NRX PHARMACEUTICALS, INC.

FORM 10-Q
(Quarterly Report)

Filed 05/15/25 for the Period Ending 03/31/25

Address	1201 ORANGE STREET SUITE 600 WILMINGTON, DE, 19801
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Industry	Biotechnology & Medical Research
Sector	Healthcare
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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, 2025

☐ 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: 001-38302

NRX PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**82-2844431**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1201 Orange Street, Suite 600
Wilmington, DE 19801
(Address of principal executive offices) (Zip Code)

(484) 254-6134
(Registrant's telephone number, including area code)

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

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Common Stock, par value $0.001 per share	NRXP	The Nasdaq Stock Market LLC
Warrants to purchase Common Stock	NRXPW	The Nasdaq Stock Market LLC

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

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

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

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

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

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

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

As of May 14, 2025, the registrant had 17,289,192 shares of Common Stock outstanding.

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PART I FINANCIAL INFORMATION

ITEM 1. Financial Statements

NRX PHARMACEUTICALS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	March 31, 2025 (Unaudited)	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,548	$ 1,443
Prepaid expenses and other current assets	1,708	1,859
Total current assets	7,256	3,302
Other assets	334	349
Total assets	$ 7,590	$ 3,651
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 4,311	$ 4,130
Accrued and other current liabilities	9,840	10,149
Accrued clinical site costs	351	379
Convertible note payable and accrued interest – short term	8,397	1,246
Insurance loan payable	—	320
Warrant liabilities	9,852	5,639
Total current liabilities	32,751	21,863
Convertible note payable and accrued interest – long term	—	5,011
Total liabilities	$ 32,751	$ 26,874
Commitments and Contingencies (Note 8)		
Stockholders' deficit:		
Preferred stock, $0.001 par value, 50,000,000 shares authorized;	$ —	$ —
Series A convertible preferred stock, $0.001 par value, 12,000,000 shares authorized; 0 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	—	—
Common stock, $0.001 par value, 500,000,000 shares authorized; 17,120,120 and 14,591,505 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	17	15
Additional paid-in capital	258,607	255,035
Accumulated deficit	(283,785)	(278,273)
Total stockholders' deficit	(25,161)	(23,223)
Total liabilities and stockholders' deficit	$ 7,590	$ 3,651

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

NRX PHARMACEUTICALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(Unaudited)

	Three months ended March 31,	
	2025	**2024**
Operating expense:		
Research and development	$ 804	$ 1,748
General and administrative	2,943	4,250
Settlement expense	100	—
Total operating expenses	3,847	5,998
Loss from operations	(3,847)	(5,998)
Other expense (income):		
Interest income	(4)	(27)
Interest expense	—	230
Change in fair value of convertible notes payable	965	318
Change in fair value of warrant liabilities	(2,896)	9
Loss on issuance of the Registered Direct Offering (see Note 9)	730	—
Loss on Consideration Shares and Warrants (see Note 9)	1,277	—
Loss on convertible note redemptions	1,593	—
Total other expenses, net	1,665	530
Net loss	$ (5,512)	$ (6,528)
Net loss per share:		
Basic and diluted	$ (0.34)	$ (0.74)
Weighted average common shares outstanding:		
Basic and diluted	16,410,062	8,852,286

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

NRX PHARMACEUTICALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' (DEFICIT)
(in thousands, except share data)
(Unaudited)

	Series A Preferred Stock		Common Stock		Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' (Deficit)
	Shares	Amount	Shares	Amount				
Balance - December 31, 2024	—	$ —	14,591,505	$ 15	$ 255,035	$ (278,273)	$ —	$ (23,223)
Shares issued as conversion of principal and interest for convertible note	—	—	1,009,518	1	2,939	—	—	2,940
Shares issued in connection with the Registered Direct offering, net of $245 issuance costs	—	—	1,215,278	1	3,254	—	—	3,255
Fair value allocation of warrants issued with Registered Direct offering	—	—	—	—	(3,255)	—	—	(3,255)
Amortization of prepaid offering costs	—	—	—	—	(7)	—	—	(7)
Consideration Shares issued as a result of repricing (See Note 9)	—	—	303,819	—	629	—	—	629
Stock-based compensation	—	—	—	—	12	—	—	12
Net loss	—	—	—	—	—	(5,512)	—	(5,512)
Balance – March 31, 2025	—	$ —	17,120,120	$ 17	$ 258,607	$ (283,785)	$ —	$ (25,161)

	Series A Preferred Stock		Common Stock		Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income Loss	Total Stockholders' (Deficit)
	Shares	Amount	Shares	Amount				
Balance December 31, 2023	**3,000,000**	**$ 3**	**8,391,940**	**$ 8**	**$ 241,406**	**$ (253,147)**	**$ (3)**	**$ (11,733)**
Stock-based compensation	—	—	—	—	242	—	—	242
Conversion of Series A preferred stock into common stock	(3,000,000)	(3)	300,000	—	3	—	—	—
At-the-market "ATM" offering, net of offering costs $48	—	—	34,584		179	—	—	179
Common stock and warrants issued, net of issuance costs $481	—	—	575,000	1	1,343	—		1,344
Common stock and warrants issued in private placement (270,000 common stock shares to be issued)	—	—	270,000	—	1,027	—	—	1,027
Warrants issued pursuant to the Alvogen Agreement amendment (see Note 6)	—	—	—	—	—	—	—	—
Vesting of restricted stock awards	—	—	57,500	—	—	—	—	—
Shares issued as repayment of principal and interest for convertible note	—	—	143,648	1	399	—	—	400
Net loss	—	—	—	—	—	(6,528)	—	(6,528)
Balance - March 31, 2024	—	$ —	**9,772,672**	**$ 10**	**$ 244,599**	**$ (259,675)**	**$ (3)**	**$ (15,069)**

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

NRX PHARMACEUTICALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Three months ended March 31,	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (5,512)	$ (6,528)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	—	1
Stock-based compensation	12	242
Change in fair value of warrant liabilities	(2,896)	9
Change in fair value of convertible notes payable	965	318
Loss on Consideration Shares and Warrants	1,277	—
Loss on issuance of Registered Direct Offering	730	—
Loss on convertible notes redemptions	1,593	—
Expense for debt issuance costs due to fair value election on Anson Notes	350	—
Changes in operating assets and liabilities:		
Prepaid expense and other assets	159	250
Accounts payable	178	2,091
Accrued expense and other liabilities	(337)	(54)
Net cash used in operating activities	(3,480)	(3,671)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of computer equipment	—	—
Net cash used in investing activities	—	—
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of convertible note	—	(2,155)
Repayment of insurance loan	(320)	—
Expense for debt issuance costs due to fair value election on Anson Notes	(350)	—
Proceeds from Anson convertible notes, net of OID	5,000	—
Proceeds from issuance of common stock and warrants issued in Registered Direct offering, net of issuance costs	3,255	—
Proceeds from issuance of common stock and warrants, net of issuance costs	—	1,523
Proceeds from issuance of common stock and warrants issued in private placement, net of issuance costs	—	1,027
Net cash provided by financing activities	7,585	395
Net increase (decrease) in cash and cash equivalents	4,105	(3,276)
Cash and cash equivalents at beginning of period	1,443	4,595
Cash and cash equivalents at end of period	$ 5,548	$ 1,319
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ —	$ 374
Cash paid for taxes	$ —	$ —
Non-cash investing and financing activities		
Issuance of common stock as principal and interest conversion for convertible notes	$ 1,347	$ 400
Issuance of common stock warrants as offering costs	$ —	$ 84
Conversion of Series A preferred stock into common stock	$ —	$ 3
Warrants issued pursuant to the Alvogen Agreement amendment	$ —	$ 1,336
Amortization of deferred offering costs to additional paid-in-capital	$ 7	$ —

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

1. Organization

The Business

NRx Pharmaceuticals, Inc. (Nasdaq: NRXP) ("*NRx*", the "*Company*", "we", "us" or "our") is a clinical-stage bio-pharmaceutical company which develops and will distribute, through its wholly-owned operating subsidiary, NeuroRx, Inc., ("*NeuroRx*"), novel therapeutics for the treatment of central nervous system disorders including suicidal depression, chronic pain, and post-traumatic stress disorder ("*PTSD*") and now schizophrenia. All of our current drug development activities are focused drugs that modulate on the N-methyl-D-aspartate ("*NMDA*") receptor in the brain and nervous system, a neurochemical pathway that has been disclosed in detail in our annual filings. The Company has two lead drug candidates that are expected to be submitted during the second quarter of 2025 for Food and Drug Administration ("*FDA*") approval with anticipated FDA decision dates under the Prescription Drug User Fee Act ("*PDUFA*") by year end 2025: NRX-101, an oral fixed dose combination of D-cycloserine and lurasidone and NRX-100, a preservative-free formulation of ketamine for intravenous infusion. In February 2024, NRx incorporated HOPE Therapeutics, Inc. ("HOPE"), a medical care delivery organization focused on interventional psychiatric treatment of the above conditions with NMDA-targeted and other psychedelic drugs, neuromodulatory devices, such as Transcranial Magnetic Stimulation ("TMS"), digital therapeutics, and medication management.

NeuroRx is organized as a traditional research and development ("R&D") company, whereas HOPE is organized as a medical care delivery company intended to own and/or operate clinics that serve patients with suicidal depression, PTSD, and other serious Central Nervous System ("CNS") disorders.

