
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, 2025**
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

(State or other jurisdiction of
incorporation or organization)

30142 S. Wixom Road, Wixom, Michigan

(Address of principal executive offices)

38-3317208

(I.R.S. Employer
Identification No.)

48393

(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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 6, 2025 was 34,430,352.

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

Item 1. Financial Statements

ROCKWELL MEDICAL, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and par value amounts)

	June 30, 2025	December 31, 2024
ASSETS		
Cash and Cash Equivalents	\$ 12,482	\$ 15,662
Investments Available-for-Sale	5,940	5,940
Accounts Receivable, net	8,084	8,291
Inventory, net	4,160	5,778
Prepaid and Other Current Assets	943	1,359
Total Current Assets	31,609	37,030
Property and Equipment, net	5,129	5,785
Inventory, Non-Current	—	178
Right of Use Assets - Operating, net	3,408	3,215
Right of Use Assets - Financing, net	1,066	1,344
Intangible Assets, net	9,931	10,207
Goodwill	921	921
Other Non-Current Assets	561	528
Total Assets	\$ 52,625	\$ 59,208
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts Payable	\$ 1,502	\$ 2,869
Accrued Liabilities	4,096	6,275
Deferred Consideration - Current	2,500	2,371
Lease Liabilities - Operating - Current	1,455	1,566
Lease Liabilities - Financing - Current	622	599
Deferred License Revenue - Current	—	46
Insurance Financing Note Payable	660	268
Customer Deposits	111	97
Total Current Liabilities	10,946	14,091
Lease Liabilities - Operating - Long-Term	2,008	1,699
Lease Liabilities - Financing - Long-Term	614	931
Term Loan - Long-Term, net of Issuance Costs	8,648	8,472
Deferred License Revenue - Long-Term	—	429
Deferred Consideration - Long-Term	—	1,000
Total Liabilities	22,216	26,622
Commitments and Contingencies (see Note 13)		

	June 30, 2025	December 31, 2024
Stockholders' Equity:		
Preferred Stock, \$0.0001 par value, 2,000,000 shares authorized; 15,000 shares issued and outstanding at June 30, 2025 and December 31, 2024	—	—
Common Stock, \$0.0001 par value; 170,000,000 shares authorized; 34,430,352 and 34,056,920 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	3	3
Additional Paid-in Capital	431,034	430,207
Accumulated Deficit	(400,685)	(397,678)
Accumulated Other Comprehensive Income	57	54
Total Stockholders' Equity	30,409	32,586
Total Liabilities and Stockholders' Equity	\$ 52,625	\$ 59,208

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 share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net Sales	\$ 16,071	\$ 25,832	\$ 34,985	\$ 48,508
Cost of Sales	13,568	21,282	29,440	40,894
Gross Profit	2,503	4,550	5,545	7,614
Research and Product Development	—	—	—	18
Selling and Marketing	572	586	1,283	1,180
General and Administrative	3,280	3,449	6,971	7,225
Operating (Loss) Income	(1,349)	515	(2,709)	(809)
Other Income (Expense):				
Realized Gain on Available-for-Sale Investments	64	51	120	51
Interest Expense	(276)	(232)	(553)	(663)
Interest Income	69	9	135	33
Total Other Expense, net	(143)	(172)	(298)	(579)
Net (Loss) Income	\$ (1,492)	\$ 343	\$ (3,007)	\$ (1,388)
Basic Net (Loss) Income per Share	\$ (0.05)	\$ 0.01	\$ (0.09)	\$ (0.05)
Diluted Net (Loss) Income per Share	\$ (0.05)	\$ 0.01	\$ (0.09)	\$ (0.05)
Basic Weighted Average Shares Outstanding	34,311,306	30,451,622	34,204,487	29,889,413
Diluted Weighted Average Shares Outstanding	34,311,306	32,033,776	34,204,487	29,889,413

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,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net (Loss) Income	\$ (1,492)	\$ 343	\$ (3,007)	\$ (1,388)
Reclassification of Realized Gain on Available-for-Sale Investments Included in Net (Loss) Income	(64)	(25)	(120)	(25)
Unrealized Gain on Available-for-Sale Investments	61	—	123	25
Foreign Currency Translation Adjustments	—	(4)	—	(4)
Comprehensive (Loss) Income	\$ (1,495)	\$ 314	\$ (3,004)	\$ (1,392)

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
(In thousands, except share amounts)

	PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL STOCKHOLDERS' EQUITY
	SHARES	AMOUNT	SHARES	AMOUNT				
Balance as of January 1, 2025	15,000	\$ —	34,056,920	\$ 3	\$ 430,207	\$ (397,678)	\$ 54	\$ 32,586
Net Loss	—	—	—	—	—	(1,515)	—	(1,515)
Reclassification of Realized Gain on Available-for-Sale Investments	—	—	—	—	—	—	(56)	(56)
Unrealized Gain on Available-for-Sale Investments	—	—	—	—	—	—	62	62
Vesting of Restricted Stock Units Issued, net of Taxes Withheld and Cancellations	—	—	200,983	—	—	—	—	—
Stock-based Compensation	—	—	—	—	445	—	—	445
Balance as of March 31, 2025	15,000	—	34,257,903	3	430,652	(399,193)	60	31,522
Net Loss	—	—	—	—	—	(1,492)	—	(1,492)
Reclassification of Realized Gain on Available-for-Sale Investments	—	—	—	—	—	—	(64)	(64)
Unrealized Gain on Available-for-Sale Investments	—	—	—	—	—	—	61	61
Vesting of Restricted Stock Units Issued, net of taxes withheld	—	—	172,449	—	—	—	—	—
Stock-based Compensation	—	—	—	—	382	—	—	382
Balance as of June 30, 2025	15,000	\$ —	34,430,352	\$ 3	\$ 431,034	\$ (400,685)	\$ 57	\$ 30,409

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
(In thousands, except share amounts)

	PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL STOCKHOLDERS' EQUITY
	SHARES	AMOUNT	SHARES	AMOUNT				
Balance as of January 1, 2024	15,000	\$ —	29,130,607	\$ 3	\$ 418,487	\$ (397,198)	\$ (1)	\$ 21,291
Net Loss	—	—	—	—	—	(1,731)	—	(1,731)
Unrealized Gain on Available-for-Sale Investments	—	—	—	—	—	—	25	25
Issuance of Common Stock, net of Offering Costs/At-The-Market	—	—	358,210	—	560	—	—	560
Vesting of Restricted Stock Units Issued, net of Taxes Withheld	—	—	67,657	—	—	—	—	—
Issuance of Warrant in connection with the Third Amendment (Note 11)	—	—	—	—	247	—	—	247
Stock-based Compensation	—	—	—	—	251	—	—	251
Balance as of March 31, 2024	15,000	—	29,556,474	3	419,545	(398,929)	24	20,643
Net Income	—	—	—	—	—	343	—	343
Reclassification of Realized Gains on Available-for-Sale Debt Instrument Investments Included in Net Income	—	—	—	—	—	—	(25)	(25)
Foreign Currency Translation Adjustments	—	—	—	—	—	—	(4)	(4)
Issuance of Common Stock, net of Offering Costs/At-the-Market Offering	—	—	1,350,169	—	2,203	—	—	2,203
Vesting of Restricted Stock Units Issued, net of Taxes Withheld	—	—	123,575	—	—	—	—	—
Stock-based Compensation	—	—	—	—	338	—	—	338
Balance as of June 30, 2024	15,000	\$ —	31,030,218	\$ 3	\$ 422,086	\$ (398,586)	\$ (5)	\$ 23,498

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
(In thousands)

	Six Months Ended June 30,	
	2025	2024
Cash Flows From Operating Activities:		
Net Loss	\$ (3,007)	\$ (1,388)
Adjustments To Reconcile Net Loss To Net Cash Used In Operating Activities:		
Depreciation and Amortization	1,102	1,094
Stock-based Compensation	827	589
Write-off of Inventory	178	—
Non-cash Lease Expense from Right of Use Assets	1,091	941
Amortization of Debt Financing Costs and Accretion of Debt Discount and Premium	176	249
Loss on Disposal of Assets	57	—
Realized Gain on Sale of Investments	(120)	(51)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	207	61
Inventory	1,618	(12)
Prepaid and Other Assets	1,043	545
Accounts Payable	(1,367)	(1,169)
Lease Liabilities	(808)	(676)
Accrued and Other Liabilities	(2,165)	(1,098)
Deferred License Revenue	(475)	(23)
Net Cash Used In Operating Activities	(1,643)	(938)
Cash Flows From Investing Activities:		
Purchases of Investments Available-for-Sale	(5,877)	—
Sale of Investments Available-for-Sale	6,000	2,003
Purchase of Equipment	(227)	(425)
Net Cash (Used In) Provided By Investing Activities	(104)	1,578
Cash Flows From Financing Activities:		
Payments on Insurance Financing Note Payable	(268)	(244)
Payments on Financing Lease Liabilities	(294)	(276)
Proceeds from Issuance of Common Stock	—	2,763
Deferred Consideration Paid in Connection with Evoqua Asset Acquisition	(871)	—
Net Cash (Used In) Provided By Financing Activities	(1,433)	2,243
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	(3)
Net (Decrease) Increase in Cash and Cash Equivalents	(3,180)	2,880
Cash and Cash Equivalents at Beginning of Period	15,662	8,983
Cash and Cash Equivalents at End of Period	\$ 12,482	\$ 11,863
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest	\$ 380	\$ 432
Supplemental Disclosure of Non-cash Investing and Financing Activities:		
Issuance of Warrant in Connection with the Third Amendment as Debt Issuance Costs	\$ —	\$ 247
Right of Use Assets - Operating Obtained in Exchange for Lease Liabilities - Operating	\$ 1,006	\$ 1,549
Change in Unrealized Gain on Investments Available-for-Sale	\$ 3	\$ —
Increase in Prepaid Assets from Insurance Financing Note Payable	\$ 660	\$ 670

