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

(Mark One)

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

For the quarterly period ended March 31, 2024
or

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

For the transition period from to

Commission File Number: 000-23661

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

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

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

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

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

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

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

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

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

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

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

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

The number of shares of common stock outstanding as of May 10, 2024 was 30,315,684.

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)

	March 31, 2024	December 31, 2023
ASSETS		
Cash and Cash Equivalents	$ 6,642	$ 8,983
Investments Available-for-Sale	1,977	1,952
Accounts Receivable, net	11,094	10,901
Inventory, net	6,073	5,871
Prepaid and Other Current Assets	910	1,063
Total Current Assets	**26,696**	**28,770**
Property and Equipment, net	6,134	6,402
Inventory, Non-Current	178	178
Right of Use Assets - Operating, net	3,884	2,713
Right of Use Assets - Financing, net	1,762	1,903
Intangible Assets, net	10,621	10,759
Goodwill	921	921
Other Non-Current Assets	527	527
Total Assets	**$ 50,723**	**$ 52,173**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts Payable	$ 4,919	$ 4,516
Accrued Liabilities	5,253	7,149
Deferred Consideration - Current	2,500	2,500
Lease Liabilities - Operating - Current	1,464	1,381
Lease Liabilities - Financing - Current	566	558
Deferred License Revenue - Current	46	46
Insurance Financing Note Payable	—	244
Customer Deposits	201	243
Total Current Liabilities	**14,949**	**16,637**
Lease Liabilities-Operating - Long-Term	2,504	1,433
Lease Liabilities-Financing - Long-Term	1,384	1,530
Term Loan - Long-Term, net of issuance costs	8,265	8,293
Deferred License Revenue - Long-Term	464	475
Deferred Consideration - Long-Term	2,500	2,500
Long Term Liability - Other	14	14
Total Liabilities	**30,080**	**30,882**

	March 31, 2024	December 31, 2023
Stockholders' Equity:		
Preferred Stock, $0.0001 par value, 2,000,000 shares authorized; 15,000 shares issued and outstanding at March 31, 2024 and December 31, 2023	—	—
Common Stock, $0.0001 par value; 170,000,000 shares authorized; 29,556,474 and 29,130,607 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	3	3
Additional Paid-in Capital	419,545	418,487
Accumulated Deficit	(398,929)	(397,198)
Accumulated Other Comprehensive Income (Loss)	24	(1)
Total Stockholders' Equity	**20,643**	**21,291**
Total Liabilities and Stockholders' Equity	**$ 50,723**	**$ 52,173**

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 March 31, 2024	Three Months Ended March 31, 2023
Net Sales	$ 22,676	$ 19,668
Cost of Sales	19,612	17,069
Gross Profit	3,064	2,599
Research and Product Development	18	278
Selling and Marketing	594	498
General and Administrative	3,776	3,250
Operating Loss	(1,324)	(1,427)
Other Expense:		
Interest Expense	(431)	(387)
Interest Income	24	64
Total Other Expense, net	(407)	(323)
Net Loss	$ (1,731)	$ (1,750)
Basic and Diluted Net Loss per Share	$ (0.06)	$ (0.10)
Basic and Diluted Weighted Average Shares Outstanding	29,327,204	18,359,940

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

ROCKWELL MEDICAL, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net Loss	**$ (1,731)**	**$ (1,750)**
Unrealized Gain (Loss) on Available-for-Sale Investments	25	(3)
Foreign Currency Translation Adjustments	—	(4)
Comprehensive Loss	**$ (1,706)**	**$ (1,757)**

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	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**

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	TOTAL STOCKHOLDERS' EQUITY
	SHARES	AMOUNT	SHARES	AMOUNT				
Balance as of January 1, 2023	**15,000**	**$ —**	**12,163,673**	**$ 1**	**$ 402,701**	**$ (388,759)**	**$ 163**	**$ 14,106**
Net Loss	—	—	—	—	—	(1,750)	—	(1,750)
Unrealized Loss on Available-for-Sale Investments	—	—	—	—	—	—	(3)	(3)
Foreign Currency Translation Adjustments	—	—	—	—	—	—	(4)	(4)
Issuance of Common Stock upon exercise of Pre-Funded Warrants	—	—	389,000	—	—	—	—	—
Stock-based Compensation	—	—	—	—	193	—	—	193
Balance as of March 31, 2023	**15,000**	**$ —**	**12,552,673**	**$ 1**	**$ 402,894**	**$ (390,509)**	**$ 156**	**$ 12,542**

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)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash Flows From Operating Activities:		
Net Loss	**$ (1,731)**	**$ (1,750)**
Adjustments To Reconcile Net Loss To Net Cash Used In Operating Activities:		
Depreciation and Amortization	545	160
Stock-based Compensation	251	193
Non-cash Lease Expense from Right of Use Assets	519	485
Amortization of Debt Financing Costs and Accretion of Debt Discount and Premium	219	92
Loss on Disposal of Assets	—	1
Changes in Operating Assets and Liabilities:		
Accounts Receivable, net	(193)	238
Inventory	(202)	219
Prepaid and Other Assets	153	505
Accounts Payable	403	1,149
Lease Liabilities	(395)	(336)
Accrued and Other Liabilities	(1,938)	(3,295)
Deferred License Revenue	(11)	(1,537)
Net Cash Used In Operating Activities	**(2,380)**	**(3,876)**
Cash Flows From Investing Activities:		
Purchase of Investments Available-for-Sale	—	(2,053)
Sale of Investments Available-for-Sale	—	7,500
Purchase of Equipment	(139)	(145)
Net Cash (Used In) Provided by Investing Activities	**(139)**	**5,302**
Cash Flows From Financing Activities:		
Payments on Insurance Financing Note Payable	(244)	(503)
Payments on Financing Lease Liabilities	(138)	(128)
Proceeds from Issuance of Common Stock	560	—
Net Cash Provided by (Used In) Financing Activities	**178**	**(631)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	(3)
Net (Decrease) Increase in Cash and Cash Equivalents	(2,341)	792
Cash and Cash Equivalents at Beginning of Period	8,983	10,102
Cash and Cash Equivalents at End of Period	**$ 6,642**	**$ 10,894**
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest	$ 234	$ 295
Supplemental Disclosure of Non-cash Investing and Financing Activities:		
Issuance of Warrant in connection with the Third Amendment as Debt Issuance Costs	$ 247	$ —
Change in Unrealized (Loss) Gain on Investments Available-for-Sale	$ 25	$ (3)

