, and workers' compensation insurance benefits, on the event giving rise to such benefits; (ii) medical, vision, dental, and prescription drug benefits, on the date the applicable services, materials or supplies were provided; and (iii) long-term disability benefits, on the eligibility date determined by the long-term disability insurance carrier for the plan in which the applicable Employee participates.

(e) Purchaser shall be liable and hold Seller harmless for: (i) any statutory, common law, contractual or other severance with respect to any Transferred Employee arising in connection with the Contemplated Transactions or following the Closing; and (ii) any claims relating to the employment of any Transferred Employee arising in connection with or following the Closing.

(f) On or before Purchaser's first regularly scheduled payroll following the Closing, to the extent ***** accepts an offer of employment with Purchaser and becomes a Transferred Employee pursuant to Section 6.8(a), Purchaser shall pay ***** a signing bonus of no less than such amount needed to fully satisfy ***** outstanding plan loan obligations under that certain Evoqua Water Technologies LLC Savings Plan.

(g) This Section 6.8 shall be binding upon and inure solely to the benefit of each of the parties to this Agreement, and nothing in this Section 6.8, express or implied, shall confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Section 6.8. Nothing contained herein, express or implied, shall be construed to establish, amend or modify any Benefit Plan, program, agreement or arrangement.

1.9. Default. Purchaser's failure to pay to Seller any Deferred Payment on or before the date that such Deferred Payment becomes due and payable under Section 2.1(b) or (c) constitutes an event of default of this Agreement ("**Default**").

(a) Opportunity to Cure. Purchaser shall have five (5) calendar days to cure the Default ("**Cure Period**"). If Purchaser cures the Default within the Cure Period, it will no longer be in Default.

(b) No Waiver of Default. Seller's acceptance of any Deferred Payment hereunder which is not timely or is less than the full amount due and payable at the time of such installment shall not constitute a waiver of Seller's right to pursue any available remedies at that time or at any subsequent time or nullify actions already undertaken by Seller to enforce any such remedy, or in any way or manner prejudice, impair, diminish, or restrict any right, power, or remedy available to Seller under this Agreement. Seller shall not be responsible for, nor shall be required to send a default notice to Purchaser nor shall failure to do so constitute a waiver of its rights to enforce this Agreement or a Default hereunder.

(c) Remedy. If Purchaser fails to cure the Default within the Cure Period, Purchaser shall pay Seller (i) interest on any remaining balance of the Deferred Payments due under this Agreement that has not yet been paid to Seller in the lesser amount of (y) one and one half percent (1.5%) per month or (z) the maximum rate permitted under applicable Law; and (ii) in the event attorneys' fees or other costs or expenses are incurred by Seller to secure payment of or collect any of the Deferred Payments, or to establish damages for the failure to pay such Deferred Payments, or to obtain any other appropriate relief, all costs and expenses, including attorneys' fees, occurring in connection therewith (the "**Costs of Enforcement**"). Purchaser's failure to cure the Default within the Cure Period shall constitute a material breach of this Agreement, and shall entitle Seller to enter the consent judgment, in favor of Seller and against Purchaser, for the remaining balance of the Deferred Payment due under this Agreement, plus interest and Costs of Enforcement as provided in this Section 6.9(c) ("**Consent Judgment**"), an executed copy of which is attached hereto as Exhibit G. In any proceeding to seek entry of the Consent Judgment, Purchaser shall be provided five (5) calendar days' prior written notice, and the Consent Judgment shall not be entered until Purchaser has an opportunity to be heard before the court to which the Consent Judgment is submitted.

1.10. Books and Records.

(a) In order to facilitate the resolution of any Claims made against or incurred by Seller prior to the Closing, or for any other reasonable purpose, for a period of three (3) years after the Closing, Purchaser shall:

(i) retain the Books and Records (including personnel files) relating to periods prior to the Closing in a commercially reasonable manner; and

(ii) upon reasonable advance notice, afford Seller and or Seller's Representatives reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to such Books and Records.

(b) Notwithstanding Section 6.10(a), Purchaser shall not be obligated to provide Seller with access to any Books and Records (including personnel files) where such access would violate any Law (including the rules of any securities exchange).

1.11. Insurance. As of the Closing Date, the coverage under any insurance policies related to the Concentrates Business or the Acquired Assets shall continue in force only for the benefit of Seller and its Affiliates and not for the benefit of Purchaser. Purchaser agrees to

arrange for such insurance with respect to the Concentrates Business and the Acquired Assets that Purchaser may desire. Purchaser agrees not to seek to benefit from Seller's or its Affiliates' insurance policies which may provide coverage for claims relating to the Concentrates Business or the Acquired Assets prior to the Closing, and Seller agrees not to seek to benefit from Purchaser's or its Affiliates' insurance policies which may provide coverage for claims relating to the Concentrates Business or the Acquired Assets after the Closing.

1.12. Wrong Pockets. Seller shall promptly pay to Purchaser any monies, or deliver to Purchaser any invoices, that have been received by Seller from customers, suppliers or other contracting parties of the Concentrates Business following Closing, to the extent such monies or invoices constitute or relate to Acquired Assets or Assumed Liabilities. Similarly, Purchaser shall promptly pay to Seller, or deliver to Seller any invoices, that have been received by Purchaser from customers, suppliers or other contracting parties of the Concentrates Business following Closing, to the extent such monies or invoices constitute or relate to Excluded Assets or Retained Liabilities.

1.13. Removal of Equipment. Purchaser agrees that Purchaser will be solely responsible for removal of Equipment from the applicable premises under the Contract Manufacturing Agreement (the "**CMA Facility**"). While at the CMA Facility, Purchaser agrees to, and to causes its Representatives to, follow any applicable rules, regulations, or guidelines with respect to the CMA Facility (each as applicable, the "**Property Guidelines**").

1.14. Confidentiality.

(a) Until the Closing Date, the Parties shall continue to be subject to confidentiality obligations under the Non-Disclosure Agreement between the Parties dated February 21, 2023.

(b) Seller acknowledges that by reason of its ownership of the respective Acquired Assets and its operation of the Concentrates Business, Seller has acquired Confidential Information and trade secrets concerning the Concentrates Business, the use or disclosure of which could cause Purchaser and, following the Closing, the Concentrates Business and the Acquired Assets, loss and damages. Accordingly, Seller covenants to Purchaser that for a period of five (5) years following Closing, Seller shall not, and shall cause its Affiliates not to, except with the prior written consent of Purchaser, directly or indirectly, disclose Confidential Information. In the event that Seller is required by applicable Law to disclose any Confidential Information, Seller shall not make any disclosure until, to the extent practicable and legally permissible, Seller first notifies Purchaser promptly so that Purchaser may seek a protective order or other appropriate remedy at Purchaser's cost or, in Purchaser's sole discretion, waive compliance with the terms of this Agreement. In the event that no such protective order or other remedy is obtained, or that Purchaser waives compliance with the terms of this Agreement, and that Seller is nonetheless legally compelled to make such disclosures, Seller shall (i) use commercially reasonable efforts to furnish only that portion of the Confidential Information that Seller is advised by counsel is legally required, (ii) to the extent practicable and legally permissible, give Purchaser written notice to the disclosures to be made, and (iii) exercise commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the information so disclosed, in each case, at Purchaser's expense. The obligation of Seller to hold the Confidential Information in confidence after the Closing will be satisfied if Seller exercises (or causes its Affiliates to exercise) the same care with respect to the Confidential Information as it would take to preserve the confidentiality of their own similar information in the Ordinary Course of Business. Nothing in this Agreement will restrict the ability of Seller or its Affiliates to keep copies of any Confidential Information after the Closing pursuant to bona fide document retention polices of Seller.

(c) Purchaser covenants to Seller that, for a period of five (5) years following Closing, Purchaser shall not, and shall cause its Affiliates not to, except with the prior written consent of Seller, directly or indirectly, disclose Confidential Information (that is not a Acquired Asset or an Assumed Liability). In the event that Purchaser is required by applicable Law to disclose any Confidential Information (that is not a Acquired Asset or an Assumed Liability), Purchaser shall not make any disclosure until, to the extent practicable and legally permissible, Purchaser first notifies Seller promptly so that Seller may seek a protective order or other appropriate remedy at Seller's cost, or, in Seller's sole discretion, waive compliance with the terms of this Agreement. In the event that no such protective order or other remedy is obtained, or that Seller waives compliance with the terms of this Agreement, and that Purchaser is nonetheless legally compelled to make such disclosures, Purchaser shall (i) use commercially reasonable efforts to furnish only that portion of the Confidential Information (that is not a Acquired Asset or an Assumed Liability) that Purchaser is advised by counsel is legally required, (ii) to the extent practicable and legally permissible, give Seller written notice to the disclosures to be made, and (iii) exercise commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the information so disclosed, in each case, at Seller's expense. The obligation of Purchaser to hold the Confidential Information in confidence after the Closing will be satisfied if Purchaser exercises (and cause its Affiliates to exercise) the same care with respect to such Confidential Information, as it would take to preserve the confidentiality of its own similar information in the ordinary course of business, consistent with past practice.

1.15. Non-Solicitation of Seller Employees. Except as permitted in accordance with Section 6.8(a) or as contemplated by the Transition Services Agreement, for a period of one (1) year following the Closing Date (the "**Restricted Period**"), Purchaser shall not, and shall cause its Affiliates not to, without Seller's consent, directly or indirectly, hire or solicit any Employee or any other employee of Seller or encourage any such Person to leave such capacity or hire any such Person who has left such capacity; provided that nothing shall prohibit Purchaser or their Affiliates from performing, or having performed on their behalf, a general solicitation for employees not specifically focused at the employees of Seller through the use of media, advertisement, electronic job boards or other general, public solicitations. Purchaser acknowledges that a breach or threatened breach of this Section 6.15 would give rise to irreparable harm to Seller, for which monetary damages would not be an adequate remedy, and Purchaser hereby agree that in the event of a breach or a threatened breach of any such obligations, Seller shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to seek equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond). In the event of a violation or breach by Purchaser, or any Purchaser Affiliate of any agreement set forth in this Section 6.15, the term of the Restricted Period shall be extended by a period equal to the duration of such violation or breach.

1.16. FDA Listings. Within two (2) business days following the Closing Date, the Parties shall update their respective FDA device listings with respect to the Concentrates Business products in accordance with 21 CFR Part 807.

1.17. Virtual Data Room. Within fifteen (15) business days following the Closing Date, Seller shall provide Purchaser with a digital copy of the Virtual Data Room as of the Closing Date.

Article VII
CONDITIONS TO CLOSING

1.1. Conditions to the Obligations of Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions, any of which may be waived in writing by Purchaser in its sole discretion:

(a) Each of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects (except for those representations and warranties that are qualified as to materiality or Material Adverse Effect, which representations and warranties shall be true and correct in all respects) both when made and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, or in the case of representations and warranties that are made as of a specified date, such representations and warranties shall be true and correct, to the extent set forth above, as of such specified date.

(b) Seller shall have performed or complied with, in all material respects, all covenants and agreements required to be performed or complied with by it under this Agreement at or prior to the Closing.

(c) Purchaser shall have received from Seller a certificate to the effect set forth in Sections 7.1(a) and (b), signed by a duly authorized officer thereof.

(d) Purchaser shall have received from Seller each of the deliverables set forth in Section 5.2.

(e) All material consents of, or registrations, declarations or filings with, any Governmental Entity legally required for the consummation of the Contemplated Transactions shall have been obtained or filed.