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

ROCKWELL MEDICAL, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Description of Business

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

Rockwell is a leading supplier of liquid and dry, 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 usually performed in freestanding outpatient dialysis centers, hospital-based outpatient centers, skilled nursing facilities, or a patient's home.

Rockwell manufactures hemodialysis concentrates under current Good Manufacturing Practices ("cGMP") regulations at its three facilities in Michigan, South Carolina, and Texas, and manufactures 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 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, 2025, Rockwell had approximately \$18.4 million of cash, cash equivalents and investments available-for-sale, and net working capital of \$20.7 million. Net cash used in operating activities for the six months ended June 30, 2025 was approximately \$1.6 million. Based on the currently available net working capital along with the expectation of management of its ability to execute on its operational plans as discussed below, 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.

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. In addition, the Company's plans include raising capital, if needed, by using the \$21.1 million available under 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.

The Company is subject to certain covenants and cure provisions under its Loan Agreement (as defined below in Note 15) with Innovatus Life Sciences Lending Fund I, LP ("Innovatus"), which was amended on January 2, 2024 to include, among other things, an interest-only period for 30 months, or up to 36 months if certain conditions are met, and to extend the maturity date to January 1, 2029 (See Note 15 for further detail). The Company has satisfied those conditions and will now make interest-only payments for the full 36 months. As of June 30, 2025, the Company was in compliance with all covenants, except for the revenue covenant, which was remediated pursuant to the terms of the Loan Agreement by agreeing to an updated financial projection with Innovatus.

In addition, the global macroeconomic environment is uncertain, and could be negatively affected by, among other things, changes in U.S. trade policies, including tariffs and other trade restrictions or the threat of such actions, 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, the Middle East conflict and other political tensions, and the occurrence of natural disasters and public health crises. 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, if any, of this economic and political instability on its future operations.

On July 4, 2025, the U.S. enacted P.L. 119-21, a U.S. federal statute passed by the 119th United States Congress that included tax and spending policies (the "Act"), which contains a broad range of tax reform provisions affecting businesses, including extending or reinstating certain provisions of the 2017 Tax Cuts and Jobs Act, tax relief measures, modifications of certain energy tax credits granted under the Inflation Reduction Act and limits on various tax deductions, among other key provisions. The Company is currently evaluating the full effects of the Act on its condensed consolidated financial statements. As the Act was signed into law after the close of the second quarter, the impacts are not included in the Company's operating results for the six months ended June 30, 2025.

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 or 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 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, 2025, and the condensed consolidated statements of operations, comprehensive loss, changes in stockholders' equity, and cash flows for the three and six months ended June 30, 2025 and 2024 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, 2025 are not necessarily indicative of results to be expected for the year ending December 31, 2025 or for any future interim period. The condensed consolidated balance sheet at December 31, 2024 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, 2024 and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 as filed with the SEC on March 20, 2025. 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. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant accounting estimates inherent in the preparation of the financial statements include estimates associated with revenue recognition, and impairments of long-lived assets.

Income (Loss) Per Share

Basic and diluted net income (loss) per share for the three and six months ended June 30, 2025 and 2024 was calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(In thousands, except share and per share amounts)</i>				
Numerator:				
Net (Loss) Income	\$ (1,492)	\$ 343	\$ (3,007)	\$ (1,388)
Less: Accretion of Series X Preferred Stock	(153)	—	(153)	—
Less: Undistributed Earnings to Participating Securities	—	(58)	—	—
Net (Loss) Income Attributable to Common Stockholders	\$ (1,645)	\$ 285	\$ (3,160)	\$ (1,388)
Denominator:				
Weighted Average Number of Shares of Common Stock Outstanding - Basic and Diluted	34,311,306	30,451,622	34,204,487	29,889,413
Incremental Shares Attributable to the Assumed Exercise of Outstanding Options to Purchase Common Stock	—	35,185	—	—
Incremental Shares Attributable to the Assumed Vesting of Unvested Restricted Stock Units	—	183,333	—	—
Incremental Shares Attributable to the Assumed Conversion of Preferred Stock	—	1,363,636	—	—
Diluted Weighted Average Number of Shares of Common Stock Outstanding	34,311,306	32,033,776	34,204,487	29,889,413
Net (Loss) Income per Share Attributable to Common Stockholders - Basic and Diluted	\$ (0.05)	\$ 0.01	\$ (0.09)	\$ (0.05)
Diluted Net (Loss) Income per Share Attributable to Common Stockholders	\$ (0.05)	\$ 0.01	\$ (0.09)	\$ (0.05)

Basic income (loss) per share ("EPS") is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, using the more dilutive of the two-class method and the if-converted method in the period of earnings. The two-class method is an earnings allocation method that determines income (loss) per share (when there are earnings) for common stock and participating securities. The if-converted method assumes all convertible securities are converted into common stock. Diluted EPS excludes all dilutive potential shares of common stock if their effect is anti-dilutive.

The Company's potentially dilutive securities include stock options, restricted stock awards and units, convertible preferred stock and warrants. The following table includes the potential shares of common stock that were excluded from the

computation of diluted EPS attributable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Warrants to Purchase Common Stock	3,984,484	3,984,484	3,984,484	3,984,484
Options to Purchase Common Stock	3,341,892	342,331	3,341,892	1,895,031
Convertible Preferred Stock	1,405,001	—	1,405,001	1,363,636
Unvested Restricted Stock Units	1,166,660	—	1,166,660	534,309
Unvested Restricted Stock Units - Market Condition	717,000	—	717,000	—
Unvested Restricted Stock Awards	891	891	891	891
Total	10,615,928	4,327,706	10,615,928	7,778,351

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 December 2023, the Financial Accounting Standards Board ("FASB") issued the Accounting Standards Update ("ASU") 2023-09, *Improvements to Income Tax Disclosures*, which updates income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This ASU also includes certain other amendments to improve the effectiveness of income tax disclosures. The amendments in this ASU are effective for annual periods beginning after December 15, 2024. The Company is currently assessing the impact this ASU will have on the consolidated financial statements and footnote disclosures.

In November 2024, the FASB issued ASC 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which is intended to provide more detailed information about specified categories of expenses (purchases of

inventory, employee compensation, depreciation and amortization) included in certain expense captions presented on the consolidated statement of operations. This new standard is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the consolidated financial statements. The Company is currently assessing the impact this ASU will have on the consolidated financial statements and footnote disclosures.

4. Revenue Recognition

The Company recognizes revenue under ASC 606, *Revenue from Contracts with Customers*, issued by the FASB. The core principle of the 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 Rockwell 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

Rockwell operates 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.

Rockwell's customer mix is diverse, with most customer sales concentrations under 10%. For the three months ended June 30, 2025, revenues from sales to three customers, DaVita, Inc. ("DaVita"), Fresenius Medical Care North America ("Fresenius") and Nipro Medical Corporation ("Nipro") were approximately 11%, 10% and 11% of total revenues for the period, respectively, and 20%, 10% and 9% of total revenues for the six months ended June 30, 2025, respectively. For the three months ended June 30, 2024, revenues from DaVita, Fresenius and Nipro were approximately 45%, 8% and 7% of total revenues for the period, respectively, and 44%, 7% and 6% of total revenues for the six months ended June 30, 2024, respectively. At June 30, 2025, DaVita, Nipro and Fresenius represented 5%, 15%, and 11% of the total net consolidated accounts receivable balance, respectively. At December 31, 2024, DaVita represented 20% of the total net consolidated accounts receivable balance. See below for additional information regarding the Company's contract with DaVita.