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

1. Description of Business

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

Rockwell is the largest 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 at freestanding outpatient dialysis centers, at hospital-based outpatient centers, at skilled nursing facilities, or in a patient's home.

Rockwell manufactures hemodialysis concentrates at its facilities in Michigan, South Carolina, and Texas totaling approximately 175,000 square feet, and manufactures its dry acid concentrate mixers at its facility in Iowa. Additionally, in July 2023, the Company purchased customer relationships, equipment and inventory from Evoqua Water Technologies related to manufacturing and sale of hemodialysis concentrates products, all of which are manufactured under a contract manufacturing agreement with a third-party organization in Minnesota.

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.

The Company operates in a single segment.

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 March 31, 2024, Rockwell had approximately $ 8.6 million of cash, cash equivalents, and investments available-for-sale, and working capital of $11.7 million. Net cash used in operating activities for the three months ended March 31, 2024 was approximately $ 2.4 million. Based on the currently available 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. Additionally, the Company's operational plans include raising capital, if needed, by using the remaining $10.4 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 with Innovatus, which, on January 2, 2024, 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 to extend the maturity date to January 1, 2029 (See Note 15 for further detail). As of March 31, 2024, the Company is in compliance with all covenants.

In addition, the global macroeconomic environment is uncertain, and could be negatively affected by, among other things, increased U.S. trade tariffs and trade disputes with other countries, instability in the global capital and credit markets, recent bank failures in the United States, supply chain weaknesses, and instability in the geopolitical environment, including as a result of the Russian invasion of Ukraine, the Israel-Hamas 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.

Rockwell has utilized a range of financing methods to fund its operations in the past; however, current conditions in the financial and credit markets may limit the availability of funding, refinancing or increase the cost of funding. Due to the rapidly evolving nature of the global situation, it is not possible to predict the extent to which these conditions could adversely affect the Company's liquidity and capital resources in the future.

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

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and pursuant to the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the U. S. Securities and Exchange Commission ("SEC") and on the same basis as the Company prepares its annual audited consolidated financial statements.

The condensed consolidated balance sheet at March 31, 2024, and the condensed consolidated statements of operations, comprehensive loss, and changes in stockholders' equity, and cash flows for the three months ended March 31, 2024 and 2023 are unaudited, but include all adjustments, consisting of normal recurring adjustments the Company considers necessary for a fair presentation of the financial position, operating results, and cash flows for the periods presented. The results for the three months ended March 31, 2024 are not necessarily indicative of results to be expected for the year ending December 31, 2024 or for any future interim period. The condensed consolidated balance sheet at December 31, 2023 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, 2023 and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 as filed with the SEC on March 21, 2024. 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.

Loss Per Share

Basic and diluted net loss per share for the three months ended March 31, 2024 and 2023 was calculated as follows:

	Three Months Ended March 31,	
(In thousands, except share and per share amounts)	2024	2023
Numerator:		
Net loss	$ (1,731)	$ (1,750)
Net loss attributable to common stockholders	$ (1,731)	$ (1,750)
Denominator:		
Weighted average number of shares of common stock outstanding - basic and diluted	29,327,204	18,359,940
Net loss per share attributable to common stockholders - basic and diluted	$ (0.06)	$ (0.10)

Included within the weighted average shares of common stock outstanding for the three months ended March 31, 2023 are 5,911,000 shares of common stock issuable upon the exercise of certain pre-funded warrants, as the warrants were exercisable at any time for nominal consideration and, as such, the shares were considered outstanding for the purpose of calculating basic and diluted net loss per share attributable to common stockholders. There were no unexercised pre-funded warrants as of March 31, 2024.

The Company's potentially dilutive securities include stock options, restricted stock awards and units, convertible preferred stock and warrants. These securities were excluded from the computations of diluted net loss per share for the three months ended March 31, 2024 and 2023, as the effect would be to reduce the net loss per share. The following table includes the potential shares of common stock, presented based on amounts outstanding at each period end, that were excluded from the

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

	As of March 31,	
	2024	2023
Warrants to Purchase Common Stock	3,984,484	10,196,268
Options to Purchase Common Stock	1,876,031	1,194,202
Convertible Preferred Stock	1,363,636	1,363,636
Unvested Restricted Stock Units	441,218	125,000
Unvested Restricted Stock Awards	891	891
Total	7,666,260	12,879,997

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 November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting - Improvements to Reportable Segment Disclosures*, which updates reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. The amendments in this ASU are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is in the process of determining the effect this ASU will have on the consolidated financial statements.