Fiscal 2024 and the first quarter of 2025 marked a period of both expansion and change for NRx. Throughout this time, the Company implemented a restructuring of its leadership to address challenges related to capital formation, clinical trial enrollment, and corporate development. These efforts led to measurable achievements throughout 2024 and the first quarter of 2025, and positioned the Company for growth and the achievement of our development objectives in 2025. Management's plan, through the establishment of HOPE, is to transform NRx from a pre-revenue biotechnology company to a revenue-generating enterprise that continues to develop life-saving drugs and technologies through NRx, while also treating patients through HOPE.

2. Going Concern

These condensed consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business. Since inception, the Company has experienced net losses and negative cash flows from operations each fiscal year and has a working capital deficit at March 31, 2025. The Company has no revenues and expects to continue to incur operating losses at least through the remainder of 2025. Although the Company projects operating revenue to be derived from the operation of clinical facilities through its HOPE subsidiary and sales of its pharmaceutical products in 2025, these projections are subject to completion of anticipated clinical acquisitions in the first case and regulatory approvals in the latter case. In the absence of these projected developments, the Company's ability to support its ongoing capital needs is dependent on its ability to continue to raise equity and/or debt financing, which may not be available on favorable terms, or at all, in order to continue operations.

As of March 31, 2025, the Company had $5.5 million in cash and cash equivalents. On August 12, 2024, the Company entered into that certain Securities Purchase Agreement dated August 12, 2024 (the "*Purchase Agreement*") with certain accredited investors (the "*Investors*"), pursuant to which the Company agreed to sell Senior Secured Convertible Promissory Notes (the "*Anson Notes*") in the aggregate principal amount of up to approximately $16.3 million in three tranches of $5.4 million, and warrants to purchase that amount of shares of the Company's common stock, $0.001 par value ("*Common Stock*") equal to 50% of the principal amount of the Notes in the respective tranche divided by the volume weighted average price ("*VWAP*") of the Company's Common Stock, as listed on the Nasdaq Capital Market, on the day prior to the closing of each respective tranche under the Purchase Agreement (the "*Anson Warrants*"). The Company consummated the sale of the first tranche of $5.4 million ($4.5 million in net proceeds) in Notes and Warrants (the "*First Closing*") on August 14, 2024 (the "*First Closing Date*"), the second tranche of $5.4 million in Notes and Warrants (the "*Second Closing*") on October 10, 2024 (the "*Second Closing Date*"), and the third tranche of $5.4 million in Notes and Warrants (the "*Third Closing*") on January 28, 2025 (the "*Third Closing Date*") for aggregate gross proceeds of approximately $15.0 million, after deducting the original issue discount, but before deducting fees, costs, and other expenses including the use of proceeds to repay $5.6 million owed to Streeterville Capital, LLC, a Utah limited liability company ("*Streeterville*") pursuant to a 9% redeemable promissory note (as amended, the "*Streeterville Note*") issued to Streeterville.

The Company has secured operating capital that it anticipates as sufficient to fund its drug development operations through year end and to finance submission of FDA New Drug Applications for NRX-100 and NRX-101. The Company may pursue additional equity or debt financing or refinancing opportunities in 2025 and 2026 to fund ongoing clinical activities, to meet obligations under its current debt arrangements and for general corporate purposes. Such arrangements may take the form of loans, equity offerings, strategic agreements, licensing agreements, joint ventures or other agreements. The sale of equity could result in additional dilution to the Company's existing shareholders. The Company cannot make any assurances that additional financing will be available to it and, if available, on acceptable terms, or that it will be able to refinance its existing debt obligations which could negatively impact the Company's business and operations and could also lead to a reduction in the Company's operations. The Company will continue to carefully monitor the impact of its continuing operations on the Company's working capital needs and debt repayment obligations. As such, the Company has concluded that substantial doubt exists regarding the Company's ability to continue as a going concern for a period of at least twelve months from the date of issuance of these condensed consolidated financial statements. The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The accompanying condensed consolidated financial statements do not include any adjustments to reflect the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the company be unable to continue as a going concern.

3. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("*GAAP*") as determined by the Financial Accounting Standards Board ("*FASB*") Accounting Standards Codification ("*ASC*") and the rules and regulations of the Securities and Exchange Commission ("*SEC*") for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the condensed consolidated balance sheet, statements of operations and cash flows for the interim periods presented. The results of operations for any interim periods are not necessarily indicative of the results that may be expected for the entire fiscal year or any other interim period.

Use of Estimates

The preparation of condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenses and the disclosure of contingent assets and liabilities in its condensed consolidated financial statements and the reported amounts of expenses during the reporting period. The most significant estimates in the Company's condensed consolidated financial statements relate to the fair value of the convertible notes payable, fair value of warrant liabilities, fair value of stock options and warrants, and the utilization of deferred tax assets. These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Company's future results of operations will be affected.

Certain Risks and Uncertainties

The Company's activities are subject to significant risks and uncertainties including the risk of failure to secure additional funding to properly execute the Company's business plan. The Company is subject to risks that are common to companies in the pharmaceutical industry, including, but not limited to, development by the Company or its competitors of new technological innovations, dependence on key personnel, reliance on third party manufacturers, protection of proprietary technology, and compliance with regulatory requirements.

Fair Value of Financial Instruments

FASB ASC Topic 820, *Fair Value Measurements* ("*ASC 820*"), provides guidance on the development and disclosure of fair value measurements. Under this accounting guidance, fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

The accounting guidance classifies fair value measurements in one of the following three categories for disclosure purposes:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 prices for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3: Unobservable inputs which are supported by little or no market activity and values determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation. (Refer to Note 11)

Concentration of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash equivalents are occasionally invested in certificates of deposit. The Company maintains each of its cash balances with high-quality and accredited financial institutions and accordingly, such funds are not exposed to unusual credit risk beyond the normal credit risk associated with commercial banking relationships. Deposits in financial institutions may, from time to time, exceed federally insured limits. As of March 31, 2025 the Company's cash and cash equivalents balance within money market accounts was in excess of the U.S. federally insured limits by $5.0 million. The Company has not experienced any losses on its deposits of cash. The Company maintains a portion of its cash and cash equivalent balances in the form of a money market account with a financial institution that management believes to be creditworthy.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the time of initial purchase to be cash equivalents, including balances held in the Company's money market accounts. The Company maintains its cash and cash equivalents with financial institutions, in which balances from time to time may exceed the U.S. federally insured limits. The objectives of the Company's cash management policy are to safeguard and preserve funds to maintain liquidity sufficient to meet the Company's cash flow requirements, and to attain a market rate of return.

Revenue Recognition

The Company accounts for revenue under FASB ASC Topic 606, *Revenue for Contract with Customers* ("*ASC 606*") or other accounting standards for revenue not derived from customers. Arrangements may include licenses to intellectual property, research services and participation on joint research committees. The Company evaluates the promised goods or services to determine which promises, or group of promises, represent performance obligations. In contemplation of whether a promised good or service meets the criteria required of a performance obligation, the Company considers the stage of research, the underlying intellectual property, the capabilities and expertise of the customer relative to the underlying intellectual property, and whether the promised goods or services are integral to or dependent on other promises in the contract. When accounting for an arrangement that contains multiple performance obligations, the Company must develop judgmental assumptions, which may include market conditions, timelines and probabilities of regulatory success to determine the stand-alone selling price for each performance obligation identified in the contract.

The Company enters into contractual arrangements that may include licenses to intellectual property and research and development services. When such contractual arrangements are determined to be accounted for in accordance with ASC 606, the Company evaluates the promised good or services to determine which promises, or group of promises, represent performance obligations. When accounting for an arrangement that contains multiple performance obligations, the Company must develop judgmental assumptions, which may include market conditions, timelines and probabilities of regulatory success to determine the stand-alone selling price for each performance obligation identified in the contract.

The License Agreement (the "*License Agreement*") with Alvogen Pharma US, Inc., Alvogen, Inc. and Lotus Pharmaceutical Co. Ltd. (collectively, "*Alvogen*") (as further discussed in Note 6 below) was accounted for in accordance with ASC 606. In accordance with ASC 606, the Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, it performs the following five steps:

i. identify the contract(s) with a customer;
ii. identify the performance obligations in the contract;
iii. determine the transaction price;
iv. allocate the transaction price to the performance obligations within the contract; and
v. recognize revenue when (or as) the entity satisfies a performance obligation.

The Company only applies the five-step model to contracts when it determines that it is probable it will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within the contract to determine whether each promised good or service is a performance obligation. The promised goods or services in the Company's arrangements typically consist of a license to intellectual property and research services. The Company may provide options to additional items in such arrangements, which are accounted for as separate contracts when the customer elects to exercise such options, unless the option provides a material right to the customer. Performance obligations are promises in a contract to transfer a distinct good or service to the customer that (i) the customer can benefit from on its own or together with other readily available resources, and (ii) is separately identifiable from other promises in the contract. Goods or services that are not individually distinct performance obligations are combined with other promised goods or services until such combined group of promises meet the requirements of a performance obligation.

The Company determines transaction price based on the amount of consideration the Company expects to receive for transferring the promised goods or services in the contract. Consideration may be fixed, variable, or a combination of both. At contract inception for arrangements that include variable consideration, the Company estimates the probability and extent of consideration it expects to receive under the contract utilizing either the most likely amount method or expected amount method, whichever best estimates the amount expected to be received. The Company then considers any constraints on the variable consideration and includes in the transaction price variable consideration to the extent it is deemed probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company then allocates the transaction price to each performance obligation based on the relative standalone selling price and recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) control is transferred to the customer and the performance obligation is satisfied. For performance obligations which consist of licenses and other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

The Company records amounts as accounts receivable when the right to consideration is deemed unconditional. When consideration is received, or such consideration is unconditionally due, from a customer prior to transferring goods or services to the customer under the terms of a contract, a contract liability is recorded as deferred revenue.