Product Sales

The Company accounts for individual products and services separately if they are distinct (i.e., if a product or service is separately identifiable from other items and if a customer can benefit from it on its own or with other resources that are readily available to the customer). The consideration, including any discounts, is allocated between separate products and services based on their stand-alone selling prices. The stand-alone selling prices are determined based on the cost plus margin approach.

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

For the majority of the Company's international customers, the Company recognizes revenue when the customer takes control at the shipping point, which is generally the Company's plant or warehouse. For other customers, the Company recognizes revenue based on when the customer takes control of the product upon delivery. 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 estimated at the time of sale. 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.

Deferred License Revenue

The Company received upfront fees under three distribution and license agreements, which were 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 to determine that regulatory approval was probable as of the execution of the agreement. During the six months ended June 30, 2025, all remaining deferred revenue relating to the distribution and license agreements was recognized, resulting in \$0.3 million of revenue recorded. All license agreements have been terminated.

Product Purchase Agreement

On September 18, 2023, Rockwell and its long-time customer, DaVita, a leading provider of kidney care, entered into an Amended and Restated Products Purchase Agreement (the "Amended Agreement"), which amends and restates the Product Purchase Agreement, dated July 1, 2019, as amended, under which the Company supplies DaVita with certain dialysis concentrates. Under the Amended Agreement, the Company and DaVita agreed to an increase in product pricing, effective September 1, 2023. The term of the Amended Agreement was scheduled to expire on December 31, 2024. Prior to the

expiration, the Company received written notice from DaVita, notifying the Company that DaVita intended to extend the term of the Amended Agreement through December 31, 2025 (the "Extension Term"). However, DaVita subsequently indicated that it will completely transition to another supplier by mid-2025, subject to further discussion between Rockwell and DaVita. DaVita has agreed to quarterly, non-refundable payments totaling \$1.3 million during the six months ended June 30,

2025 to ensure supply continuity during the transition period for products purchased. These quarterly, non-refundable payments of \$0.3 million and \$1.3 million were recorded as revenue during the three and six months ended June 30, 2025, respectively. Discussions between Rockwell and DaVita are ongoing and the Company continues to supply DaVita as of the filing date of this report.

Disaggregation of revenue

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

<i>In thousands</i>	Three Months Ended June 30, 2025			Six Months Ended June 30, 2025		
	Total	U.S.	Rest of World	Total	U.S.	Rest of World
Products By Geographic Area						
Drug Revenues						
License Fee – Over Time	\$ —	\$ —	\$ —	\$ 325	\$ —	\$ 325
Total Drug Products	—	—	—	325	—	325
Concentrate Products						
Product Sales – Point-in-time	16,071	14,189	1,882	34,660	30,625	4,035
Total Concentrate Products	16,071	14,189	1,882	34,660	30,625	4,035
Net Revenue	\$ 16,071	\$ 14,189	\$ 1,882	\$ 34,985	\$ 30,625	\$ 4,360

<i>In thousands</i>	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Total	U.S.	Rest of World	Total	U.S.	Rest of World
Products By Geographic Area						
Drug Revenues						
License Fee – Over Time	\$ 12	\$ —	\$ 12	\$ 23	\$ —	\$ 23
Total Drug Products	12	—	12	23	—	23
Concentrate Products						
Product Sales – Point-in-time	25,820	23,209	2,611	48,485	44,143	4,342
Total Concentrate Products	25,820	23,209	2,611	48,485	44,143	4,342
Net Revenue	\$ 25,832	\$ 23,209	\$ 2,623	\$ 48,508	\$ 44,143	\$ 4,365

Contract balances

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

<i>In thousands</i>	June 30, 2025	December 31, 2024	January 1, 2024
Accounts Receivable, net	\$ 8,084	\$ 8,291	\$ 10,901
Contract Liabilities, which are included in deferred license revenue	\$ —	\$ 475	\$ 521

There were no other material contract assets recorded on the condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024. The Company does not generally accept returns of its concentrate products and no material reserve for returns of concentrates products was established as of June 30, 2025 or December 31, 2024.

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, was nil as of June 30, 2025. The Company applies the practical expedient in ASC 606, paragraph 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

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5. Intangible Assets and Deferred Consideration

Intangible Assets

Our customer relationship intangible asset relates to customer relationships acquired in connection with an acquisition executed on July 10, 2023 with Evoqua Water Technologies LLC ("Evoqua") (the "Evoqua Asset Acquisition").

The details of our intangible assets subject to amortization are set forth below (in thousands):

	June 30, 2025			
	Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer Relationships	20 years	\$ 11,035	\$ (1,104)	\$ 9,931

	December 31, 2024			
	Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer Relationships	20 years	\$ 11,035	\$ (828)	\$ 10,207

During each of the three months ended June 30, 2025 and 2024, the Company recorded amortization of its customer relationship intangible asset of \$0.1 million. During each of the six months ended June 30, 2025 and 2024, the Company recorded amortization of its customer relationship intangible asset of \$0.3 million.

Estimated future amortization expense on the Company's customer relationships intangible asset as of June 30, 2025 is as follows (table in thousands):

Year ending December 31:	
2025 (remainder of year)	\$ 276
2026	552
2027	552
2028	552
2029	552
Thereafter	7,447
Total	\$ 9,931

Deferred Consideration

A portion of the purchase price of the Evoqua Asset Acquisition was deferred on the acquisition date, with payment terms extending through April 2026. During the three and six months ended June 30, 2025, we made payments of \$0.4 million and \$0.9 million, respectively. As of June 30, 2025, a deferred consideration liability of \$2.5 million is presented in Deferred Consideration - Current on the accompanying condensed consolidated balance sheet.

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6. Investments - Available-for-Sale

Investments available-for-sale consisted of the following as of June 30, 2025 and December 31, 2024 (table in thousands):

	June 30, 2025		
	Amortized Cost	Unrealized Gain	Fair Value
<u>Available-for-Sale Securities</u>			
Debt Securities	\$ 5,877	\$ 63	\$ 5,940
	December 31, 2024		
	Amortized Cost	Unrealized Gain	Fair Value
<u>Available-for-Sale Securities</u>			
Debt Securities	\$ 5,880	\$ 60	\$ 5,940

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*.

During the three and six months ended June 30, 2025, the Company sold the investments outstanding as of March 31, 2025 and December 31, 2024 for \$0.1 million and \$0.1 million, respectively, which is included in realized gain on available-for-sale investments on the condensed consolidated statements of operations.

As of June 30, 2025, the Company's remaining available-for-sale securities are U.S. Department of the Treasury bonds and are all due within one year.

7. Segment Reporting

Operating segments are defined as components of an entity about which discrete financial information is evaluated regularly by the Company's Chief Operating Decision Maker ("CODM") in deciding how to allocate resources and assess performance. Rockwell operates 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. Accordingly, the Company has one reportable segment. The Company has a single management team that reports to its Chief Executive Officer, the Company's CODM, who comprehensively manages the entire Company. The accounting policies of the segment are the same as those described in the summary of significant accounting policies.

The CODM assesses performance for the segment and decides how to allocate resources based on net loss that also is reported on the statements of operations and comprehensive loss as net loss. The CODM uses net loss to monitor budget and forecast versus actual results in assessing segment performance, as well as cash forecast models, in order to evaluate operating results and performance in deciding how to allocate resources. The measure of segment assets is reported on the balance sheets as total assets.

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The Company's significant segment expenses for its one segment for the three and six months ended June 30, 2025 and 2024 consisted of the following (table in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net Sales	\$ 16,071	\$ 25,832	\$ 34,985	\$ 48,508
Cost of Sales	13,568	21,282	29,440	40,894
Gross Profit	2,503	4,550	5,545	7,614
Employee Compensation	2,382	2,293	5,060	4,580
Administrative Costs	1,470	1,742	3,194	3,843
Operating (Loss) Income	(1,349)	515	(2,709)	(809)
Other Income (Expense):				
Realized Gain on Investments	64	51	120	51
Interest Expense	(276)	(232)	(553)	(663)
Interest Income	69	9	135	33
Total Other Expense, net	(143)	(172)	(298)	(579)
Net (Loss) Income	\$ (1,492)	\$ 343	\$ (3,007)	\$ (1,388)

8. Inventory

Components of inventory, net of reserves, as of June 30, 2025 and December 31, 2024 were as follows (table in thousands):

	June 30, 2025	December 31, 2024
Inventory - Current Portion		
Raw Materials	\$ 2,164	\$ 3,010
Work in Process	242	367
Finished Goods	1,754	2,401
Total Current Inventory	4,160	5,778
Inventory - Long Term ⁽¹⁾	—	178
Total Inventory	\$ 4,160	\$ 5,956

(1) Represents inventory related to Triferic raw materials, which was expected to be utilized for the Company's international partnerships. (See Note 4, *Deferred License Revenue* section). During the six months ended June 30, 2025, the Company wrote off this remaining inventory balance, resulting in an expense of \$0.2 million recorded within cost of sales in the condensed consolidated statement of operations.