In December 2023, the FASB issued 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. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is in the process of determining the effect this ASU will have on the consolidated financial statements.

4. Asset Acquisition

On July 10, 2023, the Company executed and consummated the transactions contemplated by an Asset Purchase Agreement (the "Purchase Agreement") with Evoqua Water Technologies LLC ("Evoqua") (the "Evoqua Acquisition"). Subject to the terms and conditions of the Purchase Agreement, at the closing of the transaction (the "Closing"), the Company purchased customer relationships, equipment and inventory from Evoqua, which were related to its manufacturing and selling of hemodialysis concentrates products, all of which are manufactured under a contract manufacturing agreement with a third-party organization.

Pursuant to the Purchase Agreement, total consideration was $ 17.4 million, comprising a cash payment at Closing of $ 12.4 million (inclusive of transaction costs) and two $2.5 million deferred payments, the first to be paid on the one-year anniversary of the Closing, which is included as a current liability on the Company's condensed consolidated balance sheet, and the second to be paid on the second anniversary of the Closing (collectively, the "deferred consideration").

The transaction was accounted for as an asset acquisition, as the acquired assets did not meet the definition of a business as defined by Accounting Standards Codification ("ASC") 805, *Business Combinations*.

The purchase price was allocated, on a relative fair value basis, to the assets acquired at the July 10, 2023 acquisition date as follows (table in thousands):

Consideration		
Cash Payment	$	12,233
Deferred Consideration		5,000
Transaction Costs		128
Total Consideration	$	17,361
Assets Acquired		
Customer Relationships Intangible Asset	$	11,035
Equipment		5,093
Inventory		1,233
Total Assets Acquired	$	17,361

The fair value of the customer relationships intangible asset was determined using a multi-period excess earnings method, a form of the income approach, which incorporates the estimated future cash flows to be generated from the customer base. Key assumptions included discounted cash flow, estimated life cycle and customer attrition rates. Customer relationships are being amortized over a period of 20 years. Given that the acquired equipment had been recently purchased and recorded at fair value, the Company determined the fair value of the equipment using a cost approach, which considered assumptions over the equipment's current replacement cost and useful life. Inventory was purchased directly from the contract manufacturer holding the inventory, which approximated fair value.

During the three months ended March 31, 2024, the Company recorded amortization of its customer relationship intangible asset of $ 0.1 million, resulting in a net intangible asset of $10.6 million as of March 31, 2024.

Estimated future amortization expense on the Company's customer relationships intangible asset as of March 31, 2024 is as follows (table in thousands):

Year ended December 31:		
2024 (remainder of year)	$	414
2025		552
2026		552
2027		552
2028		552
Thereafter		7,999
Total	$	10,621

5. 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% and one customer, DaVita, Inc. ("DaVita"), at approximately 44% and 48% of total net product sales for the three months ended March 31, 2024 and 2023, respectively. Rockwell's accounts receivable from this customer were approximately 19% of the total net consolidated accounts receivable balance at each of March 31, 2024 and December 31, 2023. See below and Note 10 for additional information regarding the Company's contracts 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 at the shipping point, which is generally the Company's plant or warehouse. For other business, the Company recognizes revenue based on when the customer takes control of the product. The amount of revenue recognized is based on the purchase order less returns and adjusted for any rebates, discounts, chargebacks or other amounts paid to customers 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 five distribution and license agreements that have been deferred as a contract liability and presented on the accompanying condensed consolidated balance sheets as deferred license revenue. The amounts received from Wanbang Biopharmaceuticals Co., Ltd. (“Wanbang”), Sun Pharmaceutical Industries Ltd. ("Sun Pharma"), Jeil Pharmaceutical Co., Ltd. ("Jeil Pharma") and Drogsan Pharmaceuticals ("Drogsan Pharma") are recognized as revenue over the estimated term of the applicable distribution and license agreement as regulatory approval was not received and the Company did not have sufficient experience in China, India, South Korea and Turkey, respectively, to determine that regulatory approval was probable as of the execution of the agreement. The amounts received from Baxter Healthcare Corporation (“Baxter”) were deferred and recognized as revenue at the point in time the estimated product sales under the agreement occurred. During the three months ended March 31, 2023, all remaining deferred revenue relating to the Baxter agreement was recognized as revenue. For additional information related to the Company's deferred license revenue, see Note 10.

Product Purchase Agreements

On September 18, 2023, the Company and its long-time partner, DaVita, Inc. ("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 and a one-time payment of $0.4 million to Rockwell on or after December 1, 2023, which was recorded as revenue recognized during the fourth quarter of 2023. The term of the Amended Agreement will expire on December 31, 2024. DaVita will have the right, in its sole discretion upon written notice to the Company given no later than September 30, 2024, to further extend the term through December 31, 2025. In the event of such an extension, product pricing will be increased for the extended term. In addition, DaVita is required to provide the Company with nine-month purchasing forecasts and a commitment to purchase at least the forecasted amounts. In the event that DaVita does not meet its forecasts, it is required to pay the Company for the amount forecasted or purchase additional product; otherwise, the Company may terminate the Amended Agreement. Upon expiration or termination of the Amended Agreement, and upon request by DaVita, the Company has agreed it would provide transition services to DaVita during a transition period.