The Company's revenue arrangements may include the following:

Milestone Payments: At the inception of an agreement that includes milestone payments, the Company evaluates each milestone to determine when and how much of the milestone to include in the transaction price. The Company first estimates the amount of the milestone payment that the Company could receive using either the expected value or the most likely amount approach. The Company primarily uses the most likely amount approach as that approach is generally most predictive for milestone payments with a binary outcome. Then, the Company considers whether any portion of that estimated amount is subject to the variable consideration constraint (that is, whether it is probable that a significant reversal of cumulative revenue would not occur upon resolution of the uncertainty.) The Company updates the estimate of variable consideration included in the transaction price at each reporting date which includes updating the assessment of the likely amount of consideration and the application of the constraint to reflect current facts and circumstances.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on a level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Research Services: The Company incurred research costs in association with the License Agreement. After the First Milestone Payment (as defined in Note 6 below), the Company would have been reimbursed for certain costs incurred related to reasonable and documented out-of-pocket costs for clinical and non-clinical development activities. The Company would have recognized revenue for the reimbursed costs when the First Milestone Payment contingencies had been achieved and the Company had an enforceable claim to the reimbursed costs.

Research and Development Costs

Research and development expense consists primarily of costs associated with the Company's clinical trials, salaries, payroll taxes, employee benefits, and stock-based compensation charges for those individuals involved in ongoing research and development efforts. Research and development costs are expensed as incurred. Advance payments for goods and services that will be used in future research and development activities are recorded as prepaid assets and expensed when the activity has been performed or when the goods have been received.

Non-cancellable Contracts

The Company may record certain obligations as liabilities related to non-cancellable contracts. If appropriate, the offsetting costs may be recorded as a deferred cost asset.

Convertible Notes Payable and Fair Value Election

As permitted under FASB ASC Topic 825, Financial Instruments ("*ASC 825*"), the Company elected to account for its promissory notes, which meet the required criteria, at fair value at inception. Subsequent changes in fair value including interest and amortization of discounts are recorded as a component of non-operating loss in the condensed consolidated statements of operations. The portion of total changes in fair value of the notes attributable to changes in instrument-specific credit risk are determined through specific measurement of periodic changes in the discount rate assumption exclusive of base market changes and are presented as a component of comprehensive income in the accompanying condensed consolidated statements of operations and comprehensive loss. As a result of electing the fair value option, direct costs and fees related to the promissory notes are expensed as incurred.

The Company estimates the fair value of its notes payable using a Monte Carlo simulation model, which uses as inputs the fair value of its Common Stock and estimates for the equity volatility of its Common Stock, the time to expiration (i.e., expected term) of the note, the risk-free interest rate for a period that approximates the time to expiration, and probability of default. Therefore, the Company estimates its expected future equity volatility based on the historical volatility of its Common Stock price utilizing a lookback period consistent with the time to expiration. The time to expiration is based on the contractual maturity date, giving consideration to the redemption features embedded in the notes. The risk-free interest rate is determined based on the U.S. Treasury yield curve in effect at the time of measurement for time periods approximately equal to the time to expiration. Unless otherwise specified, the probability of default is estimated using Bloomberg's Default Risk function which uses its financial information to calculate a default risk specific to the Company. Management believes those assumptions are reasonable but if these assumptions change, it could materially affect the fair value.

Stock-Based Compensation

The Company expenses stock-based compensation to employees and non-employees over the requisite service period based on the estimated grant-date fair value of the awards. The Company accounts for forfeitures as they occur. Stock-based awards with graded-vesting schedules are recognized on a straight-line basis over the requisite service period for each separately vesting portion of the award. The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model, and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment. The Company estimates the fair value of restricted stock award grants using the closing trading price of the Company's Common Stock on the date of issuance. All stock-based compensation costs are recorded in general and administrative or research and development costs in the condensed consolidated statements of operations and comprehensive loss based upon the underlying individual's role at the Company.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in FASB ASC Topic 480, *Distinguishing Liabilities from Equity* ("*ASC 480*") and FASB ASC Topic 815, *Derivatives and Hedging* ("*ASC 815*"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own Common Stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be liability classified and recorded at their initial fair value on the date of issuance and remeasured at fair value and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The Company generally determines fair value of the Common Stock Warrants (as defined below) using a Black Scholes valuation methodology.

A change in any of the terms or conditions of warrants is accounted for as a modification. The accounting for incremental fair value of warrants is based on the specific facts and circumstances related to the modification which may result in a reduction of additional paid-in capital, recognition of costs for services rendered, or recognized as a deemed dividend.

Preferred Stock

In accordance with ASC 480, the Company's Series A Preferred Stock was classified as permanent equity as it was not mandatorily redeemable upon an event that is considered outside of the Company's control. Further, in accordance with ASC 815-40, *Derivatives and Hedging – Contracts in an Entity's Own Equity*, the Series A Preferred Stock did not meet any of the criteria that would preclude equity classification. The Company concluded that the Series A Preferred Stock was more akin to an equity-type instrument than a debt-type instrument, therefore the conversion features associated with the convertible preferred stock were deemed to be clearly and closely related to the host instrument and were not bifurcated as a derivative under ASC 815.

Segment Information

The Company's Chief Operating Decision Maker ("*CODM*") is its Chief Executive Officer, who reviews financial information presented for purposes of making operating decisions, assessing financial performance, and allocating resources. The Company operates as a single operating and reportable segment, consistent with the manner in which the CODM evaluates performance and allocates resources, see Note 12 for further information.

Income Taxes

Income taxes are recorded in accordance with FASB ASC Topic 740, *Income Taxes* ("*ASC 740*"), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit would more likely than not be realized assuming examination by the taxing authority. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. The Company recognizes any interest and penalties accrued related to unrecognized tax benefits as income tax expense.

Loss Per Share

The Company applies the two-class method when computing net income or loss per share attributable to common stockholders. In determining net income or loss attributable to common stockholders, the two-class method requires income or loss allocable to participating securities for the period to be allocated between common and participating securities based on their respective rights to share in the earnings as if all of the income or loss allocable for the period had been distributed. In periods of net loss, there is no allocation required under the two-class method as the participating securities do not have an obligation to fund the losses of the Company.

Basic loss per share of Common Stock is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of Common Stock outstanding for the period. Diluted loss per share reflects the potential dilution that could occur if stock options, restricted stock awards and warrants were to vest and be exercised. Diluted earnings per share excludes, when applicable, the potential impact of stock options, Common Stock warrant shares, convertible notes, and other dilutive instruments because their effect would be anti-dilutive in the periods in which the Company incurs a net loss.

The following outstanding shares of Common Stock equivalents were excluded from the computation of the diluted net loss per share attributable to Common Stock for the periods in which a net loss is presented because their effect would have been anti-dilutive.

	Three months ended March 31,	
	2025	**2024**
Stock options	166,833	175,437
Restricted stock awards	—	66,666
Common stock warrants	9,555,562	4,034,337
Anson Note	5,873,224	—

Recent Accounting Pronouncements Not Yet Adopted

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and are adopted by the Company as of the specified effective date.

In December 2023, the FASB issued ASU 2023-09-Income Taxes (Topic 740): I*mprovements to Income Tax Disclosures ("ASU 2023-09")*, which is intended to enhance the transparency and decision usefulness of income tax disclosures, primarily by amending disclosure requirements for the effective tax rate reconciliation and income taxes paid. ASU 2023-09 should be applied on a prospective basis, and retrospective application is permitted. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the presentational impact of this ASU and expects to adopt its provisions in the Annual Report on Form 10-K for the year ending December 31, 2025.

In November 2024, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03") and in January 2025, the FASB issued ASU No. 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, which clarified the effective date of ASU 2024-03. ASU 2024-03 will require the Company to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization, as applicable, included in certain expense captions in the Consolidated Statements of Operations, as well as qualitatively describe remaining amounts included in those captions. ASU 2024-03 will also require the Company to disclose both the amount and the Company's definition of selling expenses. The Company will adopt ASU 2024-03 in its annual report for the year ended December 31, 2026.

4. Prepaid Expense and Other Current Assets

Prepaid expense and other current assets consisted of the following at the dates indicated (in thousands):

	March 31, 2025	**December 31, 2024**
	(Unaudited)	
Prepaid expense and other current assets:		
Prepaid insurance	$ 467	$ 827
Prepaid clinical development costs	693	824
Other prepaid expense	548	208
Total prepaid expense and other current assets	$ 1,708	$ 1,859

5. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following at the dates indicated (in thousands):

	March 31, 2025	December 31, 2024
	(Unaudited)	
Accrued and other current liabilities:		
Refund liability (see Note 6)	$ 4,715	$ 4,715
Professional services	3,703	3,732
Employee costs	550	577
Accrued research and development expense	676	655
Other accrued expense	196	470
Total accrued and other current liabilities	$ 9,840	$ 10,149

6. Alvogen Licensing Agreement

In June 2023, the Company entered into a License Agreement with Alvogen as disclosed in previous filings. On June 21, 2024, the Company received a notice of termination from Alvogen effective immediately. Following the termination of the License Agreement by Alvogen, the amounts advanced pursuant to the amendment became due and payable to Alvogen. Accordingly, the refund liability has not been reclassified to deferred revenue or recorded as revenue as of March 31, 2025 and will remain permanent as refund liability until settled.