(f) No Governmental Entity shall have enacted, issued, promulgated or enforced any Law that prohibits the consummation of the transactions contemplated by this Agreement.

(g) No Legal Proceedings shall be pending or threatened prohibiting the Contemplated Transactions.

1.2. Conditions to the Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions, any of which may be waived in writing by Seller in its sole discretion:

(a) Each of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects (except for those representations and warranties that are qualified as to materiality or Material Adverse Effect, which representations and warranties shall be true and correct in all respects) both when made and as of the Closing Date with the same force and effect as if made on and as of the Closing Date, or in the case of representations and warranties that are made as of a specified date, such representations and warranties shall be true and correct, to the extent set forth above, as of such specified date.

(b) Purchaser shall have performed or complied with, in all material respects, all covenants and agreements to be performed or complied with by it under this Agreement at or prior to the Closing.

(c) Seller shall have received from Purchaser a certificate to the effect set forth in Sections 7.2(a) and (b), signed by a duly authorized officer thereof.

(d) All material consents of, or registrations, declarations or filings with, any Governmental Entity legally required for the consummation of the Contemplated Transactions shall have been obtained or filed.

(e) No Governmental Entity shall have enacted, issued, promulgated or enforced any Law that prohibits the consummation of the transactions contemplated by this Agreement.

(f) Seller shall have received from Purchaser each of the deliverables set forth in Section 5.3.

Article VIII
INDEMNIFICATION

1.1. Survival.

(a) Representations and Warranties. The representations and warranties made by the Parties in Article III and Article IV shall survive twelve (12) months following the Closing.

(b) Covenants and Agreements. None of the covenants or agreements that are required to be performed by any Party prior to the Closing shall survive the Closing. All covenants and agreements made by any Party which are to be performed after the Closing Date shall survive until the applicable statute of limitations (including any applicable extension thereof) therefore has expired with respect to any breach thereof or to the extent necessary to fulfill or satisfy the obligations with respect to such covenant or agreement in their entirety.

1.2. Seller Indemnification. Seller shall defend, indemnify and hold harmless Purchaser and its Affiliates (the "**Purchaser Indemnitees**") from and against any and all Claims or Losses that may be imposed upon, incurred by or asserted against any Purchaser Indemnitee arising out of:

(a) any inaccuracy or breach of any representation or warranty of Seller contained in Article III of this Agreement;

(b) any breach or nonfulfillment of any covenant or agreement of Seller contained in this Agreement;

(c) any Retained Liability; and

(d) any third party Claim relating to any of the foregoing.

1.3. Purchaser Indemnification. Purchaser shall defend, indemnify and hold harmless Seller and its Affiliates (the "**Seller Indemnitees**") from and against any and all Claims or Losses that may be imposed upon, incurred by or asserted against any Seller Indemnitee arising out of:

(a) any inaccuracy or breach of any representation or warranty of Purchaser contained in Article IV of this Agreement;

(b) any breach or nonfulfillment of any covenant or agreement of Purchaser contained in this Agreement;

(c) any Assumed Liability;

(d) Purchaser or its Representatives presence, acts, or omissions at the CMA Facility (including the failure to follow Property Guidelines) following the Closing; and

(e) any third party Claim relating to any of the foregoing.

1.4. Limitation on Indemnification.

(a) An Indemnitor shall not be liable for indemnifiable Losses under Sections 8.2(a) or 8.3(a), as applicable, unless the aggregate amount of indemnifiable Losses of all Purchaser Indemnitees or Sellers Indemnitees, as the case may be, exceeds one hundred sixty thousand dollars and 0/100 ($160,000), and then, such party shall be entitled to recover all indemnifiable Losses from the first dollar.

(b) Except with respect to any Liability resulting from Fraud on part of Seller or arising out a Retained Liability, Seller's maximum aggregate liability (i) arising under Section 8.2(a) of this Agreement shall in no event exceed five percent (5%) of the Closing Purchase Price actually received by Seller and (ii) relating to or arising out of any other provision of this Agreement or any other Transaction Document shall not exceed the Purchase Price.

(c) IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT FOR ANY PUNITIVE, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES (EXCEPT TO THE EXTENT ACTUALLY PAID TO A THIRD PARTY), INCLUDING LOSS OF FUTURE REVENUE OR INCOME, LOSS OF BUSINESS REPUTATION OR OPPORTUNITY RELATING TO THE BREACH OR ALLEGED BREACH OF THIS AGREEMENT, OR DIMINUTION OF VALUE OR ANY DAMAGES BASED ON ANY TYPE OF MULTIPLE.

(d) Sources of Indemnification. Subject to the procedures set forth in Section 8.5, the Parties agree that to the extent Seller is liable to any Purchaser Indemnitee for indemnifiable Losses under Section 8.2 arising out of Claims made before the first (1st) anniversary of the Closing Date, Purchaser may elect to offset such Losses from the First Deferred Payment up to a maximum of five hundred fifty thousand dollars ($550,000), as Purchaser's sole source of recovery for indemnifiable Losses. For clarity purposes, Purchaser may not offset amounts under this Section 8.4(d) in anticipation of future indemnifiable Claims but may only retain amounts equal to Losses incurred pursuant to indemnifiable Claims occurring prior to making the First Deferred Payment. No amounts may be withheld from the Second Deferred Payment.

1.5. Procedure for Indemnification.

(a) In the event that any Purchaser Indemnitees or Seller Indemnitees shall incur Claims or Losses for which indemnity may be sought, the party indemnified hereunder ("**Indemnitee**") shall notify the party providing indemnification ("**Indemnitor**") by written notice (a "**Claim Notice**") promptly after discovery of the filing or assertion of any Claim against Indemnitee; *provided* that, any delay or failure to notify Indemnitor shall not relieve it from any liability except to the extent that the defense of such action is materially prejudiced or materially adversely affected by such delay or failure to notify. In the event that an indemnification matter does not involve a third party Claim, subject to compliance with Section 8.5(b) below, in response to a Claim Notice the Indemnitor shall either (i) object to such Claim by delivering a written notice specifying in reasonable detail the basis for such objection within thirty (30) business days after delivery by the Indemnitee of such Claim Notice (the "**Dispute Statement**") or (ii) if a Dispute Statement is not received by the Indemnitee within such thirty (30) business day period, the amount set forth in the Claim Notice shall be deemed accepted by the Indemnitor. If the Indemnitor delivers to the Indemnitee a Dispute Statement

applicable to all or any portion of a Claim within the thirty (30) business day period set forth above, then the amount in dispute set forth in the Dispute Statement shall not be payable to the Indemnitee until either (A) Indemnitee and Indemnitor jointly agree in writing to the resolution of the amount in dispute in such Dispute Statement, or (B) a court of competent jurisdiction enters a final and non-appealable order regarding the Claim and the amount in dispute in such Dispute Statement. Within five (5) business days after a final determination of each Claim pursuant to this Section 8.5(a), the Indemnitor shall pay the Indemnitee the amount of damages sustained or incurred by the Indemnitee which have not previously been paid.

(b) In the case of third party Claims, the Indemnitee shall give the Indemnitor a reasonable opportunity (i) to conduct any proceedings or negotiations in connection therewith and necessary or appropriate to defend the Indemnitee, (ii) to take all other reasonable steps or proceedings to settle or defend any such Claims, provided that the Indemnitor shall not settle third party Claims other than solely for money damages without the prior written consent of the Indemnitee (including, without limitation, settlements imposing equitable remedies or injunctive relief on the Indemnitee), which consent shall not be unreasonably conditioned, withheld or delayed, and (iii) to employ counsel designated by the Indemnitor and reasonably satisfactory to the Indemnitee to contest any such Claim or liability in the name of Indemnitee or otherwise. The Indemnitor shall, within thirty (30) days of receipt of a notice of such Claim give written notice to the Indemnitee of its intention to assume the defense of such Claim. If the Indemnitor does not deliver to the Indemnitee within the thirty (30)-day notice period notice that Indemnitor shall assume the defense of any such Claim or litigation, the Indemnitee may defend against and settle any such Claim or litigation in such manner as it may deem appropriate, all at the expense of the Indemnitor, and the costs and expenses of all proceedings, contests or lawsuits and all other damages sustained or incurred with respect to such Claims, proceedings or litigation shall be borne solely by the Indemnitor. In the event that the Indemnitor does timely assume the defense provided above, the Indemnitee shall have the right to fully participate in such defense at its sole expense, and the Indemnitor shall reasonably cooperate with the Indemnitee in connection with such participation, and in all cases the Indemnitor shall keep the Indemnitee fully informed as to all matters concerning each Claim. Within five (5) business days after a final determination of each third party Claim by any court, panel of arbitrator(s) or Governmental Entity having jurisdiction thereof, the Indemnitor shall pay the Indemnitee the amount of damages sustained or incurred by the Indemnitee which have not previously been paid.

1.6. Mitigation. Each Indemnitee shall take, and cause its Affiliates to take, all commercially reasonable steps to mitigate any Losses upon becoming aware of any event or circumstance that would reasonably be expected to, or does, give rise thereto.

1.7. Insurance Proceeds. In determining the amount of any Losses suffered by an Indemnitee for which it is entitled to payment or indemnification pursuant to this Agreement or otherwise, there will be taken into account any insurance proceeds or indemnity, contribution or other similar agreements received by the Indemnitee and attributable to or derived from such Losses. The Indemnitee shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses.

1.8. Exclusive Remedies. The Parties acknowledge and agree that, except for the remedies available in Section 6.15, from and after Closing, their sole and exclusive remedy with respect to any and all Claims (other than Claims arising from Fraud on the part of a Party in connection with the Contemplated Transaction) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement or any Transaction Document, shall be pursuant to the indemnification provisions set forth in this Article VIII.

Article IX
TERMINATION

1.1. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of Purchaser and Seller;

(b) (i) by Seller, if Seller is not then in material breach of its obligations under this Agreement and Purchaser breaches or fails to perform in any respect any of its representations, warranties or covenants contained in this Agreement and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 7.2, (B) cannot be or has not been cured within 15 days following delivery to Purchaser of written notice of such breach or failure to perform and (C) has not been waived by Seller or (ii) by Purchaser, if Purchaser is not then in material breach of its obligations under this Agreement and Seller breaches or fails to perform in any respect any of its representations, warranties or covenants contained in this Agreement and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 7.1, (B) cannot be or has not been cured within 15 days following delivery to Seller of written notice of such breach or failure to perform and (C) has not been waived by Purchaser;

(c) (i) by Seller, if any of the conditions set forth in Section 7.2 shall have become incapable of fulfillment prior to July 31, 2023 or (ii) by Purchaser, if any of the conditions set forth in Section 7.1 shall have become incapable of fulfillment prior to July 31, 2023; provided, that the right to terminate this Agreement pursuant to this Section 9.1(c) shall not be available if the failure of the party so requesting termination to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of such condition to be satisfied on or prior to such date;

(d) by either Seller or Purchaser if the Closing shall not have occurred by July 31, 2023 (the "**Termination Date**"); provided, that the right to terminate this Agreement under this Section 9.1(d) shall not be available if the failure of the party so requesting termination to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to the Termination Date;

(e) by either Seller or Purchaser in the event that any Governmental Entity shall have issued an Order restraining, enjoining or otherwise prohibiting the Contemplated Transactions and such Order shall have become final and nonappealable; or

(f) by Purchaser, if between the date hereof and the Closing, an event or condition occurs and is continuing that has had a Material Adverse Effect.