As of June 30, 2025 and December 31, 2024, Rockwell had total current concentrate inventory aggregating \$4.7 million and \$6.2 million, respectively, against which Rockwell had reserved \$0.5 million at both June 30, 2025 and December 31, 2024.

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9. Property and Equipment

As of June 30, 2025 and December 31, 2024, the Company's property and equipment consisted of the following (table in thousands):

	June 30, 2025	December 31, 2024
Machinery and Equipment	\$ 12,035	\$ 11,973
Information Technology & Office Equipment	1,845	1,845
Leasehold Improvements	1,577	1,562
Laboratory Equipment	807	807
Total Property and Equipment	16,264	16,187
Accumulated Depreciation and Amortization	(11,135)	(10,402)
Property and Equipment, net	\$ 5,129	\$ 5,785

Depreciation and amortization expense for each of the three months ended June 30, 2025 and 2024 was \$0.4 million. Depreciation and amortization expense for each of the six months ended June 30, 2025 and 2024 was \$0.8 million.

10. Accrued Liabilities

Accrued liabilities as of June 30, 2025 and December 31, 2024 consisted of the following (table in thousands):

	June 30, 2025	December 31, 2024
Accrued Compensation and Benefits	\$ 1,610	\$ 2,744
Accrued Unvouchered Receipts	1,102	1,417
Accrued Manufacturing Expense	602	602
Accrued Workers Compensation	123	176
Other Accrued Liabilities	659	1,336
Total Accrued Liabilities	\$ 4,096	\$ 6,275

11. Stockholders' Equity

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, which was issued to DaVita during 2022 as Series X Preferred Stock and, by virtue, made DaVita a related party.

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, 2025, the Series X Preferred Stock accreted a total of \$0.5 million.

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 SPA with DaVita. Specifically, until DaVita holds less than 50% of its original investment in the Company's Series X Convertible Preferred Stock, 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 as the sale of the assets that would allow for redemption is within the control of the Company, 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 each of June 30, 2025 and December 31, 2024, 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, 2025 and 2024, the Company reserved for issuance the following shares of common stock related to the potential exercise of employee stock options, unvested restricted stock and awards, convertible preferred stock, and warrants (collectively, "common stock equivalents"):

Common Stock and Common Stock Equivalents:	2025	2024
Common Stock	34,430,352	31,030,218
Options to Purchase Common Stock	3,341,892	1,895,031
Unvested Restricted Stock Awards	891	891
Unvested Restricted Stock Units	1,166,660	534,309
Convertible Preferred Stock	1,405,001	1,363,636
Unvested Restricted Stock Units - Market Condition	717,000	—
Warrants to Purchase Common Stock	3,984,484	3,984,484
Total	45,046,280	38,808,569

Controlled Equity Offering

On April 8, 2022, the Company entered into a Sales Agreement (the "Sales Agreement") with Cantor Fitzgerald & Co. (the "Agent"), pursuant to which the Company may offer and sell from time to time shares of Company's common stock through the Agent pursuant to the Company's shelf registration statement on Form S-3 (No. 333-259923) filed with the SEC on September 30, 2021 (the "Prior Registration Statement").

This Prior Registration Statement expired on October 8, 2024 and, upon the effectiveness of the new registration statement on October 21, 2024, was deemed terminated. On November 13, 2024, in connection with the new registration statement, the Company filed a prospectus supplement covering the offer and sale of an aggregate offering price of up to \$25.0 million of shares of the Company's common stock through the Agent under the Sales Agreement (as amended, the "ATM facility"). The offering and sale of such shares has been registered under the Securities Act of 1933, as amended.

During the three and six months ended June 30, 2025, no shares were sold pursuant to the Sales Agreement. Approximately \$21.1 million remains available for sale under the ATM facility.

Warrant Issuance

In connection with the execution of the Third Amendment, as defined and described in Note 15, on January 2, 2024, the Company issued to Innovatus a warrant to purchase 191,096 shares of the Company's common stock with an exercise price of \$1.83 per share. The warrant may be exercised on a cashless basis, and is immediately exercisable through January 2, 2029. The number of shares of common stock for which the warrant is exercisable and the exercise price are subject to certain proportional adjustments as set forth in the Third Amendment. The warrant is equity-classified with a fair value of approximately \$0.2 million at issuance, which was treated as a debt issuance cost and is being amortized through interest expense over the remaining contractual term of the Term Loans, as defined and described in Note 15.

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12. Stock-based Compensation

The Company recognized total stock-based compensation expense during the three and six months ended June 30, 2025 and 2024 as follows (table in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Service-based Awards:				
Restricted Stock Units	\$ 187	\$ 159	\$ 481	\$ 277
Stock Option Awards	195	179	346	312
Total	\$ 382	\$ 338	\$ 827	\$ 589

Performance-based Restricted Stock Awards

A summary of the Company's performance-based restricted stock awards during the six months ended June 30, 2025 is as follows:

Performance-based Restricted Stock Awards	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2025	891	\$ 62.70
Unvested at June 30, 2025	891	\$ 62.70

Performance-based 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 June 30, 2025, there is no unrecognized stock-based compensation expense related to performance-based restricted stock awards.

Restricted Stock Units - Market Condition

During the three months ended June 30, 2025, the Company granted 717,000 restricted stock units with a market condition ("RSU-MC") under its Amended and Restated 2018 Long Term Incentive Plan. The RSU-MCs are subject to both service and market based vesting conditions.

The RSU-MCs will vest, subject to the recipient's continued employment through the vesting date, if the average closing price of the Company's common stock equals or exceeds \$2.14 per share for any consecutive 60-day trading period occurring prior to the third anniversary of the grant date. Except in the event of a change in control or termination due to death or disability, no portion of the award will vest before the first anniversary of the grant date. The RSU-MCs qualify as equity instruments and are accounted for under ASC 718, *Compensation, Stock Compensation* ("ASU 718").

The fair value of RSU-MCs was measured on the date of grant using the Monte Carlo Simulation valuation model. The stock-based compensation expense recorded in connection with these restricted stock units during the six months ended June 30, 2025 was insignificant. The vesting periods range from one to three years.

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Service-based Restricted Stock Units

A summary of the Company's service-based restricted stock units during the six months ended June 30, 2025 is as follows:

Service-based Restricted Stock Units	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2025	584,309	\$ 1.72
Granted	1,000,000	1.07
Vested	(417,649)	1.85
Unvested at June 30, 2025	<u>1,166,660</u>	<u>\$ 1.12</u>

The fair value of service-based restricted stock units is measured on the date of grant and amortized over the vesting period. The vesting periods range from one to three years. As of June 30, 2025, the unrecognized stock-based compensation expense was \$1.1 million, which is expected to be recognized over the next 1.6 years.

Service-based Stock Option Awards

The fair value of the service-based stock option awards granted during the six months ended June 30, 2025 were based on the following assumptions:

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Exercise price	\$1.07	\$1.39 - \$1.80
Expected stock price volatility	90.4%	81.8%
Risk-free interest rate	4.1%	4.31% - 4.45%
Term (years)	5.86	5.61 - 5.62

A summary of the Company's service-based stock option activity for the six months ended June 30, 2025 is as follows:

Service-based Stock Option Awards	Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2025	1,886,247	\$ 3.98		
Granted	1,501,500	1.07		
Forfeited	(9,354)	1.59		
Expired	(36,501)	1.73		
Outstanding at June 30, 2025	<u>3,341,892</u>	<u>\$ 2.71</u>	<u>8.6</u>	<u>\$ —</u>
Exercisable at June 30, 2025	<u>913,461</u>	<u>\$ 6.41</u>	<u>7.0</u>	<u>\$ —</u>

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

As of June 30, 2025, total stock-based compensation expense related to unvested options not yet recognized totaled approximately \$1.5 million, which is expected to be recognized over the next 2.8 years.

13. Commitments and Contingencies

From time to time, the Company has been or may become a party to various disputes, legal actions, proceedings and investigations involving claims incidental to the conduct of its business, including actions by customers, employees, government entities and third parties. Due to the contract-intensive nature of the Company's business, the Company has been or may in the

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future become involved in disputes or legal actions with its contract counterparties, which could have a negative impact on the Company's business, results of operations or financial condition.

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 its 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 well as an employment agreement.

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 is required to pay Charak a percentage of any sublicense income during the term of the agreement, which cannot 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 can 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 IV 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 milestone payments are not considered probable, and no milestone payments have been accrued as of June 30, 2025 and December 31, 2024.

14. 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 2027. During March 2024, the lease for the Wixom facilities was extended by three years to August 2027, which was accounted for as a modification. 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.