Upon termination of the License Agreement, the intellectual property rights licensed to Alvogen under the License Agreement reverted to the Company, and all other rights and obligations of each of the parties immediately ceased, except for outstanding amounts owed as of the time of such expiration or termination. As of March 31, 2025, the refund liability due to Alvogen was $4.7 million, which represents all payments made by Alvogen through March 31, 2025, and is included as a component of accrued expense and other current liabilities on the condensed consolidated balance sheet (refer to Note 5). Following the early termination by Alvogen, the Company does not anticipate recognizing any revenue under the License Agreement. Additionally, in June 2024 the Company wrote-off the unfunded stock subscription receivable of $1.3 million related to the warrants previously classified in additional paid-in capital to research and development expense following the termination.

7. Debt

Streeterville Convertible Note

On November 4, 2022, the Company issued the Streeterville Note, for an aggregate principal amount of $11.0 million. The note was accounted for under the fair value option of ASC 825. All material terms of the Streeterville note have been disclosed in prior filings. As previously disclosed, on April 24, 2024, the Company received written notice from counsel for Streeterville that an alleged event of default occurred with respect to the Note issued by the Company in favor of Streeterville (the "*Notice*"). On August 12, 2024, the Company and Streeterville entered into a Settlement and Release of Claims (the "*Settlement Agreement*"), whereby the Company and Streeterville agreed to settle all disputes between the parties and release the Company from all obligations to Streeterville under the terms of the Streeterville Notes in exchange for a payment of $2.5 million upon the initial closing of the sale of the Anson Notes, and within 60 days thereafter, a second payment of $3.1 million. The Company made the $2.5 million payment upon the Anson Notes closing on August 15, 2024. The Company made the final $3.1 million payment in October 10, 2024 using proceeds from the Second Closing of Anson Convertible Promissory Note.

The Company evaluated the terms of the Settlement Amendment in accordance with ASC 470-50, *Debt Modifications and Extinguishments*. Both the Settlement Amendment and the Third Amendment (considered cumulatively with the Settlement Amendment) were deemed to be debt modifications and did not give rise to a debt extinguishment in accordance with ASC Topic 470, *Debt*, which will be accounted for prospectively. The modifications did not result in recognition of a gain or loss in the condensed consolidated statements of operations as the modifications were not considered debt extinguishments, but will impact interest expense and the determination of fair value in future periods.

As of March 31, 2025 and December 31, 2024, the Note carried a remaining principle balance of $0 million. Refer to Note 11 for the reconciliation of the fair values for the periods presented.

Anson Convertible Promissory Notes

On August 12, 2024, the Company entered into the Purchase Agreement with Investors. The Company agreed to sell, in three equal tranches, original issue discount Anson Notes in the aggregate principal amount of up to approximately $16.3 million for an aggregate purchase price of up to approximately $15.0 million and warrants to purchase that amount of shares equal to 50% of the principal amount of the Notes divided by the VWAP of the Company's Common Stock, as listed on the Nasdaq Capital Market, on the day prior to the closing of each respective tranche under the Anson Warrants.

In connection with the above offering, the Company engaged EF Hutton LLC as placement agent (the "*Placement Agent*"), Pursuant to the terms of the engagement with the Placement Agent, the Company paid a cash fee of 7% of the gross proceeds the Company receives in the offering at closing.

2024 Senior Secured Convertible Promissory Notes

On August 14, 2024, the Company entered into the first tranche Senior Secured Convertible Note Agreements (the "*First Tranche Notes*") with Anson Investment Master Fund LP and Anson East Master Fund LP (collectively "*Anson*") at various amounts for an aggregate of $5.4 million subject to an original issuance discount of 8% or $435,000, less other cash issuance costs of $521,000, resulting in net cash proceeds of $4.5 million, prior to any allocation to the Anson Warrants. The First Tranche Notes bear interest at a rate of 6% per annum (or 10% during the occurrence of any Event of Default (as defined in the First Tranche Notes)) and have a term of 15 months from the issuance date, maturing on November 14, 2025 (the "*First Tranche Maturity Date*") (see Note 9). $2.5 million of the proceeds from the First Tranche Notes were used to make an initial payment to partially satisfy the Streeterville note in 2024.

On August 14, 2024, in conjunction with the issuance of the First Tranche Notes, the Company issued warrants to purchase up to 1,349,305 shares of the Company's Common Stock.

The First Tranche Notes are convertible at the option of the holder at any time after issuance into Common Stock, at a per share conversion price equal to the lower of (a) $2.4168, (the "*Fixed Conversion Price*") or (b) a price equal to 92% of the lowest VWAP during the seven trading day period immediately preceding the effective conversion date (the "*Alternate Conversion Price*", and together with the Fixed Conversion Price, the "*Conversion Price*"). If the Conversion Price is less than $0.38 (the "*Floor Price*"), then in addition to the issuance of Common Stock upon conversion the Company will pay cash as a true-up which is determined by the product of (i) the difference between (y) the Floor Price less (z) the Conversion Price then in effect, multiplied by (ii) the conversion amount that is being paid in Common Stock.

The terms of the First Tranche Notes do not allow any conversion of the First Tranche Notes if it results in Anson owning more than 4.99% of the outstanding shares of Common Stock (the "*Beneficial Ownership Limitation*"). This limitation can be adjusted up to 9.99% with prior notice, effective 61 days after such notice. Anson must ensure compliance with this limitation when submitting a notice of conversion, and the Company will rely on Anson's representation of compliance.

If the Company issues or grants options for Common Stock at a price lower than the current Conversion Price, the Conversion Price will be adjusted to match this lower price, (the "*Base Conversion Price*"). The Company must notify Anson of any such issuance, and Anson is entitled to convert shares based on the new Base Conversion Price.

If the Company offers purchase rights to holders of Common Stock, Anson will be entitled to acquire those rights as if they had fully converted the Note, subject to the Beneficial Ownership Limitation. If exercising these rights would exceed the Beneficial Ownership Limitation, the rights will be held in abeyance until they can be exercised without exceeding the limit.

The First Tranche Notes contain mandatory redemption features, whereby if at any time the First Tranche Notes are outstanding, the Company will be required to: (A) use up to 30% of the gross proceeds from any Subsequent Financings (as defined in the Purchase Agreement) in cash, to redeem all or a portion of the Note for an amount equal to the outstanding principal, plus all accrued but unpaid interest, plus all liquidated damages (the "*Redemption Obligations*"), multiplied by 1.05 (the "*Mandatory Redemption Amount*"); (B) redeem all of the Redemption Obligations at the Mandatory Redemption Amount in the event of a Change of Control Transaction (as defined in the First Tranche Notes); (C) redeem the Redemption Obligations for the Mandatory Redemption Amount in the event a registration statement is not available for each of the offer and resale of the shares issuable upon conversion of the First Tranche Notes (the "*Conversion Shares*"); and (D) redeem the Redemption Obligations for the Mandatory Redemption Amount if the Shareholder Approval is not obtained within 180 days following the date of issuance of the First Tranche Notes.

The First Tranche Notes contain certain covenants, and events of default and triggering events, respectively, which would require repayment of the obligations outstanding pursuant to such instruments. The obligations of the Company pursuant to the First Tranche Notes are (i) secured by all assets of the Company and all subsidiaries of the Company pursuant to the Security Agreement and Patent Security Agreement, dated August 14, 2024, by and among the Company, the subsidiaries of the Company, and the Investors, and (ii) guaranteed jointly and severally by the subsidiaries of the Company pursuant to the Subsidiary Guarantee, dated August 14, 2024, by and among the Company, the subsidiaries of the Company, and the Investors.

Pursuant to the Purchase Agreement, on October 10, 2024 (the "*Second Closing Date*"), the Company sold a total of $5.4 million in Notes (the "*Second Tranche Notes*"), subject to an original issue discount of 8% or $435,000 less other cash issuance cost of $375,000, with an aggregate purchase price of approximately $5.0 million, and Warrants to purchase up to 1,846,128 shares of Common Stock. The Second Tranche Notes are convertible into Common Stock, at a per share conversion price equal to by the lower of (a) $1.7664 or (b) a price equal to 92% of the lowest VWAP during the seven trading day period immediately preceding the effective date set forth in a Notice of Conversion delivered by an Investor to the Company. The Conversion Price is subject to, among other customary provisions, downward adjustment in the event of any future issuance by the Company of common stock below the then effective Conversion Price. $3.1 million of the proceeds from the Second Tranche Notes were used to satisfy the remaining amount due in connection with the Streeterville note.

In connection with the above Second Tranche Notes, the Company engaged Placement Agent. Pursuant to the terms of the engagement with the Placement Agent, the Company paid a cash fee of 7% of the gross proceeds the Company received in the Third Closing and incurred certain additional other issuance costs and reimbursement for legal counsel disbursements and placement agent, for aggregate issuance costs of approximately $0.4 million.

Pursuant to the Purchase Agreement, on January 28, 2025 (the "*Third Closing Date*"), the Company sold a total of $5.4 million in Notes subject to an original issue discount of 8% or $0.435 million less other issuance costs of $0.4 million noted below (the "*Third Tranche Notes*" and collectively with the First Tranche Notes and Second Tranche Notes, the ("*Anson Notes*")), with an aggregate purchase price of approximately $5.0 million, and Warrants to purchase up to 862,699 shares of Common Stock. The Third Tranche Notes are convertible into Common Stock, at a per share conversion price equal to by the lower of (a) $3.78 or (b) a price equal to 92% of the lowest VWAP during the seven trading day period immediately preceding the effective date set forth in a Notice of Conversion delivered by an Investor to the Company. The Conversion Price is subject to, among other customary provisions, downward adjustment in the event of any future issuance by the Company of common stock below the then effective Conversion Price.