The party seeking to terminate this Agreement pursuant to this Section 9.1 (other than Section 9.1(a)) shall give prompt written notice of such termination to the other party.

1.2. Effect of Termination. In the event of termination of this Agreement as provided in Section 9.1, this Agreement shall forthwith become void and there shall be no liability on the part of either party except (a) for the provisions of Sections 3.17 and 4.5 relating to broker's fees, Section 6.2 relating to public announcements, Section 6.14 relating to confidentiality, Article X and this Section 9.2 and (b) that no such termination shall relieve either party from any liability or damages arising out of (i) a material breach of a covenant or agreement set forth in this Agreement that is a consequence of an act or failure to act by the breaching party with knowledge that the taking of such act or failure to act would, or would reasonably be expected to, cause or constitute a material breach of such covenant or agreement, or (ii) Fraud, willful

misconduct or intentional misrepresentation with respect to the making of any representation or warranty set forth in this Agreement.

Article X
MISCELLANEOUS

1.1. Severability. Any provision, including any phrase, sentence, clause, Section or subsection, of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or such provision, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

1.2. Amendment and Waivers. No amendment, modification or discharge (other than by payment or performance) of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the Party against whom enforcement of the amendment, modification, discharge or waiver is sought.

1.3. Entire Agreement. This Agreement, including the Disclosure Schedules and Exhibits, and the other Transaction Documents constitute the entire agreement among the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, understandings, and negotiations, whether written or oral, with respect to the subject matter of this Agreement.

1.4. Expenses. Unless otherwise expressly provided herein, all expenses incurred by each of the Parties in connection with or related to the authorization, preparation and execution of this Agreement and the closing of the Contemplated Transactions, including all fees and expenses of agents and representatives employed by any such Party, shall be borne solely by the Party which has incurred such expense.

1.5. Notice. All notices, requests, consents and other communications hereunder shall be in writing and shall be personally delivered, mailed by first-class registered or certified mail, postage prepaid, return receipt requested or delivered by overnight courier service, delivery charge prepaid, or sent by facsimile or electronic mail, provided that such facsimile or email is followed by hard copy delivery:

If to Seller:

Evoqua Water Technologies LLC
210 Sixth Avenue
Pittsburgh, PA 15222

If to Purchaser:

Rockwell Medical, Inc.
30142 S. Wixom Road
Wixom, MI 48393

With a copy to:

Gibson, Dunn & Crutcher
555 Mission Street
San Francisco, CA 94105-0921

or at such other address as may be furnished by the Parties hereto in writing.

1.6. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware without giving effect to any choice or conflict of Law provision or rule. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined exclusively in any state or federal court sitting in the State of Delaware, and each Party irrevocably consents to and submits to such venue.

1.7. Waiver of Jury Trial. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE CONTEMPLATED TRANSACTIONS OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

1.8. Assignment. Neither Party shall assign this Agreement or any part hereof without the prior written consent of the other Party; provided that either Party may assign this Agreement to an Affiliate. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns.

1.9. Counterparts; Execution by Electronic Means. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one (1) and the same instrument. The reproduction of signatures by means of facsimile or other electronic device shall be treated as though such reproductions are executed originals.

1.10. Currency. All amounts payable hereunder shall be made in U.S. dollars.

1.11. Headings. The subject headings of Articles and Sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

1.12. Definitions. For purposes of this Agreement, the following terms have the meanings set forth below:

"**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the first Person, including a subsidiary of the first Person, a Person of which the first Person is a subsidiary or another subsidiary of a Person of which the first Person is also a subsidiary; "**control**" (including the term "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by Contract or credit arrangement, as trustee or executor, or otherwise.

"**Asset Tax**" means any ad valorem, property, excise, severance, production, registration, stamp duty, transfer, documentary and similar Taxes based upon or measured by the ownership or operation of the Acquired Assets but excluding, for the avoidance of doubt, any income Taxes and Transfer Taxes.

"**Benefit Plan**" means any "employee benefit plan" (as described in Section 3(3) of ERISA), and any other written or unwritten deferred compensation, pension, retirement, supplemental retirement, excess benefit, profit sharing, bonus, commission, incentive, stock option, stock purchase, stock ownership, stock appreciation right, phantom stock, restricted stock, equity derivative or other equity based award, employment, consulting, severance, salary

continuation, termination, change of control, savings, health, life, disability, group insurance, vacation, holiday and fringe benefit plan, program, Contract, agreement, arrangement or policy, in each case in effect and covering one or more Employees of Seller or the beneficiaries or dependents of any such Persons, and is maintained, sponsored, contributed to, or required to be contributed to by Seller, or under which Seller has any material liability for premiums or benefits.

"**Claim**" means any liability, suit, action, claim, demand, loss, expense, penalty, fine, judgment or other cost of any kind or nature whatsoever.

"**Confidential Information**" means, with respect to any Person, all non-public proprietary information, whatever its nature and form and whether obtained orally, by observation, from written materials or otherwise, that relates to any research, technical, manufacturing, business or commercial activities or plans of such Person, including all systems, servicing methods and business techniques, programs, formulas, processes, compilations of technical and non-technical information, inventions, discoveries and improvements, designs, drawings, blueprints, software, software code, databases, product ideas, concepts, prototypes, features, procedures, training, promotional materials, training courses and other training and instructional materials, vendor and product information, sales intermediary lists and other sales intermediary information, and customer lists and other customer information, whether or not patented or patentable including any terms or provisions hereof and information that constitutes a trade secret of such Person under the Uniform Trade Secrets Act. The term "Confidential Information" will exclude any information that (i) is (or that becomes) generally available to the public through no action of the Person (including any of its Representatives) required to maintain the confidentiality of such information; (ii) was already in the possession of such Person prior to disclosure thereto; (iii) was independently developed by such Person without use of or reliance on any Confidential Information; or (iv) is received by such Person from a third party, provided that such third party is not known by such Person (after reasonable inquiry) to be bound by a confidentiality obligation with respect to such Confidential Information.

"**Contemplated Transactions**" means the sale and purchase of the Acquired Assets hereunder and all of the transactions ancillary thereto which are referred to in this Agreement and the other Transaction Documents.

"**Contract**" means, with respect to any Person, any contract, lease, agreement, license, permission, assignment, instrument, sales or purchase order, undertaking or any other commitment, including any amendments and other modifications thereto, to which such Person is, or such Person's properties, operations, business or assets are, bound.

"**Contract Manufacturing Agreement**" means that certain Concentrates Manufacturing Agreement dated January 3, 2022, by and between Seller and Medivators Inc.

"**Dividable Contract**" means any written Contract pursuant to which Seller delivers products or services of the Concentrates Business or the Concentrates Business receives products or services from suppliers and vendors, which Contract also relates to other businesses of Seller.

"**Encumbrance(s)**" means, with respect to any asset, any security interest, lien, encumbrance, pledge, mortgage, charge, transferability restriction, or other or burden of any nature whatsoever attached to or adversely affecting such asset.

"**Fraud**" means, with respect to a Party, an actual and intentional misrepresentation of a material existing fact with respect to the making of any representation or warranty in Article III or Article IV or in any other Transaction Document, made by such Party,

(i) with respect to Seller, to Seller's Knowledge or (ii) with respect to Purchaser, to Purchaser's actual knowledge, of its falsity and made for the purpose of inducing the other Party to enter into this Agreement, and upon which the other Party justifiably relies with resulting Losses.

"**GAAP**" means United States generally accepted accounting principles and practices as in effect on the date hereof.

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

"**including,**" and its derivative forms, means including, but not limited to.

"**Indebtedness**" means, with respect to a Person, any obligations of such Person: (i) for borrowed money, including related fees and expenses; (ii) evidenced by notes, bonds, debentures or similar instruments; (iii) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the Ordinary Course of Business); (iv) all obligations under terms that are or should be, in accordance with GAAP, as consistently applied by Seller in accordance with past practices, recorded as capital leases; or (v) in the nature of guarantees of the obligations described in clauses (i) through (v) above of any other Person.

"**Intellectual Property**" means, collectively, (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents; (ii) all trademarks, fictitious names, domain names, brand names, brand marks, and corporate names, together with all translations, adaptations, derivations, and combinations thereof, and all applications, registrations, and renewals in connection therewith; (iii) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith; (iv) all mask works and all applications, registrations, and renewals in connection therewith; (v) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals); (vi) all computer software; (vii) all moral rights and all other proprietary rights; (viii) all copies and tangible embodiments of any of the foregoing (in whatever form of medium); (ix) any and all rights to sue for Claims and remedies against past, present and future infringement, dilution or misappropriations of any or all of the foregoing, and rights for priority and protection of interests therein under the laws of any jurisdiction; and (x) goodwill associated with any of the foregoing.

"**Inventory Amount**" means the value in dollars of finished inventory of Seller primarily related to the Concentrates Business on hand as of the Closing that expires at least one (1) year after the Closing Date, calculated in accordance with the accounting methods and procedures set forth on Disclosure Schedule 2.2(a).

"**Knowledge of Seller** or **Seller's Knowledge**" or any other similar knowledge qualification, means the actual knowledge after reasonably inquiry of their direct reports of those persons listed on Disclosure Schedule 10.12.

"**Laws**" means, with respect to a particular Person, any laws (including provisions of common law), statutes, ordinances, regulations, rules, codes, agency guidelines of any Governmental Entity judgments, decrees administrative pronouncements or other requirements or rules of law binding on or applicable to such Person.

"**Legal Proceeding**" means any audit, Claim or legal, administrative or other similar proceeding by or before any Governmental Entity (including any foreign, federal, state or local court or self-regulating organization) or arbitration or alternative dispute resolution panel.

"**Liabilities**" means any direct or indirect liability, Indebtedness, guaranty, endorsement, Claim, Loss, damage, deficiency, cost (including Taxes), expense, obligation or responsibility whether secured or unsecured.

"**Losses**" means, with respect to any event or circumstance, including a third party Claim, any and all liabilities, Encumbrances, penalties, fines, settlements, or Claims, including reasonable and documented attorneys' fees, incurred by a Person in connection with such event or circumstance; *provided*, *however*, "Losses" shall not include, and no Party shall be liable to the other Party for, any indirect, consequential, special or punitive damages.

"**Material Adverse Effect**" means any event, occurrence, fact, condition or change that is materially adverse to (a) the results of operations, financial condition or assets of the Concentrates Business, taken as a whole, or (b) the ability of Seller to consummate the transactions contemplated hereby; provided, however, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to the following: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Concentrates Business operates, but only to the extent that Seller is not disproportionately affected; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Purchaser; (vi) any changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof; (vii) the announcement, pendency or completion of the transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with Seller and the Concentrates Business; (viii) any natural or man-made disaster or acts of God; (ix) any epidemics, pandemics, disease outbreaks, or other public health emergencies; or (x) any failure by the Concentrates Business to meet any internal or external published projections, forecasts, revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

"**Order**" means any judgment, order, writ, decree, injunction, award, ruling or other determination whatsoever of any Governmental Entity or any other entity or body (including any arbitration or similar panel) whose finding, ruling or holding is legally binding or is enforceable as a matter of right (in any case, whether preliminary or final).

"**Ordinary Course of Business**" means the ordinary course of normal day to day operations of the Concentrates Business, consistent with past practice.