During the three months ended June 30, 2025, Rockwell entered into a lease for a 16,800-square foot storage facility in Allentown, Pennsylvania, that expires in April 2030, resulting in the recognition of a right-of-use asset and corresponding liability of approximately \$1.0 million on the condensed consolidated balance sheets.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating Leases				
Operating Lease Cost	\$ 488	\$ 341	\$ 914	\$ 761
Variable Lease Cost	137	128	265	250
Operating Lease Expense	625	469	1,179	1,011
Finance Leases				
Amortization of Right-of-use Assets	139	141	278	282
Interest on Lease Obligations	20	29	43	61

Finance Lease Expense	159	170	321	343
Short-term Lease Rent Expense	6	6	11	11
Total Lease Expense	\$ 790	\$ 645	\$ 1,511	\$ 1,365

Other Information

Operating Cash Flows from Operating Leases	\$ 469	\$ 426	\$ 902	\$ 863
Operating Cash Flows from Finance Leases	\$ 20	\$ 29	\$ 43	\$ 61
Financing Cash Flows from Finance Leases	\$ 148	\$ 138	\$ 294	\$ 276

		June 30, 2025		June 30, 2024
Weighted-average Remaining Lease Term – Operating Leases			2.8	2.6
Weighted-average Remaining Lease Term – Finance Leases			2.0	3.0
Weighted-average Discount Rate – Operating Leases			7.8 %	6.3 %
Weighted-average Discount Rate – Finance Leases			6.5 %	6.4 %

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

	Operating	Finance
Year ending December 31, 2025 (remaining)	\$ 970	\$ 339
Year ending December 31, 2026	1,316	666
Year ending December 31, 2027	912	311
Year ending December 31, 2028	328	—
Year ending December 31, 2029	282	—
Total	3,808	1,316
Less Present Value Discount	(345)	(80)
Operating and Finance Lease Liabilities	\$ 3,463	\$ 1,236

15. 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, 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 additional tranches, which were tied to the achievement of certain milestones. Net draw down proceeds were \$21.2 million with closing costs of \$1.3 million. The Company also owes an additional fee equal to 4.375% of the funded amount of the Term Loans, or \$1.0 million (such additional fee, the "Final Fee") at maturity. The Company is accreting up to this Final Fee premium with a charge against interest expense on the accompanying condensed consolidated statements of operations.

In connection with each funding of the Term Loans, the Company was required to issue to Innovatus a warrant (each a "Warrant", and together 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. 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 Warrant may be exercised on a cashless basis and is immediately exercisable through the seventh anniversary of the applicable funding date. The number of shares of common stock for which the Warrant is exercisable and the associated exercise price are subject to certain proportional adjustments as set forth in such Warrant. 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 Term Loans were scheduled to mature on March 16, 2025, and bore 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. The Company had 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.

On January 2, 2024, the Company entered into the Third Amendment to and Restatement of the Loan and Security Agreement (the "Third Amendment") with Innovatus, dated January 1, 2024 (the "Effective Date"). The Third Amendment provides for the continuation of term loans initially borrowed under the Loan Agreement amounting to \$8.0 million as of January 1, 2024. The Company will make interest-only payments on the Term Loans for 36 months as certain conditions in the Third Amendment were met. The Company will make equal monthly payments of principal, together with applicable interest, in arrears, starting February 1, 2027. The Term Loans will mature on January 1, 2029. Effective on January 1, 2024, the Term Loans bear interest equal to the sum of (i) the greater of (a) Prime Rate (as defined in the Third Amendment) and (b) 7.50% plus (ii) 3.50%. At the Company's option, 2.00% of the interest due on any applicable interest payment date during the interest-only period may be paid in-kind by adding such amount to the then outstanding principal balance of the Term Loans. The Term Loans may be voluntarily prepaid in full (but not partially) at any time, upon at least seven business days' prior notice. In connection with any voluntary prepayment or satisfaction of the Term Loans prior to the maturity date (including any acceleration), the Company will pay all accrued and unpaid interest and all other amounts due in connection with the Term Loans, together with (x) a prepayment fee (the "Prepayment Fee") equal to: (i) 6.0% of the principal amount of the Term Loans prepaid if the payment is made before January 1, 2025; (ii) 2.0% of the principal amount of the Term Loans prepaid if the payment is made after January 1, 2025 but on or before January 1, 2026; (iii) 1.0% of the principal amount of the Term Loans prepaid if the payment is made after January 1, 2026 but on or before January 1, 2027; or (iv) 0% of the principal amount of the Term Loans prepaid if the payment is made after January 1, 2027 through maturity, and (y) the Final Fee. The Term Loans will be mandatorily prepaid upon a change in control of the Company, or upon any early termination/acceleration of the Term Loans. In the event of a mandatory prepayment of the Term Loans, the Company shall be required to pay the Prepayment Fee (if applicable), as well as the Final Fee. The Third Amendment Final Fee shall be due and payable at maturity if it has not previously been paid in full in connection with a prepayment of the Term Loans. The Third Amendment was treated as a modification for accounting purposes.

The Third Amendment contains various financial covenants and customary representations and warranties and affirmative and negative covenants, subject to exceptions as described in the Third Amendment. The Company's ability to comply with the covenants under the Third Amendment may be adversely affected by

events beyond its control. If the Company is unable to comply with the covenants under the Third Amendment, 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. The Loan Agreement includes a financial covenant that requires actual consolidated revenue from the sale and supply of hemodialysis products for the trailing six-month period (ended

on the date when tested), to be not less than 80.0% of the projections for the same period beginning with the quarter ending September 30, 2024. Because those projections were submitted prior to the loss of a substantial amount of business from DaVita, we did not satisfy this covenant in the second quarter of 2025. We subsequently resolved the noncompliance by submitting an updated financial projection to Innovatus, which Innovatus accepted. As of June 30, 2025, the Company was in compliance with all covenants under the Third Amendment, other than as described above.

In connection with the execution of the Third Amendment, on January 2, 2024, the Company issued a warrant to purchase shares of the Company's common stock. The warrant is equity-classified with a fair value of \$0.2 million at issuance, which was treated as a debt issuance cost and is being amortized through interest expense over the remaining contractual term of the Term Loan. For additional information, see Note 11.

The effective interest rate used to amortize the debt issuance cost relating to these warrants is 11.0% as of June 30, 2025. For each of the three months ended June 30, 2025 and 2024, interest expense amounted to \$0.2 million. For each of the six months ended June 30, 2025 and 2024, interest expense amounted to \$0.5 million. As of June 30, 2025, the outstanding balance of the Term Loans was \$8.6 million, net of unamortized issuance costs and discount of \$0.6 million, and including \$0.8 million of premium accretion, and paid-in-kind interest of \$0.2 million.

The Loan Agreement is secured by all assets of the Company and Rockwell Transportation, Inc. and contains customary representations and warranties and covenants, subject to customary carve outs, and initially included financial covenants related to liquidity and sales of Triferic.

The following table reflects the schedule of principal payments on the Term Loans as of June 30, 2025 (table in thousands):

	June 30, 2025
2025 (remaining)	\$ —
2026	—
2027	3,814
2028	4,160
2029 (inclusive of Final Fee)	1,331
Total Debt Maturities	9,305
Unamortized Issuance Costs and Discount, net	(657)
Term Loan - Long-Term, net	<u>\$ 8,648</u>

16. Insurance Financing Note Payable

On June 3, 2025, the Company entered into a short-term note payable with a principal amount of \$0.7 million, bearing interest at a rate of 7.14% per annum to finance various insurance policies, which required an upfront payment of \$0.2 million. Principal and interest payments related to this note began on July 3, 2025 and are being paid in 10 equal monthly payments of \$0.1 million, with the final payment due on April 3, 2026. As of June 30, 2025, the Company's insurance financing note payable balance was \$0.7 million.

On June 4, 2024, the Company entered into a short-term note payable with a principal amount of \$0.7 million, bearing interest at a rate of 7.89% per annum to finance various insurance policies, which required an upfront payment of \$0.2 million. Principal and interest payments related to this note began on July 3, 2024 and were paid in 10 equal monthly payments of \$0.1 million, with the final payment due on April 3, 2025. During the six months ended June 30, 2025, the Company's insurance financing note payable balance was paid in full.

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 U.S. Securities and Exchange Commission ("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 negotiate a contract extension with and/or future volume commitments by DaVita; our ability to successfully integrate acquisitions; the size of the hemodialysis concentrates market opportunity; our ability to successfully execute on our business strategy; our ability to raise additional capital; 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 Annual Report on Form 10-K for the year ended December 31, 2024 and from time to time in our other reports filed with the SEC.

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 is a healthcare company that develops, manufactures, commercializes, and distributes a portfolio of hemodialysis products for dialysis providers worldwide. Rockwell's mission is to provide dialysis clinics and the patients they serve with the highest quality products supported by the best customer service in the industry.