In connection with the above Third Tranche Notes, the Company paid a cash tail fee to the Placement Agent equal to 7% of the gross proceeds the Company received in the Third Closing and incurred certain additional other issuance costs and reimbursement for legal counsel disbursements, for aggregate issuance costs of approximately $0.4 million.

On or about January 27, 2025, the Company and the Investors entered into a Consent and Waiver Agreement (the "*CWA*"), relating to certain rights and prohibitions arising under the Purchase Agreement and the Notes. In the CWA, each of the Investors provided its consent under certain restrictive provisions, and waived certain rights, including, among other things, a right to participate in certain Qualified Financings (as defined in the CWA) made by us under the Purchase Agreement and the Notes, the prohibition on issuance of certain equity securities, and waiver of any potential liquidated damages arising under that certain Registration Rights Agreement by and between the Company and the Investors dated August 14, 2024, until March 31, 2025. On March 20, 2025, following the conversion of less than $0.1 million of the Third Tranche Note into 5,463 shares of common stock, the Company issued 303,819 shares of common stock Consideration Shares and 303,819 of Consideration Warrants to Anson in accordance with the terms of the CWA (See Note 9).

Due to these embedded features within the Anson Notes, the Company elected to account for the First, Second, and Third Tranche Notes at fair value at inception. Subsequent changes in fair value are recorded as a component of other income (loss) in the condensed consolidated statements of operations. Additionally, the portion of changes in the fair value related to changes in credit risk are recorded to other comprehensive income in the condensed consolidated statements of operations. To determine the initial carrying value of the Notes and the warrants issued to Anson under the First, Second, and Third Tranche Notes (see Note 9), the Company allocated the proceeds using the fair value method. After allocation, the initial carrying value of the First Tranche Notes and the warrants issued to Anson were $2.9 million and $2.1 million, respectively, the initial carrying value of the Second Tranche Notes and the warrants issued to Anson were $3.1 million and $1.9 million, and the initial carrying value of the Third Tranche Notes and the warrants issued to Anson were $2.5 and $2.5 respectively. Refer to Note 11 for the reconciliation of the fair values for the periods presented.

During the three months ended March 31, 2025, Anson converted $1.3 million of principal and interest of the First Tranche Note into common stock, resulting in the issuances of 1,004,055 shares of Common Stock and loss on redemption of $1.6 million. Anson converted less than $0.1 million of principal and interest of the Third Tranche Note into common stock, resulting in the issuance of 5,463 shares of Common Stock and loss on redemption of less than $0.1 million. During the year ended December 31, 2024, Anson converted $4.2 million of principal and interest of the First Tranche Note into common stock, resulting in the issuances of 3,676,796 shares of Common Stock and loss on redemption of $1.3 million. (see Note 9). As of March 31, 2025, the principal and accrued interest balance of the Anson Notes was $10.86 million and $0.2 million, respectively. During the three months ended March 31, 2025 , the Company recorded a loss from the change in fair value of the Second and Third Tranche Notes of $1 million, which was recognized in other expense (income) on the condensed consolidated statements of operations as a result of the Company's election of the fair value option. At March 31, 2025, the effective interest rates of the Second and Third Tranche Note was 5% and 85%, respectively.

The following table presents the Anson Notes as of March 31, 2025 (in thousands):

		March 31, 2025
Par value of the Anson Notes	$	16,305
Initial original issue discount		(1,305)
Conversions and repayments of principal and interest (shares)		(5,536)
Carrying value of the Anson Notes before current period change in fair value		9,464
Fair value allocated to Common Stock liability classified warrants		(6,443)
Fair value adjustment through earnings		5,376
Total carrying value of Anson Notes	$	8,397
Convertible note payable - current portion	$	8,397
Convertible note payable, net of current portion	$	—

8. Commitments and Contingencies

Sarah Herzog Memorial Hospital License Agreement

The Company is required to make certain payments related to the development of NRX-101 (the "*Licensed Product*") in order to maintain the license agreement with the Sarah Herzog Memorial Hospital Ezrat Nashim ("*SHMH*") (the "*SHMH License Agreement*"), including:

Milestone Payments

End of Phase I Clinical Trials of Licensed Product (completed)	$	100,000
End of Phase II Clinical Trials of Licensed Product (completed)	$	250,000
End of Phase III Clinical Trials of Licensed Product	$	250,000
First Commercial Sale of Licensed Product in U.S.	$	500,000
First Commercial Sale of Licensed Product in Europe	$	500,000
Annual Revenues Reach $100,000,000	$	750,000

The milestone payments due above may be reduced by 25% in certain circumstances, and by the application of certain sub-license fees. As of March 31, 2025, the total cumulative payments made under the *SHMH License Agreement* were $0.4 million, with no payments made during the three months ended March 31, 2025 and 2024.

Royalties

A royalty in an amount equal to: (a) 1% of revenues from the sale of any product incorporating a Licensed Product when at least one Licensed Patent remains in force, if such product is not covered by a Valid Claim (as defined below) in the country or region in which the sale occurs, or (b) 2.5% of revenues from the sale of any Licensed Product that is covered by at least one Valid Claim in the country or region in which such product is manufactured or sold. A "Valid Claim" means any issued claim in the Licensed Patents that remains in force and that has not been finally invalidated or held to be unenforceable. The royalty rates above may be doubled if we commence a legal challenge to the validity, enforceability or scope of any of the Licensed Patents during the term of the SHMH License Agreement and do not prevail in such proceeding.

Royalties shall also apply to any revenues generated by sub-licensees from sale of Licensed Products subject to a cap of 8.5% of the payments received by us from sub-licensees in connection with such sales. During the three months ended March 31, 2025 and 2024, no royalty payments were made.

Annual Maintenance Fee

A fixed amount of $100,000 was paid on April 16, 2021 and, thereafter, a fixed amount of $150,000 is due on the anniversary of such date during the term of the SHMH License Agreement. As of March 31, 2025, the Company has recorded no expenses relating to the annual maintenance fee of the Agreement.

Exclusive License Agreement

The Company has entered into a License Agreement with Apkarian Technologies to in-license US Patent 8,653,120 that claims the use of D-cycloserine for the treatment of chronic pain in exchange for a commitment to pay milestones and royalties as development milestones are reached in the field of chronic pain. The patent is supported by extensive nonclinical data and early clinical data that suggest the potential for NMDA antagonist drugs, such as NRX-101 to decrease both chronic pain and neuropathic pain while potentially decreasing craving for opioids. For the three months ended March 31, 2025 and 2024, the Company has recorded no expenses relating to the licensure of the patent.

Operating Lease

The Company leases office space on a month-to-month basis. The rent expense for the three months ended March 31, 2025 and 2024 was less than $0.1 million and $0.1 million, respectively.

Legal Proceedings

The Company is currently involved in and may from time to time become involved in various legal actions incidental to our business. As of the date of this report, the Company is not involved in any legal proceedings that it believes could have a material adverse effect on its financial position or results of operations. However, the outcome of any current or future legal proceeding is inherently difficult to predict and any dispute resolved unfavorably could have a material adverse effect on the Company's business, financial position, and operating results.

9. Equity

Preferred Stock

Pursuant to the terms of the Company's Second Amended and Restated Certificate of Incorporation, the Company has 50,000,000 shares of preferred stock authorized with a par value of $0.001, of which 12,000,000 were designated Series A Convertible Preferred Stock ("*Series A Preferred*"). In August 2023, the Company sold and issued 3.0 million shares of Series A Preferred for an aggregate cash purchase price of $1.2 million. During March 2024, holders of the Company's Series A Preferred elected to convert 3.0 million shares of Series A Preferred into 300,000 shares of Common Stock. As of March 31, 2025, no shares of Series A Preferred remained issued or outstanding.

Common Stock

Pursuant to the terms of the Company's Second Amended and Restated Certificate of Incorporation, the Company has authorized 500,000,000 shares of Common Stock with a par value of $0.001.

On January 2, 2024, the Company issued 143,648 shares of Common Stock as payment for the $0.4 million minimum payment to Streeterville related to principal and interest payments on the Streeterville Note.

From February 20, 2024 to July 29, 2024, the Company announced that it entered into multiple purchase agreements (the "*ATM Purchase Agreements*") subject to standard closing conditions where accredited investors purchased 385,515 shares of unregistered Common Stock at a range of $2.42 – $7.10 per share. On April 15, 2024, the Company increased the maximum aggregate offering amount of the shares of Common Stock issuable under that certain At the Market Offering Agreement, dated August 14, 2023 (the "*Offering Agreement*"), with H.C. Wainwright & Co., and filed a prospectus supplement (the "*Current Prospectus Supplement*") under the Offering Agreement for an aggregate of $4.9 million. Through March 31, 2025, the aggregate net cash proceeds to the Company from the ATM Purchases Agreements were approximately $1.6 million.