"**Permit**" means, with respect to any Person, any license, permit, authorization, approval, certificates of authority, registration, qualification, easement, rights of way or similar consent or certificate granted or issued to such Person.

"**Person**" means a corporation, an association, a partnership, an organization, a business, a limited liability company, an individual, a government or political subdivision thereof or a Governmental Entity.

"**Permitted Encumbrance**" means: (i) statutory liens for Taxes that are not yet due and payable or that are being contested in good faith through appropriate proceedings (and for which adequate reserves have been established on Seller's financial statements in accordance with GAAP); (ii) statutory liens to secure obligations to landlords, lessors or renters under leases or rental agreements; (iii) deposits or pledges made in connection with, or to secure payment of, workers' compensation, unemployment insurance or similar programs mandated by applicable Law; (iv) statutory liens in favor of carriers, warehousemen, mechanics and materialmen, to secure claims for labor, materials or supplies and other like liens; (v) any restriction or limitation imposed by this Agreement; (vi) such imperfections of title and encumbrances, if any, which are not material in character, amount or extent (individually or in the aggregate) and which do not (individually or in the aggregate) materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby; and (vii) liens granted pursuant to Seller's senior credit facility, provided that such liens have been released by the lenders effective at the Closing.

"**Representatives**" means, as to any Person, its officers, directors, employees, agents, counsel, accountants, investment bankers, engineers, consultants and other representatives or advisors.

"**Taxes**" or "**Tax**" means all U.S. federal, state, local or non-U.S. taxes, charges, duties, fees, levies, assessments or charges in the nature of a tax, including income, gross receipts, license, payroll, employment, excise, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, imposed by any Governmental Entity (whether imposed directly or through withholding and whether or not disputed), including any amounts resulting from the failure to file any Tax Return, together with any interest and any penalties, additions to tax or additional amounts with respect thereto (or attributable to the nonpayment thereof).

"**Tax Return**" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, filed or required to be filed with any taxing authority (or provided to a payee).

"**Transaction Documents**" means, collectively, (a) this Agreement, (b) the Bill of Sale, (c) the Assignment and Assumption Agreement; (d) the Intellectual Property Assignment Agreement; (e) the Side Letter, (f) the Transition Services Agreement and (g) any other Contracts, instruments, document and certificates contemplated hereunder to be delivered by any Party at or prior to the Closing.

"**Virtual Data Room**" means that certain electronic data room hosted by OneHub, where Seller uploaded certain information and data related to the Contemplated Transactions.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed this Asset Purchase Agreement as of the date first written above.

PURCHASER:

ROCKWELL MEDICAL, INC.

By:/s/ Mark Strobeck_____
Name:
Title:

SELLER:

EVOQUA WATER TECHNOLOGIES LLC

By: /s/ Rodney Aulick
Name: Rodney Aulick
Title: EVP and Segment President, Integrated Sales Solutions and Services

ROCKWELL MEDICAL, INC.

AMENDED AND RESTATED 2018 LONG TERM INCENTIVE PLAN

I. GENERAL PROVISIONS

1.1 **Establishment**. On April 13, 2018, the Board initially adopted the Rockwell Medical, Inc. 2018 Long Term Incentive Plan, subject to the approval of shareholders at the Corporation's 2018 annual meeting of shareholders. The plan was first amended and restated effective May 18, 2020, further amended and restated effective November 10, 2021, further amended and restated effective May 9, 2022, and further amended and restated effective May 23, 2023.

1.2 **Purpose**. The purpose of the Plan is to (a) promote the best interests of the Corporation and its shareholders by encouraging Employees, Directors and Consultants of the Corporation and its Subsidiaries to acquire an ownership interest in the Corporation by granting stock-based Awards, thus aligning their economic interests with those of the Corporation's shareholders, and (b) enhance the ability of the Corporation and its Subsidiaries to attract, motivate and retain qualified Employees, Directors and Consultants.

1.3 **Plan Duration**. The Plan, as currently amended and restated, became effective on May 23, 2023 and shall continue in effect until its termination by the Board; provided, however, that no new Awards may be granted on or after May 23, 2033.

1.4 **Definitions and Interpretations**. Whenever the words "include," "includes" or "including" are used, they shall be understood to be followed by the words "without limitation." Article and Section references in the Plan shall be to Articles and Sections of the Plan unless otherwise noted. As used in this Plan, the following terms have the meaning described below:

(a) "**Agreement**" means the written document that sets forth the terms of a Participant's Award.

(b) "**Award**" means any form of Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Award, Incentive Award or other award granted under the Plan.

(c) "**Board**" means the Board of Directors of the Corporation.

(d) "**Cause**" means (i) if a Participant is a party to a written employment agreement with the Corporation or a Subsidiary, "Cause" as defined in such agreement, as in effect from time to time, and (ii) in all other cases, (A) a Participant's continued failure to substantially perform Participant's duties to the Corporation or its Subsidiaries (other than as a result of Disability) for a period of 10 days following written notice by the Corporation to Participant of such failure, (B) dishonesty in the performance of Participant's duties, (C) Participant's conviction of, or plea of nolo contendere to, a crime constituting (x) a felony under the laws of the United States or any state thereof, or (y) a misdemeanor involving a crime of embezzlement, theft, dishonesty, or moral turpitude, (D) Participant's willful malfeasance or willful misconduct in connection with Participant's duties to the Corporation or any Subsidiary, or any act or omission which is injurious to the financial condition or business reputation of the Corporation or its Subsidiaries, or (E) Participant's breach of any non-compete, confidentiality or intellectual property obligations to the Corporation or its Subsidiaries.

(e) "**Change in Control**" means the occurrence of any of the following events:

(i) If the Corporation consolidates with or merges into any other corporation or other entity that is not controlled by or under common control with the Corporation, and the Corporation is not the continuing or surviving entity of such consolidation or merger;

(ii) If the Corporation permits any other corporation or other entity that is not controlled by or under common control with the Corporation to consolidate with or merge into the Corporation and the Corporation is the continuing or surviving entity but, in connection with such consolidation or merger the shareholders of the Corporation immediately prior to such transaction cease to own at least 50% of the combined voting power of the outstanding voting securities of the Corporation immediately following the transaction or the Common Stock is changed into or exchanged for stock or other securities of any other corporation or other entity or cash or any other assets;

(iii) If the Corporation dissolves or liquidates;

(iv) If the Corporation effects a share exchange, capital reorganization or reclassification transaction in such a way that (A) holders of Common Stock shall be entitled to receive stock, securities, cash or other assets with respect to or in exchange for the Common Stock, and (B) (x) neither the Common Stock nor the consideration received in such transaction is a class of equity securities registered under Section 12 of the Exchange Act following such transaction or (y) a majority of members on the Board are replaced in connection with such transaction;

(v) If any one person, or more than one person acting as a group (as determined in accordance with Sections 13(d) and 14(d) of the Exchange Act), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of Common Stock possessing thirty-five percent (35%) or more of the total outstanding voting power of the Common Stock;

(vi) If a majority of members on the Board are replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election (provided that for purposes of this paragraph, the term Corporation refers solely to the "relevant" corporation, as defined in Code Section 409A and regulations thereunder, for which no other corporation is a majority shareholder); or

(vii) If there is a change in the ownership of a substantial portion of the Corporation's assets, which shall occur on the date that any one person, or more than one person acting as a group (as determined in accordance with Sections 13(d) and 14(d) of the Exchange Act) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Corporation that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the Corporation immediately prior to such acquisition or acquisitions, as determined by the Board. For this purpose, gross fair market value means the value of the assets of the Corporation, or the value of the assets being disposed of, determined by the Board without regard to any liabilities associated with such assets.

As used in this paragraph, the term "person" shall include individuals and entities.

Notwithstanding the foregoing, for purposes of an Award (A) that is considered deferred compensation subject to the provisions of Code Section 409A, or (B) with respect to which the Corporation permits a deferral election, the definition of "Change in Control" shall be deemed amended to conform to the requirements of Code Section 409A to the extent necessary for such Awards and deferral elections to comply with Code Section 409A.

(f) "**Change in Control Price**" shall mean the per share price paid or deemed paid for the outstanding Common Stock in the Change in Control transaction, as determined by the Board.

(g) "**Change in Control Termination**" means a termination of an Employee Participant's employment by the Corporation without "Cause" or, if the Employee is a party to a written employment agreement with the Corporation, by Employee for "good reason" (as defined in such agreement as in effect from time to time), which termination occurs after the execution of an agreement to which the Corporation is a party pursuant to which a Change in Control has occurred or will occur (upon consummation of the transactions contemplated by such agreement) but, if a Change in Control has occurred pursuant thereto, not more than two years after such Change in Control, and if a Change in Control has not yet occurred pursuant thereto, while such agreement remains executory.

(h) "**Code**" means the Internal Revenue Code of 1986, as amended.

(i) "**Committee**" means the Compensation Committee of the Board, or any other committee or sub-committee of the Board, designated by the Board from time to time, comprised solely of two or more Directors who are "non-employee directors," as defined in Rule 16b-3 of the Exchange Act and "independent directors" for purposes of the rules and regulations of the Stock Exchange. However, the fact that a Committee member shall fail to qualify under any of these requirements shall not invalidate any Award made by the Committee if the Award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time, at the discretion of the Board.

(j) "**Common Stock**" means shares of the Corporation's authorized common stock.

(k) "**Consultant**" means a consultant or advisor (other than as an Employee or Director) to the Corporation or a Subsidiary; provided that such person is an individual who (1) renders bona fide services that are not in connection with the offer and sale of the Corporation's securities in a capital-raising transaction, and (2) does not promote or maintain a market for the Corporation's securities.

(l) "**Corporation**" means Rockwell Medical, Inc., a Delaware corporation.

(m) "**Director**" means an individual, other than an Employee, who has been elected or appointed to serve as a member of the Board.

(n) "**Disability**" means total and permanent disability, as defined in Code Section 22(e); provided, however, that for purposes of a Code Section 409A distribution event, "disability" shall be defined under Code Section 409A and regulations thereunder.

(o) "**Employee**" means an individual who has an "employment relationship" with the Corporation or a Subsidiary, as defined in Treasury Regulation 1.421-1(h), and the term "employment" means employment with the Corporation or a Subsidiary.

(p) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

(q) "**Fair Market Value**" means for purposes of determining the value of Common Stock on the Grant Date, the closing price per share of the Common Stock on the Stock Exchange on the Grant Date. In the event that there are no Common Stock transactions reported on the Stock Exchange on such date, the Fair Market Value shall be determined as of the immediately preceding date on which there were Common Stock transactions reported on the

Stock Exchange. Unless otherwise specified in the Plan, "Fair Market Value" for purposes of determining the value of Common Stock on the date of exercise or Vesting means the closing price per share of the Common Stock on the Stock Exchange on the last date preceding the date of exercise or Vesting on which there were Common Stock transactions reported on the Stock Exchange. If the Common Stock is not listed on a Stock Exchange on the relevant date, the Fair Market Value shall be determined by the Board in good faith and in accordance with Code Section 409A and regulations thereunder.

(r) "**Grant Date**" means the date on which the Board grants an Award, or such later effective grant date as shall be designated by the Board or as set forth in a Participant's Agreement.

(s) "**Incentive Award**" means an Award that is granted in accordance with Article VI.

(t) "**Incentive Stock Option**" means an Option granted pursuant to Article II that is intended to meet the requirements of Code Section 422.