The Company is a leading supplier of liquid bicarbonate concentrates, and the second largest supplier of acid and dry bicarbonate concentrates, for dialysis patients in the United States. Hemodialysis is the most common form of end-stage kidney disease treatment and is usually performed in freestanding outpatient dialysis centers, hospital-based outpatient centers, skilled nursing facilities, or 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's products are vital to vulnerable patients with end-stage kidney disease. We are an established leader in manufacturing and delivering high-quality hemodialysis concentrates and dialysates, along with certain ancillary products, to dialysis providers and distributors in the United States and abroad. 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 three facilities in Michigan, South Carolina, and Texas, 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.

Rockwell's commercial organization supports the Company's vision to focus its efforts on enhancing its revenue-generating business and driving the Company towards sustainable profitability. The Company concentrates its efforts on increasing its market share, broadening its product portfolio, right-sizing its product pricing, improving gross margins, and growing the Company's business through organic and inorganic growth and other business development opportunities.

We currently operate in one market segment, the hemodialysis market, which involves the manufacturing, sale and distribution of hemodialysis products to hemodialysis clinics, including dialysis concentrates, dialysis kits and other ancillary products used in the dialysis process.

On September 18, 2023, Rockwell and DaVita, Inc. ("DaVita") entered into the Amended Agreement, which amended and restated the Product Purchase Agreement, dated July 1, 2019, as amended, under which the Company supplies DaVita with certain dialysis concentrates. Under the Amended Agreement, the Company and DaVita agreed to an increase in product pricing, effective September 1, 2023. The term of the Amended Agreement was scheduled to expire on December 31, 2024. Prior to the expiration, the Company received written notice from DaVita that DaVita intended to extend the term of the Amended Agreement through December 31, 2025 (the "Extension Term"). However, DaVita subsequently indicated that it will completely transition to another supplier by mid-2025, subject to further discussions between Rockwell and DaVita. DaVita has agreed to quarterly, non-refundable payments totaling \$1.3 million to ensure supply continuity for products purchased during the six months ended June 30, 2025. These quarterly, non-refundable payments of \$1.3 million were recorded as revenue during the six months ended June 30, 2025. Discussions between Rockwell and DaVita are ongoing and include a potential contract extension and/or future volume commitments by DaVita to Rockwell. There can be no assurance that these discussions will yield a successful outcome for Rockwell. We continue to supply DaVita as of the filing date of this report.

In the second quarter of 2025, Rockwell entered into a product purchase agreement with Innovative Renal Care (IRC), one of the largest dialysis service providers in the United States. Under the terms of the agreement, Rockwell will supply IRC with liquid and dry, acid and bicarbonate hemodialysis concentrates, as well as the Company's DAMX45 dry acid concentrate mix system, which is 510(k) approved to be used exclusively with Rockwell's CitraPure and Dri-Sate dry acid concentrate powders. This multimillion-dollar agreement contains utilization commitments will remain in effect for three years, with the option to extend for an additional one-year period.

Results of Operations for the Three Months Ended June 30, 2025 and 2024

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

	Three Months Ended June 30,				
	2025	% of Revenue	2024	% of Revenue	% Change
Net Sales	\$ 16,071		\$ 25,832		(38)%
Cost of Sales	13,568	84 %	21,282	82 %	(36) %
Gross Profit	2,503	16 %	4,550	18 %	(45) %
Selling and Marketing	572	4 %	586	2 %	(2) %
General and Administrative	3,280	20 %	3,449	13 %	(5) %
Operating (Loss) Income	\$ (1,349)	(8)%	\$ 515	3 %	(362)%

Net Sales

During the three months ended June 30, 2025, our net sales were \$16.1 million compared to net sales of \$25.8 million during the three months ended June 30, 2024. The decrease of \$9.7 million was primarily due to a \$9.9 million reduction in sales to DaVita, partially offset by an increases of \$0.2 million from price increases to other existing customers and sales to new customers. For the three months ended June 30, 2025, DaVita represented 11% of net sales. Non-Product revenue was not material for either period.

Gross Profit

Cost of sales for the three months ended June 30, 2025 was \$13.6 million, resulting in gross profit of \$2.5 million for the three months ended June 30, 2025, compared to cost of sales of \$21.3 million and a gross profit of \$4.6 million for the three months ended June 30, 2024. The gross profit decrease of \$2.1 million was due to a decrease in product sales. Gross profit from product sales includes \$0.3 million due to a price adjustment for DaVita purchases for the three months ended June 30, 2025.

Selling and Marketing Expense

Selling and marketing expenses were \$0.6 million for each of the three months ended June 30, 2025 and 2024.

General and Administrative Expense

General and administrative expenses were \$3.3 million for the three months ended June 30, 2025, compared to \$3.4 million for the three months ended June 30, 2024. The decrease of \$0.1 million was primarily driven by a \$0.2 million decrease in administrative expense, partially offset by \$0.1 million of increased compensation expense.

Other Expense

Total other expense of \$0.1 million and \$0.2 million for the three months ended June 30, 2025 and 2024, respectively, was driven primarily by interest expense of \$0.2 million in each period related to our debt facility (See Note 15 to the condensed consolidated financial statements included elsewhere in this Form 10-Q). The interest expense for the three months ended June 30, 2025 was partially offset by \$0.1 million of interest income and realized gains on available-for-sale of investments of \$0.1 million.

Results of Operations for the Six Months Ended June 30, 2025 and 2024

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

	Six Months Ended June 30,				
	2025	% of Revenue	2024	% of Revenue	% Change
Net Sales	\$ 34,985		\$ 48,508		(28)%
Cost of Sales	29,440	84 %	40,894	84 %	(28) %
Gross Profit	5,545	16 %	7,614	16 %	
Research and Product Development	—	— %	18	— %	(100) %
Selling and Marketing	1,283	4 %	1,180	2 %	9 %
General and Administrative	6,971	20 %	7,225	15 %	(4) %
Operating Loss	\$ (2,709)	(8)%	\$ (809)	(1)%	

Net Sales

During the six months ended June 30, 2025, our net sales were \$35.0 million compared to net sales of \$48.5 million during the six months ended June 30, 2024. Product revenue for the six months ended June 30, 2025 was \$34.7 million compared to product revenue of \$48.5 million for the six months ended June 30, 2024. The decrease of \$13.5 million was primarily due to a \$14.6 million reduction in DaVita sales as a result of transitioning to a new supplier, partially offset by an increase of \$0.8 million from price increases to other existing customers and sales to new customers. During the six months ended June 30, 2025, DaVita represented 20% of net sales. Net sales of non-product revenue were \$0.3 million for the six months ended June 30, 2025 from the recognition of the remaining deferred license revenue associated with Sun Pharmaceutical Industries Ltd. ("Sun Pharma"), Jeil Pharmaceutical Co., Ltd. ("Jeil Pharma") and Drogosan Pharmaceuticals ("Drogosan Pharma"). Non-Product revenue was not material for either period.

Gross Profit

Cost of sales for the six months ended June 30, 2025 was \$29.4 million, resulting in gross profit of \$5.5 million for the six months ended June 30, 2025, compared to cost of sales of \$40.9 million and a gross profit of \$7.6 million for the six months ended June 30, 2024. The gross profit decrease of \$2.1 million was due to a decrease in product sales. Gross profit from product sales includes \$1.3 million due to a price adjustment for DaVita purchases for the six months ended June 30, 2025. Gross profit from non-product sales consists of \$0.1 million associated with recognition of the remaining deferred license revenue associated with Sun Pharma, Jeil Pharma and Drogosan Pharma during the six months ended June 30, 2025.

Research and Product Development Expense

Research and product development expenses were immaterial for the each of six months ended June 30, 2025 and 2024 due to the decision to pause all research and development related to Triferic in 2023.

Selling and Marketing Expense

Selling and marketing expenses were \$1.3 million and \$1.2 million for the six months ended June 30, 2025 and 2024, respectively. The increase of \$0.1 million is primarily due to higher employee compensation expenses.

General and Administrative Expense

General and administrative expenses were \$7.0 million for the six months ended June 30, 2025, compared with \$7.2 million for the six months ended June 30, 2024. The decrease of \$0.2 million was primarily driven by decreases of (i) \$0.3 million in professional fees and (ii) \$0.3 million in administrative costs, partially offset by an increase of \$0.4 million of compensation expense.

Other Expense

Total other expense of \$0.3 million and \$0.6 million for the six months ended June 30, 2025 and 2024, respectively, was driven primarily by interest expense of \$0.5 million in each period related to our debt facility (See Note 15 to the condensed consolidated financial statements included elsewhere in this Form 10-Q). The six months ended June 30, 2025 was partially offset by \$0.1 million of interest income, as well as realized gains on available-for-sale of investments of \$0.1 million.