On February 27, 2024, the Company entered into an underwriting agreement (the " *February Underwriting Agreement*") with EF Hutton LLC (the "*Representative*"), as the representative of the several underwriters named therein (the " *February Underwriters*"), relating to an underwritten public offering (the " *February 2024 Public Offering*") of 500,000 shares (the " *February Shares*") of the Company's Common Stock. The public offering price for each share of Common Stock was $3.00 and the February Underwriters purchased the shares of Common Stock pursuant to the February Underwriting Agreement at a price for each share of Common Stock of $2.76. Pursuant to the February Underwriting Agreement, the Company also granted the Representative a 45-day option to purchase up to an additional 75,000 shares (the " *February Option Shares*") of the Common Stock on the same terms as the February Shares sold in the February 2024 Public Offering (the " *February Over-Allotment Option*"). On February 28, 2024, the February 2024 Public Offering closed (the " *February Closing Date*"). The aggregate net cash proceeds to the Company from the February 2024 Offering proceeds were approximately $1.3 million after offering costs of approximately $0.4 million. On March 5, 2024, the February Underwriters of the previously announced underwritten public offering of the Company exercised their option in accordance with the February Underwriting Agreement, dated February 27, 2024, by and between the Company and the Representative, as representative of the several underwriters named therein, to purchase up to an additional 75,000 shares of the Company's Common Stock, at a public offering price of $3.00 per share (the " *February Overallotment Exercise*"). The February Overallotment Exercise closed on March 6, 2024. The aggregate net cash proceeds to the Company from the February Overallotment Exercise were approximately $0.2 million. The Company accrued additional offering costs of approximately $0.2 million.

On February 29, 2024, the Company entered into a securities purchase agreement with an investor providing for the issuance and sale of 270,000 shares of Common Stock and warrants to purchase up to 270,000 shares of Common Stock (the " *February Warrants*") at a price of $3.80 per share of Common Stock and accompanying warrant, which represents a 26.7% premium to the offering price in February 2024 Public Offering. The Common Stock and the February Warrants were offered pursuant to a private placement (the " *February 2024 Private Placement*") under Section 4(a)(2) of the Securities Act of 1933, as amended (the "*Securities Act*"). The aggregate net cash proceeds to the Company from the February 2024 Private Placement were approximately $1.0 million.

On April 18, 2024, the Company entered into an underwriting agreement (the " *April Underwriting Agreement*") with the Representative, as the representative of the several underwriters named therein (the " *April Underwriters*"), relating to an underwritten public offering (the " *April 2024 Public Offering*") of 607,000 shares (the " *April Shares*") of Common Stock. The public offering price for each share of Common Stock was $3.30. Pursuant to the April Underwriting Agreement, the Company also granted the Representative a 45-day option to purchase up to an additional 91,050 shares (the " *April Option Shares*") of the Common Stock on the same terms as the April Shares sold in the April 2024 Public Offering (the " *April Over-Allotment Option*"). On April 19, 2024, the Offering closed (the " *April Closing Date*"). Net proceeds from the April 2024 Public Offering were approximately $1.6 million after offering costs of approximately $0.4 million. On May 23, 2024, the April Underwriters of the previously announced underwritten public offering of the Company exercised their option in accordance with the April Underwriting Agreement, dated April 18, 2024, by and between the Company and the Representative, as representative of the several underwriters named therein, to purchase up to an additional 91,050 shares of the Company's Common Stock, at the public offering price of $3.30 per share (the " *April Overallotment Exercise*"). The April Over-Allotment Exercise was exercised in full and closed on May 23, 2024. The net cash proceeds to the Company from the April Overallotment Exercise were approximately $0.2 million which include offering costs of less than $0.1 million.

On August 28, 2024, the Company issued 20,000 shares of Common Stock in relation to consulting services performed by a third party. The fair value of the Common Stock on the date of issuance was less than $0.1 million.

During the year ended December 31, 2024, Anson converted $4.2 million of principal and interest of the First Tranche Note into common stock, resulting in the issuances of 3,676,796 shares of Common Stock valued at $5.5 million based on the market price of our common stock at the date of common stock issuance resulting in a loss on redemption of $1.3 million (see Note 7).

On January 27, 2025, the Company entered into a securities purchase agreement (the "*RD Purchase Agreement*") with the Investors for the sale by the Company of 1,215,278 shares (the "*RD Shares*") of Common Stock to the Investors, at a purchase price of $2.88 per share, in a registered direct offering (the "*Registered Direct Offering*"). Concurrently with the sale of the RD Shares, pursuant to the RD Purchase Agreement the Company also sold to the investors unregistered Common Stock purchase warrants (the "*RD Warrants*") to purchase up to an aggregate of 1,215,278 shares of Common Stock (the "*RD Warrant Shares*"), in a private placement. Subject to certain beneficial ownership limitations, the RD Warrants are immediately exercisable upon issuance at an exercise price equal to $2.88 per share of Common Stock, subject to adjustments as provided under the terms of the RD Warrants. The closing of the sales of these securities under the RD Purchase Agreement occurred on or about January 29, 2025 (the "*RD Closing Date*"), resulting in net proceeds to the Company of approximately $3.255 million after offering costs. The RD Warrants are exercisable for five years from the RD Closing Date. The Company intends to use the net proceeds from the transactions for general corporate purposes, including the funding of certain capital expenditures.

On or around January 27, 2025, the Company and Anson entered into a Consent and Waiver Agreement (CWA) related to the RD Purchase Agreement and the Notes. Under this agreement, the investors agreed to waive certain rights and restrictions, including their right to participate in certain future financings, restrictions on the Company issuing specific equity securities, and any potential liquidated damages under the Registration Rights Agreement dated August 14, 2024. These waivers are effective through March 31, 2025.

As consideration for these waivers, the Company agreed to issue additional compensation to the investors if the volume-weighted average price (VWAP) of the Company's common stock is lower than the original purchase price at the time investors submit their first conversion notice for Notes issued in the Second or Third Closing. This compensation includes additional shares of common stock (the "Consideration Shares") and warrants to purchase an equal number of shares (the "Consideration Warrants"). The exercise price of the warrants is based on a VWAP-Based Adjustment, calculated as the greater of (a) the VWAP on the trading day before the conversion notice, or (b) 80% of the closing price on the day before the Registered Direct Offering. As of March 31, 2025, the obligation under this provision has been fully satisfied.

The gross proceeds to the Company from the offerings were approximately $3.5 million, before deducting offering expenses of $0.2 million and excluding the proceeds, if any, from the exercise of the RD Warrants. As discussed above, on January 29, 2025, in conjunction with the issuance of the RD Shares, the Company issued RD Warrants to purchase up to 1,215,278 shares of the Company's Common Stock which were classified as a liability. The RD Warrants have an exercise price of $2.88 per share and have a contractual term of five years expiring on January 29, 2030. The measurement of fair value of the RD Warrants were determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $2.07, exercise price of $2.88, term of five years, volatility of 115.8%, and risk-free rate of 4.00%). The grant date fair value of these RD Warrants was estimated to be $3.983 million on January 29, 2025. As the fair value of the liabilities exceeded the net proceeds received of $3.255 million, the Company recognized the excess of the fair value over the net proceeds received of $3.255 million as a loss upon issuance of RD Shares of $0.7 million which is included in other expense (income) in the condensed consolidated statement of operations for the period ended March 31, 2025.

During the three months ending March 31, 2025, Anson converted $1.3 million of principal and interest of the First Tranche Note into common stock, resulting in the issuance of 1,004,055 shares of Common Stock valued at $2.9 million based on the market price of our common stock at the date of the common stock issuance resulting in a loss on redemption of $1.6 million (See Note 7).

During the three months ending March 31, 2025, Anson converted less than $0.1 million of principal and interest of the Third Tranche Note into common stock, resulting in the issuance of 5,463 shares of Common Stock valued at less than $0.1 million based on the market price of our common stock at the date of the common stock issuance resulting in a loss on redemption of less than $0.1 million (See Note 7).

On March 20, 2025, following the conversion of less than $0.1 million of the Third Tranche Note into 5,463 shares of common stock, the Company issued 303,819 shares of common stock Consideration Shares and 303,819 of Consideration Warrants to Anson in accordance with the terms of the CWA. As a result of this adjustment, the exercise price of the RD Warrants was updated to $2.30 as of March 20, 2025. Upon conversion or extinguishment, ASC 470-50-40-2 requires that any difference between the carrying amount of the debt and the fair value of consideration transferred be recognized as a gain or loss in the statement of operations. The Consideration Shares, being equity-classified, are recognized at fair value with credit to common stock and additional paid in capital. The Consideration Warrants, liability-classified under ASC 815-40, were initially recognized at fair value, with changes in fair value subsequently recognized through earnings. In accordance with the CWA, the Company recorded loss on issuance of the Consideration shares and the Consideration Warrants in total of $1.277 million recognized within other expense (income) during the period ended March 31, 2025, within accompanying condensed consolidated statements of operations and comprehensive loss.

Common Stock Warrants

Substitute Warrants

In connection with the Merger in 2021, each warrant to purchase shares of Common Stock of NRx that was outstanding and unexercised immediately prior to the effective time (whether vested or unvested) was assumed by Big Rock Partners Acquisition Corp. (*"BRPA"*) and converted into a warrant, based on the exchange ratio (of 0.316), that will continue to be governed by substantially the same terms and conditions, including vesting, as were applicable to the former warrant (the "*Substitute Warrants*"). There were 3,792,970 warrants outstanding and unexercised at the effective time. As these Substitute Warrants meet the definition of a derivative as contemplated in FASB ASC Topic 815, based on provisions in the warrant agreement related to the Earnout Shares Milestone and the Earnout Cash Milestone and the contingent right to receive additional shares for these provisions, the Substitute Warrants were recorded as derivative liabilities on the condensed consolidated balance sheet and measured at fair value at inception (on the date of the Merger) and at each reporting date in accordance with FASB ASC Topic 820, with changes in fair value recognized in the statements of operations in the period of change. Refer to Note 11 for further discussion of fair value measurement of the warrant liabilities.