(u) "**Nonqualified Stock Option**" means an Option granted pursuant to Article II that is not an Incentive Stock Option.

(v) "**Officer**" means a person who is an officer of the Corporation within the meaning of Section 16 of the Exchange Act.

(w) "**Option**" means either an Incentive Stock Option or a Nonqualified Stock Option.

(x) "**Participant**" means an Employee, Director or Consultant who is designated by the Board to participate in the Plan or otherwise receives an Award; provided, however, that our Chief Executive Officer and our Directors, all as of April 13, 2018, shall not be considered a Participant under the Plan and shall not be eligible to receive any awards under the Plan (except for the contingent option awards granted under the Plan to Directors on March 19, 2018) until immediately after our 2019 annual meeting of shareholders.

(y) "**Performance Award**" means any Award of Performance Shares or Performance Units granted pursuant to Article V.

(z) "**Performance Goals**" means the measures of performance of the Corporation and its Subsidiaries selected by the Board to determine a Participant's entitlement to a Performance Award under the Plan.

(aa) "**Performance Share**" means any grant pursuant to Article V and Section 5.2(b)(i).

(bb) "**Performance Unit**" means any grant pursuant to Article V and Section 5.2(b)(ii).

(cc) "**Plan**" means the Amended and Restated Rockwell Medical, Inc. 2018 Long Term Incentive Plan, the terms of which are set forth herein, and any amendments thereto.

(dd) "**Restriction Period**" means the period of time during which a Participant's Restricted Stock or Restricted Stock Unit is subject to a risk of forfeiture and/or and is nontransferable.

(ee) "**Restricted Stock**" means Common Stock granted pursuant to Article IV that is subject to a Restriction Period.

(ff) "**Restricted Stock Unit**" means a right granted pursuant to Article IV to receive Restricted Stock, Common Stock or cash.

(gg) "**Securities Act**" means the Securities Act of 1933, as amended from time to time, and any successor thereto.

(hh) "**Stock Appreciation Right**" means the right to receive a cash or Common Stock payment from the Corporation, in accordance with Article III of the Plan.

(ii) "**Stock Exchange**" means the principal national securities exchange on which the Common Stock is listed for trading, or, if the Common Stock is not listed for trading on a national securities exchange, such other recognized trading market upon which the largest number of shares of Common Stock has been traded in the aggregate during the last 20 days before the applicable date.

(jj) "**Subsidiary**" means a corporation or other entity defined in Code Section 424(f).

(kk) "**Substitute Awards**" shall mean Awards granted or shares issued by the Corporation in assumption of, or in substitution or exchange for, Awards previously granted, or the right or obligation to make future Awards, by a company acquired by the Corporation or any Subsidiary or with which the Corporation or any Subsidiary combines.

(ll) "**Vested**" or "**Vesting**" means the extent to which an Award granted or issued hereunder has become exercisable or upon termination or lapse of any applicable Restriction Period in accordance with the Plan and the terms of any respective Agreement pursuant to which such Award was granted or issued, or has become payable in whole or in part due to the satisfaction of Performance Goal(s) set forth in the respective Agreement pursuant to which such Award was granted or issued.

1.5 **Administration**.

(a) The Plan and all Agreements thereunder shall be administered by the Board. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 1.5(c).

(b) The Board shall, in its discretion, interpret the Plan and all Agreements thereunder, prescribe, amend, and rescind rules and regulations relating to the Plan and all Agreements thereunder, and make all other determinations necessary or advisable for its/their administration. The decision of the Board (or a duly authorized Committee, subcommittee or Officer exercising powers delegated by the Board under this Section 1.5) on any question concerning the interpretation of the Plan and all Agreements thereunder or its/their administration with respect to any Award granted under the Plan shall be final and binding upon all Participants. No member of the Board (or a duly authorized Committee, subcommittee or Officer exercising powers delegated by the Board under this Section 1.5) shall be liable for any action or determination made in good faith with respect to the Plan or any Award hereunder. In addition to any other powers set forth in the Plan and subject to Code Section 409A and the provisions of the Plan, the Board shall have the full and final power and authority, in its discretion to:

(i) Subject to Section 11.6, amend, modify, or cancel any Award, or to waive any restrictions or conditions applicable to any shares of Common Stock acquired pursuant thereto;

(ii) Authorize, in conjunction with any applicable deferred compensation plan of the Corporation, that the receipt of cash or Common Stock subject to any Award under this Plan may be deferred under the terms and conditions of such deferred compensation plan;

(iii) Determine the terms and conditions of Awards granted to Participants and whether such terms and conditions have been satisfied; and

(iv) Establish such other Awards, besides those specifically enumerated in the Plan, which the Board determines are consistent with the Plan's purposes.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Committee may, at any time, abolish the subcommittee and/or revest in the Committee any powers delegated to any subcommittee. Unless otherwise provided by the Board, delegation of authority by the Board to a Committee, or to an Officer or employee pursuant to Section 1.5(d), does not limit the authority of the Board, which may continue to exercise any authority so delegated and may concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated. The Board has delegated administration of the Plan to the Compensation Committee, who will serve for such period of time as the Board may specify and whom the Board may remove at any time.

(d) The Board may delegate to one (1) or more Officers the authority to do one or both of the following, to the maximum extent permitted by applicable law: (i) designate Employees who are not Officers to be recipients of Awards and the terms of such Awards; and (ii) determine the number of shares of Common Stock to be subject to such Awards granted to such Employees; provided, however, that the Board resolutions regarding such delegation will specify the following: (1) the total number of shares of Common Stock that may be subject to the Awards granted by such Officer, (2) the time period during which such Awards may be granted and the time period during which such shares of Common Stock issuable upon exercise of an Award may be issued, (3) a minimum amount of consideration (if any) for which such Awards may be issued and a minimum amount of consideration for the shares of Common Stock issuable upon the exercise of an Award, and (4) that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on a form that is substantially the same as the form of Agreement approved by the Committee or the Board for use in connection with such Awards, unless otherwise provided for in the resolutions approving the delegation authority.

(e) Notwithstanding any other provision of this Plan to the contrary, neither the Board, the Committee nor any Officer shall have the authority or the discretion to accelerate the Vesting of any Award, except in the case of a Participant's death or Disability.

1.6 **Participants**. Participants in the Plan shall be such Employees, Directors and Consultants of the Corporation and its Subsidiaries as the Board in its discretion may select from time to time; provided, however, that our Chief Executive Officer and our Directors, all as of April 13, 2018, shall not be considered a Participant under the Plan and shall not be eligible to receive any awards under the Plan (except for the contingent option awards granted under the Plan to Directors on March 19, 2018) until immediately after our 2019 annual meeting of shareholders. The Board may grant Awards to an individual upon the condition that the individual become an Employee, Director or Consultant of the Corporation or of a Subsidiary, provided that the Grant Date of the Award

shall be deemed to be the date that the individual legally becomes an Employee, Director or Consultant, as applicable.

1.7 **Stock Reserve**.

(a) The Corporation has reserved 2,618,192 shares of the Corporation's Common Stock for issuance pursuant to stock-based Awards. Up to 2,618,192 of the reserved shares may be granted as Incentive Stock Options under the Plan. All amounts in this Section 1.7 shall be adjusted, as applicable, in accordance with Section 10.1. Subject to the other provisions in this Section 1.7, the aggregate number of shares of Common Stock reserved under this Section 1.7(a) shall be depleted by the maximum number of shares of Common Stock, if any, that may be payable under an Award as determined on the Grant Date; provided that the aggregate number of shares of Common Stock shall be depleted by one share for each share subject to an Option or Stock Appreciation Right (that will be settled in shares), and shall be depleted by one share of Common Stock for each share subject to an Award that will be settled in shares of Common Stock other than an Option or Stock Appreciation Right. For purposes of determining the aggregate number of shares of Common Stock reserved for issuance under this Plan, any fractional share shall be rounded to the next highest full share.

(b) The shares of Common Stock subject to any portion of an Award that is forfeited, cancelled, or expires or otherwise terminates without issuance of such shares, or is settled for cash or otherwise does not result in the issuance of all or a portion of the shares subject to such Award shall, to the extent of such forfeiture, cancellation, expiration, termination, cash settlement or non-issuance, be recredited to the Plan's reserve (according to the same ratio as such shares reduced the Plan's reserve according to Section 1.7(a)) and shall again be available for issuance pursuant to Awards under the Plan.

(c) For the avoidance of doubt, the following shares of Common Stock, however, may not again be made available for issuance as Awards under the Plan: (i) the full number of shares not issued or delivered as a result of the net settlement of an outstanding Option, Stock Appreciation Right or Restricted Stock Unit, regardless of the number of shares actually used to make such settlement; (ii) shares used to pay the exercise price or for settlement of any Award; (iii) shares used to satisfy withholding taxes related to the Vesting, exercise or settlement of any Award; and (iv) shares repurchased on the open market by the Corporation with the proceeds of the Option exercise price.

(d) Substitute Awards shall not reduce the shares reserved for issuance under the Plan or authorized for grant to a Participant in any fiscal year. Additionally, in the event that a company acquired by the Corporation or any Subsidiary or with which the Corporation or any Subsidiary combines has shares available under a pre-existing plan approved by shareholders of such acquired company and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the acquired company) may be used for Awards under the Plan and shall not reduce the shares authorized for issuance under the Plan; provided that Awards using such available shares shall not be made after the date awards or grants could no longer have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees, Directors of the Corporation or its Subsidiaries prior to such acquisition or combination.

1.8 **Repricing**. Except as provided in Section 10.1, without the affirmative vote of holders of a majority of the shares of Common Stock cast in person or by proxy at a meeting of the shareholders of the Corporation at which a quorum representing a majority of all outstanding shares is present or represented by proxy, neither the Board nor the Committee shall approve a program providing for (a) the cancellation of outstanding Options and/or Stock Appreciation Rights and the grant in substitution therefor of any new Options and/or Stock Appreciation Rights under the Plan having a lower exercise price than the Fair Market Value of the underlying Common Stock on the original Grant Date, (b) the amendment of outstanding Options and/or Stock Appreciation Rights to reduce the exercise price thereof below the Fair Market Value of the underlying Common Stock on the original Grant Date, or (c) the exchange of outstanding Options or Stock Appreciation Rights for cash or other Awards if the exercise price per share of such Options or Stock Appreciation Rights is greater than the Fair Market Value per share as of the date of exchange. This Section shall not be construed to apply to "issuing or assuming a stock option in a transaction to which section 424(a) applies," within the meaning of Code Section 424.

1.9 **Backdating.** Neither the Board nor the Committee may grant an Option or a Stock Appreciation Right with a Grant Date that is effective prior to the date the Board or Committee takes action to approve such Award.

II. STOCK OPTIONS

2.1 **Grant of Options**. The Board, at any time and from time to time, subject to the terms and conditions of the Plan, may grant Options to such Participants and for such number of shares of Common Stock as it shall designate, and shall determine the general terms and conditions, which shall be set forth in a Participant's Agreement. Any Participant may hold more than one Option under the Plan and any other plan of the Corporation or Subsidiary. No Option granted hereunder may be exercised after the tenth anniversary of the Grant Date. The Board may designate

any Option granted as either an Incentive Stock Option or a Nonqualified Stock Option, or the Board may designate a portion of an Option as an Incentive Stock Option or a Nonqualified Stock Option.