Disaggregation of revenue

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

In thousands	Three Months Ended March 31, 2024		
Products By Geographic Area	Total	U.S.	Rest of World
Drug Revenues			
License Fee – Over time	$ 11	$ —	$ 11
Total Drug Products	11	—	11
Concentrate Products			
Product Sales – Point-in-time	22,665	20,934	1,731
Total Concentrate Products	22,665	20,934	1,731
Net Revenue	$ 22,676	$ 20,934	$ 1,742

In thousands	Three Months Ended March 31, 2023		
Products By Geographic Area	**Total**	**U.S.**	**Rest of World**
Drug Revenues			
License Fee – Over time	$ 65	$ —	$ 65
Total Drug Products	65	—	65
Concentrate Products			
Product Sales – Point-in-time	18,131	16,459	1,672
License Fee – Over time	1,472	1,472	—
Total Concentrate Products	19,603	17,931	1,672
Net Revenue	$ 19,668	$ 17,931	$ 1,737

Contract balances

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

In thousands	**March 31, 2024**	**December 31, 2023**	**January 1, 2023**
Accounts Receivable, net	$ 11,094	$ 10,901	$ 6,259
Contract Liabilities, which are included in deferred license revenue	$ 510	$ 521	$ 4,331

There were no other material contract assets recorded on the condensed consolidated balance sheets as of March 31, 2024 and December 31, 2023. The Company does not generally accept returns of its concentrate products and no material reserve for returns of concentrates products was established as of March 31, 2024 or December 31, 2023.

The contract liabilities primarily relate to upfront fees under distribution and license agreements with Wanbang, Sun Pharma, Jeil Pharma, and Drogsan Pharma.

Transaction price allocated to remaining performance obligations

For the three months ended March 31, 2024 and 2023, the Company recognized an immaterial amount and $ 1.5 million as revenue from amounts classified as contract liabilities (i.e., deferred license revenue) as of December 31, 2023 and 2022, respectively.

Revenue expected to be recognized in any future year related to remaining performance obligations, excluding revenue pertaining to contracts that have an original expected duration of one year or less, contracts where revenue is recognized as invoiced and contracts with variable consideration related to undelivered performance obligations, totaled $0.5 million as of March 31, 2024. The amount relates primarily to upfront payments and consideration received from customers that are received in advance of the customer assuming control of the related products. The Company applies the practical expedient in 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.

6. Investments - Available-for-Sale

Investments available-for-sale consisted of the following as of March 31, 2024 and December 31, 2023 (table in thousands):

	March 31, 2024				
	Amortized Cost	**Unrealized Gain**	**Unrealized Loss**	**Accrued Interest**	**Fair Value**
Available-for-Sale Securities					
Debt securities	$ 1,948	$ 29	$ —	$ —	$ 1,977

	December 31, 2023				
	Amortized Cost	**Unrealized Gain**	**Unrealized Loss**	**Accrued Interest**	**Fair Value**
Available-for-Sale Securities					
Debt securities	$ 1,948	$ 4	$ —	$ —	$ 1,952

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

As of March 31, 2024 and December 31, 2023, our available-for-sale securities were all due within one year.

7. Inventory

Components of inventory, net of reserves, as of March 31, 2024 and December 31, 2023 are as follows (table in thousands):

	March 31, 2024	December 31, 2023
Inventory - Current Portion		
Raw Materials	$ 2,024	$ 2,250
Work in Process	241	351
Finished Goods	3,808	3,270
Total Current Inventory	6,073	5,871
Inventory - Long Term [(1)]	178	178
Total Inventory	$ 6,251	$ 6,049

1. Represents inventory related to Triferic raw materials, which is expected to be utilized for the Company's international partnerships, net of a reserve of $1.1 million related to the termination of the development of Triferic in Wanbang in 2023 as a result of the failure to demonstrate efficacy when compared with a placebo in its phase III clinical studies.

As of March 31, 2024 and December 31, 2023, Rockwell had total current concentrate inventory aggregating $ 6.1 million and $5.9 million, respectively against which Rockwell had reserved $25,000 at each of March 31, 2024 and December 31, 2023, respectively.

8. Property and Equipment

As of March 31, 2024 and December 31, 2023, the Company’s property and equipment consisted of the following (table in thousands):

	March 31, 2024	December 31, 2023
Leasehold Improvements	$ 1,423	$ 1,423
Machinery and Equipment	11,268	11,131
Information Technology & Office Equipment	1,847	1,845
Laboratory Equipment	807	807
Total Property and Equipment	15,345	15,206
Accumulated Depreciation and Amortization	(9,211)	(8,804)
Property and Equipment, net	$ 6,134	$ 6,402

Depreciation and amortization expense for the three months ended March 31, 2024 and 2023 was $ 0.4 million and $0.2 million, respectively.

9. Accrued Liabilities

Accrued liabilities as of March 31, 2024 and December 31, 2023 consisted of the following (table in thousands):

	March 31, 2024	December 31, 2023
Accrued Compensation and Benefits	$ 1,507	$ 2,413
Accrued Unvouchered Receipts	1,164	1,663
Accrued Manufacturing Expense	827	1,064
Accrued Workers Compensation	219	254
Other Accrued Liabilities	1,536	1,755
Total Accrued Liabilities	$ 5,253	$ 7,149