Liquidity and Capital Resources

As of June 30, 2025, we had approximately \$18.4 million of cash, cash equivalents and investments available-for-sale, and net working capital of \$20.7 million. Based on the currently available net working capital along with the expectation of management of its ability to execute on its operational plans as discussed below, 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.

Additionally, the Company's operational plans include raising capital, if needed, by using the \$21.1 million remaining availability under its at-the-market ("ATM") facility or other methods or forms of financings, subject to existing limitations. Under the ATM, we have the ability to control the timing and floor price at which capital is raised.

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 and maintain sales with existing customers, (ii) our ability to achieve sustained 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.

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. 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 \$5.0 million or to refinance existing debt, unless DaVita consents.

The Company is subject to certain covenants and cure provisions under its Loan Agreement with Innovatus Life Sciences Lending Fund I, LP. The Loan Agreement includes a financial covenant that requires actual consolidated revenue from the sale and supply of hemodialysis products for the trailing six-month period (ended on the date when tested), to be not less than 80.0% of the projections for the same period beginning with the quarter ending September 30, 2024. Because those projections were submitted prior to the loss of a substantial amount of business from DaVita, the Company did not satisfy this covenant in the second quarter of 2025. The Company subsequently resolved the noncompliance by submitting an updated financial projection to Innovatus, which Innovatus accepted. As of June 30, 2025, the Company was in compliance with all covenants, other than as described above.

On January 2, 2024, the Company's Loan Agreement was amended to include, among other things, an interest-only period for 30 months, or up to 36 months if certain conditions are met, and extend the maturity date to January 1, 2029 (See Note 15 to the accompanying condensed consolidated financial statements).

The global macroeconomic environment is uncertain, and could be negatively affected by, among other things, changes in U.S. trade policies, including tariffs and other trade restrictions or the threat of such actions, 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, the Middle East conflict and other political tensions, and the occurrence of natural disasters and public health crises. 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. 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.

On July 4, 2025, the U.S. enacted P.L. 119-21, a U.S. federal statute passed by the 119th United States Congress that includes tax and spending policies (the "Act"), which contains a broad range of tax reform provisions affecting businesses, including extending or reinstating certain provisions of the 2017 Tax Cuts and Jobs Act, tax relief measures, modifications of certain energy tax credits granted under the Inflation Reduction Act and limits on various tax deductions, among other key provisions. The Company is currently evaluating the full effects of the Act and does not anticipate the Act to have a material impact on its condensed consolidated financial statements. As the Act was signed into law after the close of the second quarter, the impacts are not included in the Company's operating results for the six months ended June 30, 2025.

Cash Used In Operating Activities

Net cash used in operating activities was \$1.6 million for the six months ended June 30, 2025 compared to net cash used in operating activities of \$0.9 million for the six months ended June 30, 2024. The increase in cash used in operating activities during the current period as compared to cash used in operating activities in the prior period was primarily due to (i) an increase in net loss of approximately \$1.6 million, partially offset by (ii) a decrease in cash used in changes in current balance sheet accounts in the ordinary course of business of approximately \$0.4 million and (iii) non-cash adjustments of \$0.5 million.

Cash Provided By (Used In) Investing Activities

Net cash used in investing activities was \$0.1 million during the six months ended June 30, 2025 compared to net cash provided by investing activities of \$1.6

million for the six months ended June 30, 2024. Net cash used in investing activities during the six months ended June 30, 2025 was driven by purchases of available-for-sale investments of \$5.9 million and \$0.2 million of cash paid for the purchase of equipment, partially offset by cash proceeds from sales of our available-for-sale investments of \$6.0 million during the period. Net cash provided by investing activities during the six months ended June 30, 2024 was driven primarily by sales of our available-for-sale investments of \$2.0 million during the period, offset by cash paid for the purchase of equipment of \$0.4 million.

Cash Provided By (Used In) Financing Activities

Net cash used in financing activities was \$1.4 million during the six months ended June 30, 2025 compared to net cash provided by financing activities of \$2.2 million for the six months ended June 30, 2024. Net cash used in financing activities during the six months ended June 30, 2025 was primarily due to the cash paid in connection with the Evoqua Asset Acquisition deferred consideration obligation of \$0.9 million, \$0.3 million of payments on finance lease liabilities and \$0.3 million of payments under the insurance financing note payable. Net cash provided by financing activities for the six months ended June 30, 2024 was primarily due to the gross proceeds from the issuance of common stock in connection with the ATM facility of \$2.8 million.

Contractual Obligations and Other Commitments

Due to the contract-intensive nature of the Company's business, the Company has been and may in the future become involved in disputes or legal actions with its contract counterparties, which could have a negative impact on the Company's business, results of operations or financial condition. See Note 13 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 and 15 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

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, 2024. There have been no material changes in our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2024.

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 that are 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 (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer) as appropriate, to allow timely decisions regarding required financial disclosure. In designing and evaluating the disclosure controls and procedures, we recognized that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Management was necessarily required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision of and with the participation of our management, including the Company's Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as such terms are defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2025. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2025.

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, 2024. 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, 2024 under "Item 1A - Risk Factors."

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

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

EXHIBIT INDEX

Exhibit No.	Description
10.1*	Rockwell Medical, Inc. Amended and Restated 2018 Long Term Incentive Plan.
10.2*	Performance Based Restricted Stock Unit Award Agreement.
31.1*	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2*	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
32.2**	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 September 30, 2024, 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, 2025 /s/ Mark Strobeck

Mark Strobeck, Ph.D.
President, Chief Executive Officer and Director
(Principal Executive Officer)

**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, further amended and restated effective May 23, 2023, and further amended and restated effective May 20, 2025.

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 20, 2025 and shall continue in effect until its termination by the Board; provided, however, that no new Awards may be granted on or after May 20, 2035.

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.
 - (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.
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(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, (x) amend, modify, or cancel any Award, or to waive any restrictions or conditions applicable to any shares of Common Stock acquired pursuant thereto and (y) accelerate, in whole or in part, or extend, in whole or in part, the time during which an Award may be exercised or vest, or at which cash or shares of Common Stock may be issued;

(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 the 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.

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. 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 7,618,182 shares of the Corporation's Common Stock for issuance pursuant to stock-based Awards. Up to 7,618,182 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 thereof 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:

$$\frac{((A \times B) - (A \times C))}{B}$$

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 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) The Board may grant Awards that are not subject to the twelve (12)-month minimum vesting period in connection with a merger or other acquisition as a substitute or replacement award for awards held by grantees of the acquired business.

(c) 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.

(d) The Board may accelerate the Vesting of any Award (i) in accordance with Section 1.5(b)(i), 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 accordance with Section 1.5(b)(i).

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, in the absence of any affirmative determination by the Board regarding the treatment of outstanding Awards in accordance with Section 10.2(b), then each outstanding Award will 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 (A) 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. If, however, 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 (including, for the avoidance of doubt, by reason of Participant's Change in Control Termination that occurs prior to or concurrent with the Change in 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: (1) 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; (2) Restricted Stock and Restricted Stock Units (that are not Performance Awards) that are not then Vested shall Vest; (3) 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 the foregoing, 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.

(b) The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Corporation or any of its affiliates and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award. In the event of a Change in Control, then, notwithstanding any other provision of the Plan, the Board will take one or more of the following actions with respect to each outstanding Award, contingent upon the closing or completion of the Change in Control:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar award for the Award (including, but not limited to, an award to acquire the same consideration per share paid to the stockholders of the Corporation pursuant to the Change in Control);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Corporation in respect of Common Stock issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the Vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Board will determine (or, if the Board will not determine such a date, to the date that is 5 days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control, and with such exercise reversed if the Change in Control does not become effective;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Corporation with respect to the Award;

(v) cancel or arrange for the cancellation of the Award, to the extent not Vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration, if any, as the Board, in its reasonable determination, may consider appropriate as an approximation of the value of the canceled Award, taking into account the value of the Common Stock subject to the canceled Award, the possibility that the Award might not otherwise Vest in full, and such other factors as the Board deems relevant;

(vi) cancel or arrange for the cancellation of the Award, to the extent not Vested or not exercised prior to the effective time of the Change in Control, in exchange for a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value in the Change in Control of the property the Participant would have received upon the exercise of the Award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such holder in connection with such exercise.

The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the Vested and not yet Vested portions of an Award.

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 **Clawback/Recovery.** All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Corporation is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Corporation's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award document as the Board determines necessary or appropriate, including, but not limited to, a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Corporation or an affiliate.

11.14 **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 3, 2025

DATE APPROVED BY STOCKHOLDERS: May 20, 2025

Grantee:
Grant Date:
Total Number of Performance-Based Restricted Stock Units:

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT (the “Agreement”), dated as of the grant date set forth above (the “Grant Date”), is made by and between Rockwell Medical, Inc., a Delaware corporation (the “Company”), and the individual set forth above, who is an employee of the Company (the “Grantee”). Any capitalized terms used herein but not otherwise defined shall have the meaning set forth in the Company’s Amended and Restated 2018 Long Term Incentive Plan (the “Plan”).