2.2 **Incentive Stock Options**. Any Option intended to constitute an Incentive Stock Option shall comply with the requirements of this Section 2.2. An Incentive Stock Option may only be granted to an Employee. No Incentive Stock Option shall be granted with an exercise price below the Fair Market Value of Common Stock on the Grant Date nor with an exercise term that extends beyond ten years from the Grant Date. An Incentive Stock Option shall not be granted to any Participant who owns (within the meaning of Code Section 424(d)) stock of the Corporation or any Subsidiary possessing more than 10% of the total combined voting power of all classes of stock of the Corporation or a Subsidiary unless, at the Grant Date, the exercise price for the Option is at least 110% of the Fair Market Value of the shares subject to the Option and the Option, at the Grant Date and by its terms, is not exercisable more than five years after the Grant Date. The aggregate Fair Market Value of the underlying Common Stock (determined at the Grant Date) as to which Incentive Stock Options granted under the Plan (including a plan of a Subsidiary) may first be exercised by a Participant in any one calendar year shall not exceed $100,000. To the extent that an Option intended to constitute an Incentive Stock Option shall violate the foregoing $100,000 limitation (or any other limitation set forth in Code Section 422), the portion of the Option that exceeds the $100,000 limitation (or violates any other Code Section 422 limitation) shall be deemed to constitute a Nonqualified Stock Option.

2.3 **Exercise Price**. The Board shall determine the per share exercise price for each Option granted under the Plan. No Option may be granted with an exercise price below 100% of the Fair Market Value of Common Stock on the Grant Date.

2.4 **Payment for Option Shares**.

(a) The exercise price for shares of Common Stock to be acquired upon exercise of an Option granted hereunder shall be paid in full in cash or by personal check, bank draft or money order at the time of exercise; provided, however, that if the Corporation so approves at the time the Option is exercised and to the extent provided in the applicable Agreement, payment may be made by (i) tendering shares of Common Stock to the Corporation, which are withheld from the Option being exercised in a "net exercise" transaction, or are freely owned and held by the Participant independent of any restrictions or hypothecations; (ii) delivery to the Corporation of a properly executed exercise notice, acceptable to the Corporation, together with irrevocable instructions to the Participant's broker to deliver to the Corporation sufficient cash to pay the exercise price and any applicable income and employment withholding taxes, in accordance with a written agreement between the Corporation and the brokerage firm; (iii) delivery of other consideration approved by the Board having a Fair Market Value on the exercise date equal to the total exercise price; (iv) other means determined by the Board; or (v) any combination of the foregoing.

(b) "Net exercise," as such term is used in the Plan, shall mean an exercise of an Option pursuant to which, upon delivery to the Corporation of written notice of exercise, the consideration received in payment for the exercise of the Option shall be the cancellation of a portion of the Option and the Corporation shall become obligated to issue the "net number" of shares of Common Stock determined according to the following formula:

$$((A \times B) - (A \times C)) \quad B$$

For purposes of the foregoing formula:

A = the total number of shares with respect to which such Option is then being exercised (which, for the avoidance of doubt, shall include both the number of shares to be issued to the exercising Participant and the number of shares subject to the portion of the Option to be cancelled in payment of the exercise price).

B = the Stock Exchange closing price for the Common Stock on the last date on which there were Common Stock transactions preceding the date of the Corporation's receipt of the exercise notice.

C= the exercise price in effect at the time of such exercise.

If the foregoing formula would yield a number of shares to be issued that is not a whole number, any such fraction shall be rounded down and disregarded. The shares underlying the exercised portion of the Option that are not issued pursuant to the foregoing formula, along with the corresponding portion of the Option, shall be considered cancelled and no longer subject to exercise.

(c) Notwithstanding the foregoing, an Option may not be exercised by delivery to or withholding by the Corporation of shares of Common Stock to the extent that such delivery or withholding (i) would constitute a violation of the provisions of any law or regulation (including the Sarbanes-Oxley Act of 2002), (ii) if there is a substantial likelihood that the use of such form of payment would result in adverse accounting treatment to the Corporation under generally accepted accounting principles, or (iii) is not approved by the Corporation and reflected in the applicable Agreement. Until a Participant has been issued a certificate or certificates for the shares of Common Stock so purchased (or the book entry representing such shares has been made and such shares have been deposited with the appropriate registered book-entry custodian), he or she shall possess no rights as a record holder with respect to any such shares.

III. STOCK APPRECIATION RIGHTS

3.1 **Grant of Stock Appreciation Rights**. Stock Appreciation Rights may be granted, held and exercised in such form and upon such general terms and conditions as determined by the Board. A Stock Appreciation Right may be granted to a Participant with respect to such number of shares of Common Stock of the Corporation as the Board may determine. No Stock Appreciation Right shall be granted with an exercise term that extends beyond ten years from the Grant Date.

3.2 **Base Price**. The Board shall determine the per share base price for each Stock Appreciation Right granted under the Plan; provided, however, that the base price of a Stock Appreciation Right shall not be less than 100% of the Fair Market Value of the shares of Common Stock covered by the Stock Appreciation Right on the Grant Date.

3.3 **Exercise of Stock Appreciation Rights**. A Stock Appreciation Right shall be deemed exercised upon receipt by the Corporation of written notice of exercise from the Participant.

3.4 **Stock Appreciation Right Payment**. Upon exercise of a Stock Appreciation Right, a Participant shall be entitled to payment from the Corporation, in cash, shares, or partly in each (as determined by the Board in accordance with any applicable terms of the Participant's Agreement), of an amount equal to the difference between (a) the aggregate Fair Market Value on the exercise date for the specified number of shares of Common Stock being exercised, and (b) the aggregate base price for the specified number of shares of Common Stock being exercised.

IV. RESTRICTED STOCK AND RESTRICTED STOCK UNITS

4.1 **Grant of Restricted Stock and Restricted Stock Units**. Subject to the terms and conditions of the Plan, the Board, at any time and from time to time, may grant Awards of Restricted Stock and Restricted Stock Units under the Plan to such Participants and in such amounts as it shall determine.

4.2 **Terms of Awards**. Each Award of Restricted Stock or Restricted Stock Units shall be evidenced by an Agreement that shall specify the terms of the restrictions, including the Restriction Period, the number of shares of Common Stock or units subject to the Award, the exercise price for the shares of Restricted Stock, if any, the form of consideration that may be used to pay the exercise price of the Restricted Stock, including those specified in Section 2.4, and such other general terms and conditions, including whether the Restricted Stock is subject to achievement of Performance Goals, as the Board shall determine.

4.3 **Transferability**. Except as provided in this Article IV and Section 11.3 of the Plan, the shares of Common Stock subject to an Award of Restricted Stock or Restricted Stock Units granted hereunder may not be transferred, pledged, assigned, or otherwise alienated or hypothecated until the termination of the applicable Restriction Period or for such period of time as shall be established by the Board and specified in the applicable Agreement, or upon the earlier satisfaction of other conditions as specified by the Board in its sole discretion and as set forth in the applicable Agreement.

4.4 **Other Restrictions**. The Board shall impose such other restrictions on any shares of Common Stock subject to an Award of Restricted Stock or Restricted Stock Units under the Plan as it may deem advisable, including restrictions under applicable federal or state securities laws, and the issuance of a legended certificate of Common Stock representing such shares to give appropriate notice of such restrictions (or, if issued in book entry form, a notation with similar restrictive effect with respect to the book entry representing such shares) pursuant to Section 11.3(b).

4.5 **Voting Rights**. During the time Restricted Stock is subject to the Restriction Period, to the extent not prohibited by law, the Participant's Agreement shall require the Participant to appoint each of the Corporation's chief executive officer and/or corporate secretary as proxies, each with the power to appoint a substitute, authorizing each of them to represent and to vote the Participant's Restricted Stock in accordance with the Board's recommendations on all matters that are submitted to a shareholder vote (such appointment being irrevocable and coupled with an interest and extending until the expiration of the Restriction Period).

4.6 **Settlement of Restricted Stock Unit Awards**. If a Restricted Stock Unit Award is payable in Common Stock, the Corporation shall issue to a Participant on the date on which Restricted Stock Units subject to the Participant's Award Vest or on such other date determined by the Board, in its discretion, and set forth in the Agreement, one share of Common Stock and/or any other new, substituted or additional securities or other property pursuant to an adjustment described in Section 10.1 for each Restricted Stock Unit then becoming Vested or otherwise to be settled on such date, subject to the withholding of applicable taxes. Notwithstanding any other provision in this Plan to the contrary, any Restricted Stock Unit Award, whether settled in Common Stock, cash or other property, shall be paid no later than two and a half months after the later of the end of the fiscal or calendar year in which the Award Vests.

V. PERFORMANCE AWARDS

5.1 **Grant of Performance Awards**. The Board, in its discretion, may grant Performance Awards to Participants and may determine, on an individual or group basis, the Performance Goal(s) to be attained pursuant to each Performance Award.

5.2 **Terms of Performance Awards**.

(a) Performance Awards shall consist of rights to receive cash, Common Stock, other property or a combination thereof, if designated Performance Goal(s) are achieved. The terms of a Participant's Performance Award shall be set forth in a Participant's Agreement. Each Agreement shall specify the Performance Goal(s) applicable to a particular Participant or group of Participants, the period over which the targeted Performance Goal(s) are to be attained, the payment schedule if the Performance Goal(s) are attained, and any other terms as the Board shall determine and conditions applicable to an individual Performance Award.

(b) Performance Awards may be granted as Performance Shares or Performance Units, at the discretion of the Board. Performance Awards shall be paid no later than two and a half months after the later of the end of the fiscal or calendar year in which the Performance Award is no longer subject to a substantial risk of forfeiture.

(i) In the case of Performance Shares, a legended certificate of Common Stock shall be issued in the Participant's name, restricted from transfer prior to the satisfaction of the designated Performance Goal(s) and restrictions (or shares may be issued in book entry form with a notation having similar restrictive effect with respect to the book entry representing such shares), as determined by the Board and specified in the Participant's Agreement. Prior to satisfaction of the designated Performance Goal(s) and restrictions, to the extent not prohibited by law, the Participant's Agreement shall require the Participant to appoint each of the Corporation's chief executive officer and/or corporate secretary as proxies, each with the power to appoint a substitute, authorizing each of them to represent and to vote the Participant's Performance Shares in accordance with the Board's recommendations on all matters that are submitted to a shareholder vote (such appointment being irrevocable and coupled with an interest and extending until such time as the Performance Goal(s) and other restrictions on the Performance Shares have been satisfied).

(ii) In the case of Performance Units, the Participant shall receive an Agreement from the Board that specifies the Performance Goal(s) and restrictions that must be satisfied before the Corporation shall issue the payment, which may be cash, a designated number of shares of Common Stock, other property, or a combination thereof. In the event of a dividend or distribution paid in shares of Common Stock or any other event described in Article X, appropriate adjustments shall be made in the Participant's Performance Unit Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Participant would be entitled by reason of the shares of Common Stock issuable upon settlement of the Performance Unit Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same restrictions as are applicable to the Performance Unit Award.

VI. INCENTIVE AWARDS

6.1 **Grant of Incentive Awards**.

(a) The Board, at its discretion, may grant Incentive Awards to such Participants as it may designate from time to time. The terms of a Participant's Incentive Award shall be set forth in the Participant's Agreement and/or in any separate program(s) authorized by the Board. Each Agreement and/or separate program shall specify such other terms and conditions as the Board shall determine.

(b) The determination of Incentive Awards for a given year or years may be based upon the attainment of specified levels of Performance Goals related to the Corporation or Subsidiary performance as determined at the discretion of the Board.