10. Deferred License Revenue

In October 2014, the Company entered into an exclusive distribution agreement with Baxter, which had a term of 10 years and received an upfront fee of $20 million. Under the exclusive distribution agreement, Baxter distributed and commercialized Rockwell's hemodialysis concentrates products and provided customer service and order delivery to nearly all U.S. customers. The upfront fee was recorded as deferred license revenue and was being recognized based on the proportion of product shipments to Baxter in each period, compared with total expected sales volume over the term of the distribution agreement. On November 9, 2022, Rockwell paid Baxter a fee, which was reflected as a reduction to revenue on the consolidated statements of operations, and was payable in two equal installments on January 1, 2023 and April 1, 2023, to reacquire its distribution rights to its hemodialysis concentrates products from Baxter and terminated the distribution agreement. Exclusivity and other provisions associated with the distribution agreement terminated November 9, 2022 and the remaining operational elements of the agreement terminated December 31, 2022. To ensure that customer needs continued to be met after January 1, 2023, Rockwell agreed to provide certain services to a group of Baxter's customers until March 31, 2023, and Baxter and Rockwell worked together to transition customers' purchases of Rockwell's hemodialysis concentrates through that date. Following the reacquisition of these rights, Rockwell is now unrestricted in its ability to sell its hemodialysis concentrates products to dialysis clinics throughout the United States and around the world. The Company recognized the remaining revenue of $1.5 million during the three months ended March 31, 2023.

The remaining agreements with Sun Pharma, Jeil Pharmaceutical, and Drogsan Pharmaceuticals comprise the current and long-term portions of deferred license revenue on the condensed consolidated balance sheets as of March 31, 2024 and December 31, 2023.

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. On April 6, 2022, the Company issued 7,500 shares of Series X Preferred Stock for gross proceeds of $7.5 million. On June 16, 2022, the Company issued an additional 7,500 shares of the Series X Preferred Stock to DaVita for gross proceeds of $ 7.5 million.

The Series X Preferred Stock was issued for a price of $ 1,000 per share (the "Face Amount"), subject to accretion at a rate of 1% per annum, compounded annually. If the Company's common stock trades above $22.00 for a period of 30 calendar days, the accretion will thereafter cease. As of March 31, 2024, the Series X Preferred Stock accreted a total $0.2 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 Securities Purchase Agreement with DaVita. Specifically, until DaVita owns less than 50% of its investment, the Company may only incur additional debt in the form of a purchase money loan, a working capital line of up to $5 million, or to refinance existing debt, unless DaVita consents.

Additionally, the Series X Preferred Stock has a deemed liquidation event and redemption clause which could be triggered if the sale of all or substantially all of the Company's assets relating to the Company's dialysis concentrates business line. Since the Series X Preferred Stock may be redeemed if certain assets are sold at the option of the holder, but is not mandatorily redeemable and 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 March 31, 2024 and December 31, 2023, 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 March 31, 2024 and December 31, 2023, there were 170,000,000 shares of common stock, $ 0.0001 par value per share, authorized and 29,556,474 and 29,130,607 shares issued and outstanding, respectively.

As of March 31, 2024 and 2023, the Company reserved for issuance the following shares of common stock related to the potential exercise of employee stock options, unvested restricted stock, convertible preferred stock, pre-funded warrants and all other warrants (collectively, "common stock equivalents"):

	As of March 31,	
Common stock and common stock equivalents:	**2024**	**2023**
Common stock	29,556,474	12,552
Common stock issuable upon exercise of pre-funded warrants	—	5,911
Common stock and pre-funded stock warrants	29,556,474	18,463
Options to Purchase Common Stock	1,876,031	1,194
Unvested Restricted Stock Awards	891	
Unvested Restricted Stock Units	441,218	125
Convertible Preferred Stock	1,363,636	1,363
Warrants to Purchase Common Stock	3,984,484	10,196
Total	37,222,734	31,343

During the three months ended March 31, 2024 and 2023, nil and 389,000 Pre-Funded Warrants were exercised, respectively.

During the three months ended March 31, 2024 and 2023, no vested employee stock options were exercised.

Controlled Equity Offering

On April 8, 2022, the Company entered into the Sales Agreement (the "ATM facility") with Cantor Fitzgerald & Co. as Agent, pursuant to which the Company may offer and sell from time to time up to $12.2 million of shares of Company's common stock through the Agent. The offering and sale of such shares has been registered under the Securities Act of 1933, as amended.

During the three months ended March 31, 2024, 358,210 shares were sold pursuant to the Sales Agreement for net proceeds of $ 0.6 million. Approximately $10.4 million remains available for sale under the ATM facility.

Private Placement

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

Agreement amended the Prior Warrant to extend the expiration date thereof to one year following the original expiration date set forth therein.

Armistice exercised the Prior Warrant on July 10, 2023, and the Company received gross proceeds of approximately $ 13.8 million.

Third Amendment

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 will be amortized through interest expense over the remaining contractual term of the Term Loan.

The fair value of the warrant at the issuance date was calculated using the Black-Scholes pricing model and include the following assumptions:

Stock price per share	$1.86
Expected stock price volatility	85.00%
Risk-free interest rate	3.93%
Term (years)	5.0
Dividend yield	—%

12. Stock-Based Compensation

The Company recognized total stock-based compensation expense during the three months ended March 31, 2024 and 2023 as follows (table in thousands):

	Three Months Ended March 31,	
	2024	2023
Service-based awards:		
Restricted Stock Units	$ 118	$ 45
Stock Option Awards	133	148
Total	$ 251	$ 193

Performance Based Restricted Stock Awards

A summary of the Company's performance based restricted stock awards during the three months ended March 31, 2024 is as follows:

Performance Based Restricted Stock Awards	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2024	891	$ 62.70
Unvested at March 31, 2024	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 March 31, 2024, there is no unrecognized stock-based compensation expense related to performance based restricted stock awards.