Assumed Public Warrants

Prior to the Merger, the Company had 3,450,000 warrants outstanding (the "*Public Warrants*") to purchase up to 345,000 shares of Common Stock. Each Public Warrant entitles the holder to purchase one-tenth share of Common Stock at an exercise price of $115 per share. The Public Warrants became exercisable at the effective time of the Merger and expire five years after the effective time on or earlier upon their redemption or liquidation of the Company.

During the three months ended March 31, 2025 and 2024 no Public Warrants were exercised. The outstanding balance of these public warrants remains in equity. At March 31, 2025 and December 31, 2024, there were 3,448,856 Public Warrants outstanding to purchase up to 344,886 shares of Common Stock.

Assumed Private Placement Warrants

Prior to the Merger, the Company had outstanding 136,250 Private Placement Warrants (the "*Private Placement Warrants*") to purchase up to 13,625 shares of Common Stock. The Private Placement Warrants are not indexed to the Company's common shares in the manner contemplated by FASB ASC Topic 815-40-15 because the holder of the instrument is not an input into the pricing of a fixed-for-fixed option on equity shares. The Company classifies the Private Placement Warrants as derivative liabilities in its condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024. The Company measures the fair value of the Private Placement Warrants at the end of each reporting period and recognizes changes in the fair value from the prior period in the Company's statements of operations for the current period.

The Company recognized a gain on the change in fair value of the Private Placement Warrants for the three months ended March 31, 2025 and 2024. Refer to Note 11 for discussion of the fair value measurement of the Company's warrant liabilities.

Investor Warrants

As discussed above, on February 28, 2024, in conjunction with the sale of 270,000 shares of the Company's Common Stock, the Company issued February Warrants to purchase up to 270,000 shares of Common Stock which were classified in stockholder's equity. The February Warrants have an exercise price of $3.80 per share, are initially exercisable beginning six months following the date of issuance, and will expire five years from the date of issuance. The measurement of fair value was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.59, exercise price of $3.80, term of 5 years, volatility of 178.10%, risk-free rate of 4.26%, and expected dividend rate of 0%). The allocated fair value of the February Warrants on the grant date was $0.5 million and is recorded within additional paid-in capital.

On February 28, 2024, the Company issued to the Representative the Underwriter's Warrant to purchase up to 25,000 shares of Common Stock (the " *February Underwriter Warrant Shares*"). The Underwriter's Warrant is exercisable six months following the date of the Underwriting Agreement and terminates on the five-year anniversary of the date of the Underwriting Agreement. The measurement of fair value was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.05, exercise price of $3.30, term of 5 years, volatility of 178.10%, risk-free rate of 4.26%, and expected dividend rate of 0%). The allocated fair value of the Underwriter's Warrants on the grant date was $0.1 million and is recorded as a charge to additional paid-in capital.

On March 5, 2024 the Company issued Underwriter's Warrant to purchase up to 3,750 shares of Common Stock in relation to the exercise of the February Over-Allotment Option. The measurement of fair value was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.05, exercise price of $3.30, term of 5 years, volatility of 178.10%, risk-free rate of 4.12%, and expected dividend rate of 0%). The allocated fair value of the Underwriter's Warrants on the grant date was less than $0.1 million and is recorded as a charge to additional paid-in capital.

On April 19, 2024, the Company issued to the Representative the April Underwriter's Warrant to purchase up to 30,350 shares of Common Stock (the "*April Underwriter Warrant Shares*"). The April Underwriter's Warrant is exercisable six months following the date of the Underwriting Agreement and terminates on the five-year anniversary of the date of the Underwriting Agreement. The measurement of fair value was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.04, exercise price of $3.63, term of 5 years, volatility of 178.10%, risk-free rate of 4.66%, and expected dividend rate of 0%). The allocated fair value of the April Underwriter's Warrant on the grant date was less than $0.1 million and is recorded as a charge to additional paid-in capital.

On May 23, 2024 the Company issued Underwriter's Warrant to purchase up to 4,553 shares of Common Stock in relation to the exercise of the April Over-Allotment Option. The measurement of fair value was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.62, exercise price of $3.63, term of 5 years, volatility of 178.10%, risk-free rate of 4.52%, and expected dividend rate of 0%). The allocated fair value of the Underwriter's Warrants on the grant date was less than $0.1 million and is recorded as a charge to additional paid-in capital.

Alvogen Warrants

In conjunction with the amended Alvogen licensing agreement discussed in Note 6, on February 7, 2024 the Company issued warrants to purchase up to 419,598 shares of Common Stock. The warrants have an exercise price of $4.00 per share, are exercisable immediately following the date of issuance, will expire three years from the date of issuance, and may also be exercised on a cashless basis if there is no effective registration statement available for the resale of the shares of Common Stock underlying the warrants. The warrants are subject to a beneficial ownership limitation of 4.99% post-exercise, with the exception that the beneficial ownership limitation may be waived up to a maximum of 9.99% at the election of the holder, with not less than 61 days prior notice. The measurement of fair value was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $4.10, exercise price of $4.00, term of 3 years, volatility of 138.0%, risk-free rate of 4.2%, and expected dividend rate of 0.0%). The fair value of the warrants on the grant date was $1.3 million and was recorded within additional paid-in capital as of March 31, 2024. Upon termination of the Alvogen Agreement on June 21, 2024, the offsetting amount recorded within additional paid-in capital as an unfunded stock subscription receivable was expensed to research and development.

Anson Warrants

The Anson Warrants, originally issued in the Purchase Agreement, are recognized as derivative liabilities in accordance with ASC 815. The Company concluded liability classification was appropriate as certain settlement features included in the Anson Warrants are not indexed to the Company's own stock, and therefore preclude equity classification. Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercise or expiration, and any change in fair value is recognized in the Company's condensed consolidated statements of operations. The Anson Warrants were initially measured at fair value using a Black-Scholes model and have subsequently been measured based on the listed market price of such warrants. Warrant liabilities are classified as current liabilities on the Company's condensed consolidated balance sheets. On August 14, 2024, in conjunction with the issuance of the First Tranche Notes, the Company issued warrants to purchase up to 1,349,305 shares of the Company's Common Stock which were classified as a liability. The warrants have an exercise price of $2.4168 per share, subject to adjustment or other settlement provisions, and have a contractual term of five years expiring on August 14, 2029. The measurement of fair value of the Investor Warrants were determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $1.86, exercise price of $2.42, term of five years, volatility of 122%, and risk-free rate of 3.67%, and expected dividend rate of 0%). The grant date fair value of these Investor Warrants was estimated to be $2.1 million on August 14, 2024.

On October 10, 2024, in conjunction with the issuance of the Second Tranche Notes, the Company issued warrants to purchase up to 1,846,128 shares of the Company's Common Stock which were classified as a liability. The warrants have an exercise price of $1.7664 per share, subject to adjustment or other settlement provisions, and have a contractual term of five years expiring on October 10, 2029. The measurement of fair value of the Investor Warrants was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $1.38, exercise price of $1.76, term of five years, volatility of 105%, and risk-free rate of 3.91%, and expected dividend rate of 0%). The grant date fair value of these Second Tranche Investor Warrants was estimated to be $1.9 million on October 10, 2024.

On January 28, 2025, in conjunction with the issuance of the Third Tranche Notes, the Company issued warrants to purchase up to 862,699 shares of the Company's Common Stock which were classified as a liability (See Note 11). The warrants have an exercise price of $3.78 per share, subject to adjustment or other settlement provisions, and have a contractual term of five years expiring on January 28, 2030. The measurement of fair value of the Investor Warrants was determined using a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.55, exercise price of $3.78, term of five years, volatility of 113%, risk-free rate of 4.33%, and expected dividend rate of 0%). The grant date fair value of these Third Tranche Investor Warrants was estimated to be $2.5 million on January 28, 2025.

As discussed above, on January 29, 2025, in conjunction with the issuance of the RD Shares, the Company issued RD Warrants to purchase up to 1,215,278 shares of the Company's Common Stock which were classified as a liability. The RD Warrants have an exercise price of $2.88 per share and have a contractual term of five years expiring on January 29, 2030. The measurement of fair value of the RD Warrants were determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $2.07, exercise price of $2.88, term of five years, volatility of 115.8%, and risk-free rate of 4.00%). The grant date fair value of these RD Warrants was estimated to be $3.983 million on January 29, 2025. As the fair value of the liabilities exceeded the net proceeds received of $3.255 million, the Company recognized the excess of the fair value over the net proceeds received of $3.255 million as a loss upon issuance of RD Shares of $0.7 million which is included in other expense (income) in the condensed consolidated statement of operations for the period ended March 31, 2025.

As discussed above, on March 20, 2025, in conjunction with the issuance of the Consideration Shares, the Company issued Consideration Warrants to purchase up to 303,819 shares of the Company's Common Stock which were classified as a liability. The Consideration Warrants have an exercise price of $2.88 per share and have a contractual term of five years expiring on March 20, 2030.

The measurement of fair value of the Consideration Warrants were determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $2.07, exercise price of $2.88, term of five years, volatility of 115.8%, and risk-free rate of 4.00%). The grant date fair value of these Consideration Warrants was estimated to be $0.6 million on March 20, 2025.

As of March 31, 2025, the fair value of the Anson Warrants was $9.9 million. The Company recognized a gain on the change in fair value of The Anson Warrant for the three months ended March 31, 2025 of approximately $2.9 million. Refer to Note 11 for discussion of the fair value measurement of the Company's warrant liabilities.

The following table provides the activity for all warrants for the respective periods.