(c) The Board shall (i) select those Participants who shall be eligible to receive an Incentive Award, (ii) determine the performance period, (iii) determine target levels (including minimum and maximum levels) of Performance Goals, and (iv) determine the level of Incentive Award to be paid to each selected Participant upon the achievement of each Performance Goal.

6.2 **Payment of Incentive Awards.**

(a) Incentive Awards shall be paid in cash, shares of Common Stock or other property, at the discretion of the Board. Payments shall be made no later than two and a half months after the later of the end of the fiscal or calendar year in which the Incentive Award is no longer subject to a substantial risk of forfeiture.

(b) The amount of an Incentive Award to be paid upon the attainment of each targeted Performance Goal shall equal a percentage of a Participant's base salary for the fiscal year, a fixed dollar amount, or pursuant to such other formula, as determined by the Board or as set forth in the Participant's Agreement.

VII. DIVIDENDS & NO DIVIDEND EQUIVALENTS

(a) A Participant shall not be entitled to receive any dividends or other distributions paid with respect to issued and outstanding Restricted Stock or Performance Shares until such time as the Restricted Stock or Performance Shares Vest.

(b) No Award may be granted under the Plan that provides for payment of "dividend equivalents" or any similar right to receive cash dividends or other distributions paid with respect to a share of Common Stock prior to the time such Award Vests, and no dividend equivalents or similar rights may ever be granted with respect to an Option, a Share Appreciation Right, or any Award other than a "full value" Award.

VIII. MINIMUM VESTING PERIOD

8.1 **General Rule.** Notwithstanding any provision of this Plan to the contrary, except as provided in Section 8.2, no portion of any Award granted to any Participant shall Vest prior to the twelve (12)-month anniversary of the Grant Date.

8.2 **Exceptions.** Notwithstanding Section 8.1:

(a) The Board may grant Awards to Participants other than a Director or a Board-appointed executive officer that are not subject to the twelve (12)-month minimum vesting period, *provided* that such Awards in the aggregate do not exceed five percent (5%) of the total number of shares reserved pursuant to Section 1.7(a).

(b) For purposes of Awards granted to Directors, "twelve (12)-months" may mean the period of time from one annual shareholders meeting to the next annual shareholders meeting, provided that such period of time is not less than fifty (50) weeks.

(c) The Board may accelerate the Vesting of any Award (i) in the event of a Participant's death or Disability in accordance with Section 1.5(c), or (ii) in accordance with Section 10.2

IX. TERMINATION OF EMPLOYMENT OR SERVICES

9.1 **Options and Stock Appreciation Rights**. Unless otherwise provided in a Participant's Agreement and subject to Article VIII:

(a) If, prior to the date when an Option or Stock Appreciation Right first becomes Vested, a Participant's employment or services with the Corporation or a Subsidiary is terminated for any reason, the Participant's right to exercise the Option or Stock Appreciation Right shall terminate and all rights thereunder shall cease.

(b) If, on or after the date when an Option or Stock Appreciation Right first becomes Vested, a Participant's employment or services with the Corporation or a Subsidiary is terminated for any reason other than death or Disability, the Participant shall have the right, within the earlier of (i) the expiration of the Option or Stock Appreciation Right, and (ii) three (3) months after termination of employment or services, as applicable, to exercise the Option or Stock Appreciation Right to the extent that it was Vested and exercisable and unexercised on the date of the Participant's termination of employment or services, subject to any other limitation on the exercise of the Option or Stock Appreciation Right in effect on the date of exercise.

(c) If, on or after the date when an Option or Stock Appreciation Right first becomes Vested, a Participant's employment or services with the Corporation or a Subsidiary is terminated due to the Participant's death while the Option or Stock Appreciation Right is still exercisable, the person or persons to whom the Option or Stock Appreciation Right shall have been transferred by will or the laws of descent and distribution, shall have the right within the exercise period specified in the Participant's Agreement to exercise the Option or Stock Appreciation Right to the extent that it was exercisable and unexercised on the Participant's date of death, subject to any other limitation on exercise in effect on the date of exercise. The beneficial tax treatment of an Incentive Stock Option may be forfeited if the Option is exercised more than one year after a Participant's date of death.

(d) If, on or after the date when an Option or Stock Appreciation Right first becomes Vested, a Participant's employment or services with the Corporation or a Subsidiary is terminated due to the Participant's Disability, the Participant shall have the right, within the exercise period specified in the Participant's Agreement, to exercise the Option or Stock Appreciation Right to the extent that it was exercisable and unexercised on the date of the Participant's termination of employment or services due to Disability, subject to any other limitation on the exercise of the Option or Stock Appreciation Right in effect on the date of exercise. If the Participant dies after termination of employment or services, as applicable, while the Option or Stock Appreciation Right is still exercisable, the Option or Stock Appreciation Right shall be exercisable in accordance with the terms of Section 9.1(c).

(e) For the avoidance of doubt, the Board, at the time of a Participant's termination of employment or services, subject to Sections 2.1 and 3.1, Article VIII and Code Section 409A, may extend the term of a Vested Option or a Vested Stock Appreciation Right.

(f) Shares subject to Options and Stock Appreciation Rights that are not exercised in accordance with the provisions of (a) through (e) above shall expire and be forfeited by the Participant as of their expiration date.

9.2 **Restricted Stock Awards, Restricted Stock Unit Awards, Performance Awards and Incentive Awards**. With respect to any Restricted Stock Award, Restricted Stock Unit Award, Performance Award or Incentive Award, unless otherwise provided in a Participant's Agreement and subject to Article VIII:

(a) If a Participant's employment or services with the Corporation or a Subsidiary is terminated for any reason, any portion of such Award that is not yet Vested shall terminate and be forfeited by the Participant.

(b) If, with respect to a Restricted Stock Award or Restricted Stock Unit Award, the terminated Participant was required to pay a purchase price for any Restricted Stock subject to such Award, other than the performance of services, the Corporation shall have the option to repurchase any shares of Restricted Stock acquired by the Participant which are still subject to the Restriction Period for the purchase price paid by the Participant.

9.3 **Other Provisions**. The transfer of an Employee from one corporation to another among the Corporation and any of its Subsidiaries, or a leave of absence under the leave policy of the Corporation or any of its Subsidiaries, or applicable state or federal law, shall not be a termination of employment for purposes of the Plan, unless a provision to the contrary is expressly stated by the Board in the Employee's Agreement issued under the Plan. The Board may, subject to any additional conditions it may require, provide for continued Vesting of an Award in the event of a Participant's termination of employment or service due to death, Disability, qualifying retirement (as determined by the Board), or termination without Cause, or the Board may accelerate the Vesting of any Award in the event of a Participant's death or Disability in accordance with Section 1.5(c).

X. ADJUSTMENTS AND CHANGE IN CONTROL

10.1 **Adjustments**. In the event of a merger, statutory share exchange, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property), stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the Common Stock or the value thereof, such adjustments and other substitutions shall be made to the Plan and Awards as the Board, in its sole discretion, deems equitable or appropriate, including adjustments in the aggregate number, class and kind of securities that may be delivered under the Plan and, in the aggregate or to any one Participant, in the number, class, kind and option or exercise price of securities subject to outstanding Awards granted under the Plan (including, if the Board deems appropriate, the substitution of cash, similar options to purchase the shares of, or other awards denominated in the shares of, another company, or other property, as the Board may determine to be appropriate in its sole discretion). Any of the foregoing adjustments may provide for the elimination of any fractional share which might otherwise become subject to any Award.

10.2 **Change in Control.**

(a) Upon a Change in Control, if the successor or surviving corporation (or parent thereof) to the Corporation so agrees, then, without the consent of any Participant (or other person with rights in any Award), some or all outstanding Awards may be assumed, or replaced with the same type of award with similar terms and conditions, by the successor or surviving corporation (or parent thereof) in the Change in Control transaction. If applicable, each Award which is assumed by the successor or surviving corporation (or parent thereof) shall be appropriately adjusted, immediately after such Change in Control, to apply to the number and class of securities which would have been issuable to the Participant upon the consummation of such Change in Control had the Award been exercised, Vested or earned immediately prior to such Change in Control, and such other appropriate adjustments in the terms and conditions of the Award shall be made. Upon the Participant's Change in Control Termination following the Change in Control, all of the Participant's Awards that are in effect (including any replacement awards) as of the date of such termination shall be Vested in full or deemed earned in full (if applicable, based on the level of achievement of the Performance Goals that had been met on the date immediately prior to the date of the Change in Control Termination or (B) assuming that the Performance Goals had been met at target at the time of such Change in Control Termination, but prorated based on the elapsed portion of the performance period as of the date of the Change in Control Termination, whichever shall result in the greater amount) effective on the date of such Change in Control Termination.

(b) To the extent the purchaser, successor or surviving entity (or parent thereof) to the Corporation in the Change in Control transaction does not assume the Awards or issue replacement awards as provided in clause (i) (including, for the avoidance of doubt, by reason of Participant's Change in Control Termination that occurs prior to or concurrent with the Change if Control), then immediately prior to the date of the Change in Control or the date of the Participant's Change in Control Termination, whichever occurs first:

(i) Each Option or Stock Appreciation Right that is then held by a Participant who is employed by or in the service of the Corporation or a Subsidiary shall become immediately and fully Vested, and, unless otherwise determined by the Board, all Options and Stock Appreciation Rights shall be cancelled on the date of the Change in Control in exchange for a cash payment equal to the excess of the Change in Control Price of the shares of Common Stock covered by the Option or Stock Appreciation Right that is so cancelled over the exercise or grant price of such shares under the Award; *provided, however,* that all Options and Stock Appreciation Rights that have an exercise or grant price that is greater than the Change in Control Price shall be cancelled for no consideration;

(ii) Restricted Stock and Restricted Stock Units (that are not Performance Awards) that are not then Vested shall Vest;

(iii) All Performance Awards and all Incentive Awards that are earned but not yet paid shall be paid, and all Performance Awards and Incentive Awards for which the performance period has not expired shall be cancelled in exchange for a cash payment equal to the amount that would have been due under such Award(s), valued either (A) based on the level of achievement of the Performance Goals that had been met on the date immediately prior to the date of the Change in Control or (B) assuming that the Performance Goals had been met at target at the time of such Change in Control, but prorated based on the elapsed portion of the performance period as of the date of the Change in Control, whichever shall result in the greater amount.

For purposes of this clause (b), if the value of an Award is based on the Fair Market Value of a share of Common Stock, Fair Market Value shall be deemed to mean the Change in Control Price.

(c) The Board may, in its sole discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Vested Option or Vested Stock Appreciation Right outstanding immediately prior to the Change in Control shall be cancelled in exchange for a payment in (i) cash, (ii) Common Stock, (iii) common stock of a corporation or other business entity that is a party to the Change in Control, or (iv) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the excess of the Change in Control Price over the exercise or grant price per share under such Option or Stock Appreciation Right (the "Spread"). In the event such determination is made by the Board, the Spread (reduced by applicable withholding taxes, if any) shall be paid to a Participant in respect of the Participant's cancelled Options and Stock Appreciation Rights on or as soon as practicable following the date of the Change in Control.