Service Based Restricted Stock Units

A summary of the Company's service-based restricted stock units during the three months ended March 31, 2024 is as follows:

Service Based Restricted Stock Units	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2024	258,885	$ 1.83
Granted	249,990	1.39
Vested	(67,657)	1.37
Unvested at March 31, 2024	441,218	$ 1.65

The fair value of service based restricted stock units are measured based on their fair value on the date of grant and amortized over the vesting period. The vesting periods range from 1 to 3 years. As of March 31, 2024, the unrecognized stock-based compensation expense was $ 0.4 million, which is expected to be recognized over the next 2.5 years.

Service Based Stock Option Awards

The fair value of the service-based stock option awards granted for the three months ended March 31, 2024 were based on the following assumptions:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Exercise price	$1.39	N/A
Expected stock price volatility	81.8%	N/A
Risk-free interest rate	4.31%	N/A
Term (years)	5.61 - 5.62	N/A

A summary of the Company's service-based stock option activity for the three months ended March 31, 2024 is as follows:

Service Based Stock Option Awards	Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value *(in $1,000's)*
Outstanding at January 1, 2024	1,328,621	$ 5.22		
Granted	549,160	1.39		
Forfeited	(1,750)	2.06		
Outstanding at March 31, 2024	1,876,031	$ 4.10	8.7	$ 380,399
Exercisable at March 31, 2024	430,662	$ 12.14	7.4	$ 57,960

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

The weighted average grant date fair value for service based stock option awards granted during the three months ended March 31, 2024 was $ 0.98. No service based stock option awards were granted during the three months ended March 31, 2023.

As of March 31, 2024, total stock-based compensation expense related to unvested options not yet recognized totaled approximately $ 1.1 million, which is expected to be recognized over the next 3.3 years.

13. License Agreements

Product License Agreements

The Company is a party to a Licensing Agreement between the Company and Charak, LLC ("Charak") dated January 7, 2002 (the "2002 Agreement") that grants the Company exclusive worldwide rights to certain patents and information related to our Triferic product. On October 7, 2018, the Company entered into a Master Services and IP Agreement (the “Charak MSA”) with Charak and Dr. Ajay Gupta, a former Officer of the Company. Pursuant to the MSA, the parties entered into three additional agreements described below related to the license of certain soluble ferric pyrophosphate (“SFP”) intellectual property owned by Charak. As of March 31, 2024 and December 31, 2023, the Company has accrued $87,900 relating to certain IP reimbursement expenses and certain sublicense royalty fees, which is included within accrued liabilities on the condensed consolidated balance sheets.

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 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 yet considered probable, and no milestone payments have been accrued as of March 31, 2024 and December 31, 2023.

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. Rockwell also occupies two other manufacturing facilities, a 51,000 square foot facility in Grapevine,

Texas under a lease expiring in December 2025, and a 57,000 square foot facility in Greer, South Carolina under a lease expiring February 2026. In addition, Rockwell occupied 4,100 square feet of office space in Hackensack, New Jersey under a lease expiring on October 31, 2024. This lease was subleased on December 15, 2021 with an expiration date of October 31, 2024.

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

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating leases		
Operating lease cost	$ 420	$ 404
Variable lease cost	122	115
Operating lease expense	542	519
Finance leases		
Amortization of right-of-use assets	141	141
Interest on lease obligations	32	39
Finance lease expense	173	180
Short-term lease rent expense	5	4
Total rent expense	$ 720	$ 703
Other information		
Operating cash flows from operating leases	$ 437	$ 424
Operating cash flows from finance leases	$ 32	$ 39
Financing cash flows from finance leases	$ 138	$ 128
Weighted-average remaining lease term – operating leases	2.2	2.8
Weighted-average remaining lease term – finance leases	3.2	4.2
Weighted-average discount rate – operating leases	6.5 %	6.4 %
Weighted-average discount rate – finance leases	6.4 %	6.4 %

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

	Operating	Finance
Year ending December 31, 2024 (remaining)	$ 1,261	$ 503
Year ending December 31, 2025	1,587	676
Year ending December 31, 2026	946	666
Year ending December 31, 2027	525	311
Year ending December 31, 2028	2	—
Total	4,321	2,156
Less present value discount	(353)	(206)
Operating and finance lease liabilities	$ 3,968	$ 1,950

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 Life Sciences Lending Fund I, LP ("Innovatus"), as collateral agent and the lenders party thereto, pursuant to which Innovatus, as a lender, agreed to make certain term loans to the Company in the aggregate principal amount of up to $35.0 million (the "Term Loans"). Funding of the first $22.5 million tranche was completed on March 16, 2020. The Company is no longer eligible to draw on 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 (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 Loan was 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.

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.

In September 2021, the Company entered into an amendment to the Loan Agreement in which the Company, in exchange for Innovatus lowering the sales covenants, agreed to: (i) prepay an aggregate principal amount of $7.5 million in ten installments commencing on December 1, 2021; (ii) pay an additional prepayment premium of 5% on prepaid amounts if the Company elects to prepay all outstanding Term Loans on or before September 24, 2023; and (iii) maintain minimum liquidity of no less than $5.0 million if the aggregate principal amount of Term Loans is greater than $15 million pursuant to the liquidity covenant in the Loan Agreement.

On November 10, 2022, the Company entered into a Second Amendment to the Loan and Security Agreement (the “Second Amendment”) dated as of November 14, 2022 with Innovatus. Pursuant to the Second Amendment, the Company (i) prepaid an additional aggregate principal amount of $5.0 million in Term Loans in one installment on November 14, 2022; and (ii) paid interest only payments until September 2023, at which time it resumed scheduled debt payments. The financial covenant related to the sales of Triferic was replaced with the trailing 6 months revenue of the Company's concentrates products.