WHEREAS, the Plan was originally approved and adopted by the Company’s Board of Directors (the “Board”) and originally approved by the Company’s shareholders at the Company’s 2018 annual shareholder meeting and was amended and restated on each of May 18, 2020, May 9, 2022, May 23, 2023, and May 20, 2025;

WHEREAS, the Company wishes to grant to the Grantee performance-based restricted stock units (the “Performance-Based Restricted Stock Units” or the “Award”), with each such unit representing the right to receive one share of its Common Stock (the “Common Stock”), pursuant to the terms and conditions of this Agreement and the Plan, the terms of which are incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee and the Board have determined that it would be in the best interest of the Company and its shareholders to grant the Performance-Based Restricted Stock Units provided for herein to the Grantee as an incentive for increased efforts during his or her service with the Company, or its subsidiaries; have approved the grant of this Performance-Based Restricted Stock Unit Award on May 20, 2025; and have advised the Company thereof and instructed the undersigned officer to execute this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

GRANT OF PERFORMANCE-BASED RESTRICTED STOCK UNITS

1.1. Grant of Performance-Based Restricted Stock Units. For good and valuable consideration, on and as of the Grant Date, the Company grants to the Grantee the total number of Performance-Based Restricted Stock Units set forth above upon the terms and conditions set forth in this Agreement. The Performance-Based Restricted Stock Units shall become earned, vest and become non-forfeitable, in accordance with Section 3 hereof.

ARTICLE II

ADJUSTMENTS

2.1. Adjustments to Performance-Based Restricted Stock Units. In the event of a merger, statutory share exchange, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property), a 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 Performance-Based Restricted Stock Units as the Committee, in its sole discretion, deems equitable or appropriate, including adjustments in the number, class and kind of securities subject to this Performance-Based Restricted Stock Unit Award (including, if the Committee deems appropriate, the substitution of cash or other awards denominated in the shares of another company, or other property, as the Committee may determine to be appropriate in its sole discretion). Any of the foregoing adjustments may provide for the elimination of any fractional share.

ARTICLE III

VESTING AND FORFEITURE

3.1. Performance-Based Restricted Stock Units. Subject to the Performance Hurdle set forth below having been achieved, the Award shall vest, so long as the Grantee is then continuing to serve as an employee through such date, provided that, except as set forth below in connection with a Change in Control or Grantee's termination due to death or disability, in no case shall any portion of the Award vest prior to the first anniversary of the Grant Date (such date, the "First Possible Vesting Date" or any subsequent date on which the Performance Hurdle is achieved and Grantee remains in continuous service, a "Subsequent Vesting Date"). For avoidance of doubt, except as set forth below in connection with a Change in Control or Grantee's termination due to death or disability, if the Performance Hurdle is achieved prior to the First Possible Vesting Date, Grantee shall not be eligible to vest into the Award unless and until the First Possible Vesting Date, subject to continued service as an employee through such date. If the Grantee's service as an employee terminates prior to the First Possible Vesting Date or any Subsequent Vesting Date, then the unvested portion of this Award shall terminate. Notwithstanding the above, if the Grantee ceases to be an employee due to the Grantee's death or disability occurring prior to the First Possible Vesting Date, the unvested portion of this Award that has been earned due to achievement of the Performance Hurdle, if any, shall immediately vest. If the Performance Hurdle is not achieved prior to the third anniversary of the Grant Date, the Award shall be forfeited on such third anniversary without consideration.

3.2 Performance Hurdles. The following Performance Hurdle shall be deemed achieved if the average closing price per share of Common Stock equals or exceeds the Performance Hurdle set forth below for the trading days falling in a consecutive 60-day period prior to the third (3rd) anniversary of the Grant Date. In such case, the number of Performance-Based Restricted Stock Units subject to such Performance Hurdle shall be deemed earned and achieved and subject to the Vesting provisions set forth in this Section 3:

Performance Hurdle	Number of Performance-Based Restricted Stock Units Subject to the Performance Hurdle
[]	[]

3.2 Change in Control. The unvested portion of this Award shall vest in full immediately prior to the consummation of a Change in Control (even if such Change in Control occurs prior to the First Possible Vesting Date), subject to Participant’s continuing to serve as an employee through such date, if and solely to the extent the Performance Hurdle has been achieved prior to the Change in Control or if the consideration paid in such Change in Control equals or exceeds the Performance Hurdle. Any portion of the Award that does not become vested in connection with the Change in Control (i.e., because the Performance Hurdle applicable to such Award is not achieved in connection with the Change in Control) will be forfeited without consideration.

ARTICLE IV

OTHER TERMS OF PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD

4.1 Rights as a Shareholder. Grantee shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any shares of Common Stock underlying the Performance-Based Restricted Stock Units or any portion thereof, unless and until such Performance-Based Restricted Stock Units shall have Vested and been settled in accordance with the following sentence. As soon as practicable following the Vesting of any portion of this Award, and in no event later than March 15th of the calendar year following the calendar year in which the applicable First Possible Vesting Date or Subsequent Vesting Date occurs, a certificate or certificates representing such shares shall be issued by the Company to the Grantee, or a book entry representing such shares shall be made and such shares shall be deposited with the appropriate registered book-entry custodian. The Company shall not be liable to the Grantee for damages relating to any delay in issuing shares or a stock certificate to Grantee, any loss of a certificate, or any mistakes or errors in the issuance of shares or a certificate to Grantee.

4.2 Dividends; Dividend Equivalents. Grantee shall not be entitled to receive any dividends or dividend equivalent rights with respect to unvested Performance-Based Restricted Stock Units.

4.3 Withholding. To the extent applicable, the Company shall have the right to withhold from Grantee’s compensation or to require Grantee to remit sufficient funds to satisfy applicable withholding tax obligations upon the Vesting of the Performance-Based Restricted Stock Units. The Company shall be authorized to take any such action as may be necessary, in the opinion of the Company’s counsel, to satisfy the Company’s obligations for payment of such taxes. Such withholding shall be conducted through mandatory share withholding at minimum required amounts owed (or such higher amount elected by such Grantee as permitted by

applicable law), unless prior to such Vesting, Grantee arranges for a cash payment of the applicable tax withholding to the Company; provided, however, that in the event such Vesting occurs during a Company blackout period, Grantee shall not be permitted to arrange for a cash payment of the applicable tax withholding.

ARTICLE V

MISCELLANEOUS

5.1. Award Not Transferable. Neither this Award of Performance-Based Restricted Stock Units, the shares of Common Stock subject to this Award of Performance-Based Restricted Stock Units nor any interest or right therein or any part thereof may be transferred, pledged, signed or otherwise alienated or hypothecated until termination of any restriction period and the issuance of shares of Common Stock in respect of any Vested Performance-Based Restricted Stock Units and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5.1 shall not prevent transfers by will or by applicable laws of descent and distribution, or transfers to which the Committee has given prior written consent, subject to the terms and conditions set forth in Section 11.3(a) of the Plan.

5.2. Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Grantee shall be addressed to him or her at the address stated in the Company's records. By notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to the party. Any notice, which is required to be given to the Grantee, shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 5.2. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or when delivered personally to the Secretary or Grantee.

5.3. Amendment. Subject to Section 2.1 of this Agreement and the terms of the Plan, this Agreement may only be amended by a writing executed by both of the parties hereto if such an amendment would adversely affect the Grantee. Any such amendment shall specifically state that it is amending this Agreement.

5.4. Governing Law. The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

5.5. Plan Terms Control. In the event of any conflict between the Plan and this Agreement, the terms of the Plan shall control, it being understood that variations in this Agreement from the terms set forth in the Plan shall not be considered to be in conflict if the Plan permits such variations.

5.6 Clawback Policy. This Agreement, the Performance-Based Restricted Stock Units and any economic benefits recognized by Grantee in connection with the Performance-Based Restricted Stock Units are subject to the Company's Clawback Policy as provided in the Company's Principles of Corporate Governance, which may be amended from time to time.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the Grant Date.

ROCKWELL MEDICAL, INC.

By: _____

Name: Mark Strobeck
Title: President & CEO

GRANTEE:

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, 2025

/s/ Mark Strobeck
Mark Strobeck
(Principal Executive Officer)

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Jesse Neri, 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, 2025

/s/ Jesse Neri

Jesse Neri

(Principal Financial Officer)

**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, 2025 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, 2025 /s/ Mark Strobeck

Mark Strobeck
(Principal Executive Officer)

**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, 2025 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, 2025 /s/ Jesse Neri

Jesse Neri
(Principal Financial Officer)