XI. MISCELLANEOUS

11.1 **Partial Exercise/Fractional Shares**. The Board may permit, and shall establish procedures for, the partial exercise of Options and Stock Appreciation Rights granted under the Plan. No fractional shares shall be issued in connection with the exercise of an Option or Stock Appreciation Right or payment of a Performance Award, Restricted Stock Award, Restricted Stock Unit Award, or Incentive Award; instead, the Fair Market Value of the fractional shares shall be paid in cash, or at the discretion of the Board, the number of shares shall be rounded down to the nearest whole number of shares and any fractional shares shall be disregarded.

11.2 **Rights Prior to Issuance of Shares.** No Participant shall have any rights as a shareholder with respect to shares covered by an Award until the issuance of a stock certificate for such shares or electronic transfer to the Participant (or book entry representing such shares has been made and such shares have been deposited with the appropriate registered book-entry custodian). No adjustment shall be made for dividends or other rights with respect to such shares for which the record date is prior to the date the certificate is issued or the shares are electronically delivered to the Participant's brokerage account (or book entry is made).

11.3 **Non Assignability; Certificate Legend; Removal.**

(a) Except as described below or as otherwise determined by the Board in a Participant's Agreement, no Award shall be transferable by a Participant except by will or the laws of descent and distribution, and an Option or Stock Appreciation Right shall be exercised only by a Participant during the lifetime of the Participant. Notwithstanding the foregoing, a Participant may assign or transfer an Award that is not an Incentive Stock Option with the consent of the Board (each transferee thereof, a "Permitted Assignee"); provided that such Permitted Assignee shall be bound by and subject to all of the terms and conditions of the Plan and any Agreement relating to the transferred Award and shall execute an agreement satisfactory to the Corporation evidencing such obligations; and provided further that such Participant shall remain bound by the terms and conditions of the Plan.

(b) Each certificate representing shares of Common Stock subject to an Award, to the extent a certificate is issued, shall bear the following legend:

The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary or by operation of law, is subject to certain restrictions on transfer set forth in the Rockwell Medical, Inc. 2018 Long Term Incentive Plan ("Plan"), rules and administrative guidelines adopted pursuant to such Plan and an Agreement issued under such Plan. A copy of the Plan, such rules and such Agreement may be obtained from the Secretary of Rockwell Medical, Inc. If shares are issued in book entry form, a notation to the same restrictive effect as the legend above shall be placed on the transfer agent's books in connection with such shares.

(c) Subject to applicable federal and state securities laws, issued shares of Common Stock subject to an Award shall become freely transferable by the Participant after all applicable restrictions, limitations, performance requirements or other conditions have terminated, expired, lapsed or been satisfied. Once such issued shares of Common Stock are released from such restrictions, limitations, performance requirements or other conditions, the Participant shall be entitled to have the legend required by this Section 11.3 removed from the applicable Common Stock certificate (or notation removed from such book entry).

11.4 **Securities Laws.**

(a) Anything to the contrary herein notwithstanding, the Corporation's obligation to sell and deliver Common Stock pursuant to the exercise of an Option or Stock Appreciation Right or deliver Common Stock pursuant to a

Restricted Stock Award, Restricted Stock Unit Award, Performance Award or Incentive Award is subject to such compliance with federal and state laws, rules and regulations applying to the authorization, issuance or sale of securities as the Corporation deems necessary or advisable. The Corporation shall not be required to sell and deliver or issue Common Stock unless and until it receives satisfactory assurance that the issuance or transfer of such shares shall not violate any of the provisions of the Securities Act or the Exchange Act, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder or those of the Stock Exchange or any stock exchange on which the Common Stock may be listed, the provisions of any other applicable laws governing the sale of securities, or that there has been compliance with the provisions of such acts, rules, regulations and laws.

(b) The Board may impose such restrictions on any shares of Common Stock issued pursuant to the exercise of an Option or Stock Appreciation Right or the grant of Restricted Stock or Restricted Stock Units or the payment of a Performance Award or Incentive Award under the Plan as it may deem advisable, including restrictions (i) under applicable federal securities laws; (ii) under the requirements of the Stock Exchange; and (iii) under any blue sky or other applicable state securities laws.

11.5 **Withholding Taxes.**

(a) The Corporation shall have the right to withhold from a Participant's compensation or require a Participant to remit sufficient funds to satisfy applicable withholding for income and employment taxes upon the exercise of an Option or Stock Appreciation Right or the Vesting or payment of any Award, or disposition of shares of Common Stock acquired under any Award. Alternatively, if the Corporation so approves and to the extent provided in the Participant's Agreement, the Participant may, in order to fulfill the withholding obligation, tender shares of Common Stock or have shares of stock withheld from the exercise or Vested portion of the Award, provided the shares tendered or withheld have an aggregate Fair Market Value sufficient to satisfy in whole or in part the applicable withholding taxes. Other payment methods set forth in Section 2.4 may also be utilized to satisfy any applicable withholding requirements if the Corporation approves such form of payment and to the extent provided in the Participant's Agreement. The Corporation may not withhold more shares than are necessary to meet tax withholding obligations owed by Participant.

(b) Notwithstanding the foregoing, a Participant may not use shares of Common Stock to satisfy the withholding requirements to the extent that (i) there is a substantial likelihood that the use of such form of payment or the timing of such form of payment would subject the Participant to a substantial risk of liability under Section 16 of the Exchange Act; (ii) such withholding would constitute a violation of the provisions of any law or regulation (including the Sarbanes-Oxley Act of 2002); (iii) there is a substantial likelihood that the use of such form of payment would result in adverse accounting treatment to the Corporation under generally accepted accounting principles; or (iv) the Corporation does not approve such form of payment and does not provide such payment option in the Participant's Agreement.

11.6 **Termination and Amendment.**

(a) The Board may terminate the Plan, or the granting of Awards under the Plan, at any time.

(b) The Board may amend or modify the Plan at any time and from time to time, and may amend or modify the terms of an outstanding Agreement at any time and from time to time, but no amendment or modification, without the approval of the shareholders of the Corporation, shall (i) materially increase the benefits accruing to Participants under the Plan;

(ii) increase the amount of Common Stock for which Awards may be made under the Plan, except as permitted under Sections 1.7 and Section 10.1; or (iii) change the provisions relating to the eligibility of individuals to whom Awards may be made under the Plan. In addition, if the Corporation's Common Stock is listed on a Stock Exchange, the Board may not amend the Plan in a manner requiring approval of the shareholders of the Corporation under the rules of the Stock Exchange without obtaining the approval of the shareholders.

(c) No amendment, modification, or termination of the Plan or an outstanding Agreement shall in any manner materially and adversely affect any then outstanding Award under the Plan without the consent of the Participant holding such Award, except as set forth in any Agreement relating to the Award, as set forth in Sections 10.2 or 11.9, or to bring the Plan and/or an Award into compliance with the requirements of Code Section 409A or to qualify for an exemption under Code Section 409A.

11.7 **Code Section 409A**. It is intended that Awards granted under the Plan shall be exempt from or in compliance with Code Section 409A, and the provisions of the Plan and all Agreements are to be construed accordingly. The Board reserves the right to amend the terms of the Plan and the right to amend any outstanding Agreement if necessary either to exempt such Award from Code Section 409A or comply with the requirements of Code Section 409A, as applicable. However, unless otherwise specified herein or in a Participant's Agreement, in no event shall the Corporation or a Subsidiary be responsible for any tax or penalty under Code Section 409A owed by a Participant or beneficiary with regard to an Award payment. Notwithstanding anything in the Plan to the contrary, all or part of an Award payment to a Participant who is determined to constitute a "specified employee" (as defined in Code Section 409A and regulations thereunder) at the time of separation from service, shall be delayed (if then

required) under Code Section 409A, and paid in an aggregated lump sum on the first business day following the date that is six months after the date of the Participant's separation from service, or the date of the Participant's death, if earlier; any remaining payments shall be paid on their regularly scheduled payment dates. For purposes of the Plan and any Agreement, the terms "separation from service" or "termination of employment" (or variations thereof) shall be synonymous with the meaning given to the term "separation from service" as defined in Code Section 409A and regulations thereunder.

11.8 **Effect on Employment or Services**. Neither the adoption of the Plan nor the granting of any Award pursuant to the Plan shall be deemed to create any right in any individual to be retained or continued in the employment or services of the Corporation or a Subsidiary.

11.9 **Severability**. If any one or more of the provisions (or any part thereof) of this Plan or of any Agreement issued hereunder, shall be held to be invalid, illegal or unenforceable in any respect, such provision shall be modified (without requiring the consent of any Participant) so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Plan or of any Agreement shall not in any way be affected or impaired thereby. The Board may, without the consent of any Participant, and in a manner determined necessary solely in the discretion of the Board, amend the Plan and any outstanding Agreement as the Corporation deems necessary to ensure the Plan and all Awards remain valid, legal or enforceable in all respects.

11.10 **Beneficiary Designation**. Except as otherwise designated in a Participant's Agreement, and subject to local laws and procedures, each Participant may file a written beneficiary designation with the Corporation stating who is to receive any benefit under the Plan or any Agreement to which the Participant is entitled in the event of such Participant's death before receipt of any or all of a Plan benefit. Each designation shall revoke all prior designations by the same Participant, be in a form prescribed by the Corporation, and become effective only when filed by the Participant in writing with the Corporation during the Participant's lifetime. If a Participant dies without an effective beneficiary designation for a beneficiary who is living at the time of the Participant's death, the Corporation shall pay any remaining unpaid benefits to the Participant's legal representative.

11.11 **Unfunded Obligation**. A Participant shall have the status of a general unsecured creditor of the Corporation. Any amounts payable to a Participant pursuant to the Plan or any Agreement shall be unfunded and unsecured obligations for all purposes. The Corporation shall not be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Corporation shall retain at all times beneficial ownership of any investments, including trust investments, which the Corporation may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account shall not create or constitute a trust or fiduciary relationship between the Board, the Committee or the Corporation on the one hand, and any Participant on the other hand, or otherwise create any Vested or beneficial interest in any Participant or the Participant's creditors in any assets of the Corporation. A Participant shall have no claim against the Corporation for any changes in the value of any assets which may be invested or reinvested by the Corporation with respect to the Plan.

11.12 **Approval of Plan**. The Plan shall be subject to the approval of the holders of at least a majority of the votes cast on a proposal to approve the Plan at a duly held meeting of shareholders of the Corporation held within 12 months after adoption of the Plan by the Board. No Award granted under the Plan may be exercised or paid in whole or in part unless the Plan has been approved by the shareholders as provided herein. If not approved by shareholders within such 12-month period, the Plan and any Awards granted under the Plan shall be null and void, with no further force or effect.

11.13 **Governing Law; Limitation on Actions**. Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and Agreements under the Plan, shall be governed by the laws of the State of Delaware, without regard to its conflict of law rules. Any legal action or proceeding with respect to this Plan, any Award or any Agreement (including, but not limited to, claims brought by any shareholders

of the Corporation, any Participant, or any other person having an interest in the Plan, any Agreement, or any Award) must be brought within one year (365 days) after the day the complaining party first knew or should have known of the events giving rise to the complaint, and may only be brought and determined in a Delaware state or federal court.

DATE APPROVED BY BOARD OF DIRECTORS: March 17, 2023

DATE APPROVED BY STOCKHOLDERS: May 23, 2023

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Mark Strobeck, 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: August 14, 2023

/s/ Mark Strobeck
Mark Strobeck
(Principal Executive Officer and Principal 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 June 30, 2023 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: August 14, 2023 /s/ Mark Strobeck

Mark Strobeck
(Principal Executive Officer and Principal Financial Officer)