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 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 30 months, or up to 36 months if certain conditions are met. The Term Loans will mature on January 1, 2029, unless earlier repaid. Effective on January 1, 2024, the Term Loans will 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. However, as of March 31, 2024, the Company was in compliance with all covenants under the Third Amendment.

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 will be amortized through interest expense over the remaining contractual term of the Term Loan. For additional information, see Note 11.

The effective interest rate is 12.0% as of March 31, 2024. For the three months ended March 31, 2024 and 2023, interest expense amounted to $0.2 million and $0.4 million, respectively. As of March 31, 2024, the outstanding balance of the Term Loan was $ 8.3 million, net of unamortized issuance costs and discount of $0.7 million, and including $0.8 million of premium accretion, $ 0.1 million related to a fee resulting from the Third Amendment, and paid-in-kind interest of $40 thousand.

The following table reflects the schedule of principal payments on the Term Loan as of March 31, 2024 (in thousands):

	March 31, 2024
2024 (remaining)	$ —
2025	—
2026	1,352
2027	3,246
2028	3,246
2029 (inclusive of Final Fee)	1,254
Total debt maturities	9,098
Unamortized issuance costs, discount and premium, net	(833)
Term Loan - Long-Term, net of issuance costs	$ 8,265

16. Insurance Financing Note Payable

On June 3, 2023, the Company entered into a short-term note payable for $ 0.7 million, bearing interest at 9.59% per annum to finance various insurance policies. Principal and interest payments related to this note began on July 3, 2023 and were paid on a straight-line amortization over nine months with the final payment due on March 3, 2024. During the three months ended March 31, 2024, 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 Securities and Exchange Commission, or SEC. We may also make forward-looking statements in our press releases or other public or shareholder communications. Our forward-looking statements are subject to risks and uncertainties and include information about our current expectations and possible or assumed future results of our operations. When we use words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "could," "plan," "potential," "predict," "forecast," "project," "intend," "is focused on" or similar expressions, or make statements regarding our intent, belief, or current expectations, we are making forward-looking statements. Our forward looking statements also include, without limitation, statements about our liquidity and capital resources; our ability to continue as a going concern; our ability to successfully integrate 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 Form 10-K for the year ended December 31, 2023 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 Medical is a healthcare company that develops, manufactures, commercializes, and distributes a portfolio of hemodialysis products for dialysis providers worldwide.

Rockwell is the largest 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 at freestanding outpatient dialysis centers, at hospital-based outpatient centers, at skilled nursing facilities, or in a patient's home. This represents a large market opportunity for which we believe Rockwell's products are well-positioned to meet the needs of patients.

Rockwell 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 provides the hemodialysis community with products controlled by a Quality Management System regulated by the U.S. Food and Drug Administration ("FDA"). Rockwell is ISO 13485 Certified and adheres to current Good Manufacturing Practices ("cGMP") and Association for Advancement of Medical Instrumentation ("AAMI") standards. Rockwell manufactures hemodialysis concentrates at its facilities in Michigan, South Carolina, and Texas totaling approximately 175,000 square feet, and manufactures its dry acid concentrate mixers at its facility in Iowa. In addition, the Company manufactures hemodialysis concentrates in Minnesota under a contract manufacturing agreement with a contract manufacturing organization. (See Note 4 of the accompanying condensed consolidated interim financial statements for further detail). On February 12, 2024, the Company entered into an amendment to its contract manufacturing agreement to extend the

term to December 31, 2024. The Company plans to transfer the manufacturing of the former Evoqua product line to one of its own manufacturing facilities by the end of 2024, which the Company believes will reduce production costs for these products.

Results of Operations for the Three Months Ended March 31, 2024 and 2023

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

	Three Months Ended March 31,				
	2024	% of Revenue	2023	% of Revenue	% Change
Net Sales	**$ 22,676**		**$ 19,668**		**15 %**
Cost of Sales	19,612	86 %	17,069	87 %	15 %
Gross Profit	3,064	14 %	2,599	13 %	18 %
Research and Product Development	18	— %	278	1 %	(94) %
Selling and Marketing	594	3 %	498	3 %	19 %
General and Administrative	3,776	17 %	3,250	17 %	16 %
Operating Loss	**$ (1,324)**	**(6) %**	**$ (1,427)**	**(7) %**	**(7) %**

Net Sales

During the three months ended March 31, 2024, our net sales were $22.7 million compared to net sales of $19.7 million during the three months ended March 31, 2023. The increase of $3.0 million was primarily due to additional customers added through the Evoqua asset acquisition and price increases, partially offset by $1.5 million of deferred license revenue recognition included in the three months ended March 31, 2023. Overall, product revenue for the three months ended March 31, 2024 was $22.7 million compared to product revenue of $18.1 million for the three months ended March 31, 2023. Net sales of non-product revenue were not material in either period.

Gross Profit

Cost of sales for the three months ended March 31, 2024 was $19.6 million, resulting in gross profit of $3.1 million for the three months ended March 31, 2024, compared to cost of sales of $17.1 million and a gross profit of $2.6 million for the three months ended March 31, 2023. Gross profit increased by $0.5 million primarily due to additional customers added through the Evoqua asset acquisition and price increases. The three months ended March 31, 2023 included $1.5 million of gross profit associated with deferred license revenue recognition.

Research and Product Development Expense

Research and product development expenses were $18 thousand and $0.3 million for the three months ended March 31, 2024 and 2023, respectively. The decrease of approximately $0.3 million is due to the decision to pause all research and development related to Triferic.

Selling and Marketing Expense

Selling and marketing expenses were $0.6 million and $0.5 million for the three months ended March 31, 2024 and 2023, respectively.

General and Administrative Expense

General and administrative expenses were $3.8 million for the three months ended March 31, 2024, compared with $3.3 million for the three months ended March 31, 2023. The increase of $0.5 million was primarily due to increased wages, administrative costs and amortization of intangible assets.

Other Expense

Total other expense of $0.4 million and $0.3 million for the three months ended March 31, 2024 and 2023, respectively, was primarily driven by interest expense related to our debt facility (See Note 15 to the condensed consolidated financial statements included elsewhere in this Form 10-Q).

Liquidity and Capital Resources

As of March 31, 2024, we had approximately $8.6 million of cash, cash equivalents and investments available-for-sale, and working capital of $11.7 million. Based on the currently available 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 $10.4 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 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, (ii) our ability to achieve profitability, and (iii) our ability to identify, develop, in-license, or acquire new products in developing our renal care product portfolio. All of these strategies are subject to significant risks and uncertainties such that there can be no assurance we will be successful in achieving them. If we are unsuccessful in executing our business plan and we are unable to raise the required capital, we may be forced to curtail all of our activities and, ultimately, cease operations. Even if we are able to raise sufficient capital, such financings may only be available on unattractive terms, or result in significant dilution of stockholders' interests and, in such event, the market price of our common stock may decline.

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 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. As of March 31, 2024, the Company is in compliance with all covenants. 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 interim financial statements).

The global macroeconomic environment is uncertain, and could be negatively affected by, among other things, increased U.S. trade tariffs and trade disputes with other countries, instability in the global capital and credit markets, recent bank failures in the United States, supply chain weaknesses, and instability in the geopolitical environment, including as a result of the Russian invasion of Ukraine, the Israel-Hamas 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.

Cash Used in Operating Activities

Net cash used in operating activities was $2.4 million for the three months ended March 31, 2024 compared to net cash used in operating activities of $3.9 million for the three months ended March 31, 2023. The decrease in cash used from operating activities during the current period was primarily due to a decrease in changes in current balance sheet accounts in the ordinary course of business of approximately $2.2 million, primarily due to a decrease in accrued and other liabilities of $1.9 million.

Cash Used In Investing Activities

Net cash used in investing activities was $0.1 million during the three months ended March 31, 2024 compared to net cash provided by investing activities of $5.3 million for the three months ended March 31, 2023. Net cash used in investing activities during the three months ended March 31, 2024 was driven entirely by cash paid for the purchase of equipment. Net cash provided by investing activities during the three months ended March 31, 2023 was primarily due to sales and purchase of available-for-sale investments during the period.

Cash Provided by Financing Activities

Net cash provided by financing activities was $0.2 million during the three months ended March 31, 2024 compared to net cash used in financing activities of $0.6 million for the three months ended March 31, 2023. Net cash provided financing activities during the three months ended March 31, 2024 was primarily due to the gross proceeds from the issuance of common stock in connection with the ATM facility of $0.6 million, partially offset by $0.2 million of payments under the insurance financing note payable and $0.1 million of payments on finance lease liabilities. Net cash used in financing activities for the three months ended March 31, 2023 was primarily due to payment on short term insurance note payable and finance leases.

Contractual Obligations and Other Commitments

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, 2023.

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, 2023.

Recently issued and adopted accounting pronouncements:

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

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

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

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure material information required to be disclosed in our reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and such information is accumulated and communicated to our management, including our Chief Executive Officer as appropriate, to allow timely decisions regarding required financial disclosure. In designing and evaluating the disclosure controls and procedures, we recognized a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance the objectives of the control system are met. Because of the inherent

limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision of and with the participation of our management, including the Company’s Chief Executive Officer, we evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2024. Based upon that evaluation, our Chief Executive Officer concluded our disclosure controls and procedures were effective as of March 31, 2024.

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, 2023. 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, 2023 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.

During the three months ended March 31, 2024, no director or "officer" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

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

EXHIBIT INDEX

Exhibit No.	Description
4.1	Form of January 2024 Warrant to Purchase Common Stock issued to Innovatus Life Sciences Lending Fund I, LP (Exhibit 4.1 to the Company's Form 8-K filed on January 8, 2024).
10.1	Third Amendment to and Restatement of Loan and Security Agreement, dated January 1, 2024, by and among the Company, Rockwell Transportation, Inc., Innovatus Life Sciences Lending Fund I, LP and the lenders party thereto (Exhibit 10.1 to the Company's Form 8-K filed on January 8, 2024).
31.1*	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1**	Certification pursuant to 18 U.S.C. Section 1350 and Rule 13a-14(b) of the Securities Exchange Act of 1934
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Database
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase
104*	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 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: May 14, 2024 /s/ Mark Strobeck

Mark Strobeck, Ph.D.

Chief Executive Officer (Principal Executive Officer and Interim Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Mark Strobeck, certify that:

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

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

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

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

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

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

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

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

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

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

Date: May 14, 2024

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

EXHIBIT 32.1

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

In connection with the Quarterly Report of Rockwell Medical, Inc. (the “Company”) on Form 10-Q for the quarter ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Periodic Report”), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

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

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

Date: May 14, 2024	/s/ Mark Strobeck
	Mark Strobeck
	(Principal Executive Officer and Principal Financial Officer)