	Total Warrants	Weighted Average Remaining Term	Weighted Average Exercise Price	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2023	3,321,499	3.91	$ 23.01	$ 180
Issued	3,948,484	4.71	2.04	—
Expired	(96,417)	—	—	—
Outstanding as of December 31, 2024	7,173,766	3.77	$ 17.20	$ 80
Issued	2,381,796	5.00	2.86	—
Expired	—	—	—	—
Outstanding as of March 31, 2025	9,555,562	3.85	$ 8.52	$ 52

10. Stock-Based Compensation

2016 Omnibus Incentive Plan

Prior to the Merger, NRx maintained its 2016 Omnibus Incentive Plan (the "*2016 Plan*"), under which NeuroRx granted incentive stock options, restricted stock awards, other stock-based awards, or other cash-based awards to employees, directors, and non-employee consultants. The maximum aggregate shares of Common Stock that were subject to awards and issuable under the 2016 Plan was 347,200.

In connection with the Merger, each option of NeuroRx that was outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) was assumed by BRPA and converted into an option to acquire an adjusted number of shares of Common Stock at an adjusted exercise price per share, based on the Exchange Ratio (of 0.316:1).

Upon the closing of the Merger, the outstanding and unexercised NeuroRx stock options became options to purchase an aggregate 289,542 shares of the Company's Common Stock at an average exercise price of $51.00 per share.

2021 Omnibus Incentive Plan

As of March 31, 2025, 1,050,809 shares of Common Stock are authorized for issuance pursuant to awards under the Company's 2021 Omnibus Incentive Plan (the "*2021 Plan*"). As of January 1, 2024, 83,920 shares were added to the 2021 Plan under an evergreen feature that automatically increases the reserve with additional shares of Common Stock for future issuance under the Incentive Plan each calendar year, beginning January 1, 2022 and ending on and including January 1, 2031, equal to the lesser of (A) 1% of the shares of Common Stock outstanding on the final day of the immediately preceding calendar year or (B) a smaller number of shares determined by the Board. On December 28, 2023 the first amendment to the 2021 Omnibus Plan was executed which increased the maximum number of shares (i) available for issuance under the Plan, by an additional 200,000 shares, and (ii) that may be delivered pursuant to the exercise of Incentive Stock Options granted under the Plan to be equal to 100% of the Share Pool. As of March 31, 2025, an aggregate 620,099 shares have been awarded net of forfeitures, and 430,710 shares remain available for issuance under the 2021 Plan. The 2021 Plan permits the granting of incentive stock options, restricted stock awards, other stock-based awards or other cash-based awards to employees, directors, and non-employee consultants.

Option Awards

The fair value of each employee and non-employee stock option grant is estimated on the date of grant using the Black-Scholes option-pricing model. The Company is a public company and has limited company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the limited company-specific historical volatility and implied volatility. The expected term of the Company's stock options for employees has been determined utilizing the "simplified" method for awards. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve. Expected dividend yield is zero based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future. Additionally, certain options granted contain terms that require all unvested options to immediately vest a) upon the approval of an NDA by the FDA for NRX-101, or b) immediately preceding a change in control of the Company, whichever occurs first.

The Company issued 50,000 stock options during the three or three months ended March 31, 2025. These shares have a vesting term of three years, an expiration date of ten years from the grant date, and were valued at approximately $0.1 million as of the grant date.

The following table summarizes the Company's employee and non-employee stock option activity under the 2021 Plan for the following periods:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in thousands)
Outstanding as of December 31, 2023	264,983	$ 18.30	7.7	$ 75
Options granted	—	—	—	—
Forfeited/Expire	(143,150)	—	—	—
Outstanding as of December 31, 2024	121,833	22.36	7.0	—
Options granted	50,000	2.94	3.0	
Forfeited/Expire	(5,000)	—	—	—
Outstanding as of March 31, 2025	166,833	—	—	—
Options vested and exercisable as of March 31, 2025	119,661	$ 22.77	6.84	$ —

Stock-based compensation expense related to stock options was $0.1 million and $0.4 million for the three months ended March 31, 2025 and 2024, respectively.

At March 31, 2025, the total unrecognized compensation related to unvested employee and non-employee stock option awards granted, was $0.1 million, which the Company expects to recognize over a weighted-average period of approximately 2.71 years.

Restricted Stock Awards

The following table presents the Company's Restricted Stock Activity:

	Awards	Weighted Average Grant Date Fair Value
Balance as of December 31, 2023 (unvested)	124,166	$ 5.20
Granted	—	
Vested	(90,833)	$ 4.64
Forfeited	(33,333)	$ 5.20
Balance as of December 31, 2024 (unvested)	—	—
Granted	—	
Vested	—	$ —
Forfeited	—	$ —
Balance as of March 31, 2025 (unvested)	—	—

On July 12, 2022, the Board granted an award of 100,000 restricted shares of the Company ("*Restricted Stock*") as an inducement to the newly appointed CEO, pursuant to a separate Restricted Stock Award Agreement (the "*RSA*"). The Restricted Stock will vest in approximately equal installments over three (3) years from the grant date, subject to continued service through the applicable vesting date.

On December 28, 2023, the Company granted 57,500 RSAs to a consultant for services provided. The RSAs will vest after six months from the grant date. The shares were valued on the grant date based on the quoted price of $4.60 or approximately $0.3 million which will be amortized over the vesting term.

Stock-based compensation expense related to RSAs was $0.0 million and $0.2 million for the three months ended March 31, 2025 and 2024, respectively.

In October 2024, the Company's CEO announced his resignation and as a result, all unvested RSAs were forfeited. Accordingly, the Company does not expect to recognize any further stock-based compensation expense for the balance of unvested RSAs as of December 31, 2024.

The following table summarizes the Company's recognition of stock-based compensation for the following periods (in thousands):

	Three months ended March 31,	
	2025	2024
Stock-based compensation expense		
General and administrative	$ 12	$ 211
Research and development	—	31
Total stock-based compensation expense	$ 12	$ 242

11. Fair Value Measurements

Fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management as of and during the three months ended March 31, 2025 and 2024. The carrying amount of accounts payable approximated fair value as they are short term in nature. The fair value of stock options and warrants issued for services, and warrants issued with the Convertible Notes are estimated based on the Black-Scholes model. The fair value of the convertible notes payable was estimated utilizing a Monte Carlo simulation.

Fair Value on a Recurring Basis

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. The estimated fair value of the money market account represents a Level 1 measurement. The estimated fair value of the warrant liabilities and convertible note payable represent Level 3 measurements. The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis at March 31, 2025 and December 31, 2024, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value (in thousands):

Description	Level	March 31, 2025	December 31, 2024
		(Unaudited)	
Assets:			
Money Market Account	1	$ 240	$ 487
Liabilities:			
Warrant liabilities (Note 9)	3	$ 9,852	$ 5,639
Convertible note payable (Note 7)	3	$ 8,397	$ 6,257

Convertible Note Payable - Streeterville

The significant inputs used in the Monte Carlo simulation to measure the Streeterville note liability that is categorized within Level 3 of the fair value hierarchy are as follows:

	March 31, 2024
Stock price on valuation date	$ 4.70
Time to expiration	0.42
Note market interest rate	16.5%
Equity volatility	135.0%
Volume volatility	575%
Risk-free rate	5.40%
Probability of default	14.2%

During the year ended December 31, 2024, the Streeterville Note was repaid in full and the outstanding balance was $0 as of December 31, 2024.

The following table sets forth a summary of the changes in the fair value of the Streeterville Note categorized within Level 3 of the fair value hierarchy (in thousands):

Fair value of the Note as of December 31, 2023	$ 9,161
Conversions and repayments of principal and interest (shares and cash)	(2,700)
Fair value adjustment through earnings	318
Fair value adjustment through accumulated other comprehensive loss	—
Fair value of the Note as of March 31, 2024	$ 6,779
Convertible note payable - current portion	$ 6,779
Convertible note payable, net of current portion	$ —

Convertible Note Payable - Anson

The significant inputs used in the Monte Carlo simulation to measure the Anson note liability that is categorized within Level 3 of the fair value hierarchy are as follows:

	March 31, 2025
Stock price on valuation date	$2.05
Time to expiration	0.79 – 1.08
Cost of debt	13.21%
Equity volatility	120.2% - 139.2%
Risk-free rate	4.08%
Probability of credit default prior to maturity	0%

The following table sets forth a summary of the changes in the fair value of the Anson Note categorized within Level 3 of the fair value hierarchy (in thousands):

Fair value of Anson Notes as of December 31, 2024	$	6,257
Fair value of Anson III Note at issuance		2,522
Conversion and repayments of principal and interest (shares)		(1,347)
Fair value adjustment through earnings		965
Fair value of Anson Notes as of March 31, 2025	$	8,397
Convertible note payable - current portion	$	8,397
Convertible note payable, net of current portion	$	—

Warrant Liabilities

The Company utilizes a Black-Scholes model approach to value its liability-classified warrants at each reporting period, with changes in fair value recognized in the condensed consolidated statements of operations. The estimated fair value of the warrant liabilities is determined using Level 3 inputs. There were no transfers between levels within the fair value hierarchy during the periods presented. Inherent in a Black Scholes options pricing model are assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its Common Stock based on historical volatility that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates remaining at zero.

The weighted-average significant inputs used in the Black-Scholes model to measure the warrant liabilities that are categorized within Level 3 of the fair value hierarchy are as follows:

	March 31,		
	2025		2024
Stock price on valuation date	$2.05	$	4.70
Exercise price per share	$1.76 – 3.78	$	115.00
Expected life	4.37 – 4.83		2.15
Volatility	113.30% – 124.5%		178.1%
Risk-free rate	3.95% – 4.16%		4.56%
Dividend yield	0.00%		0.00%
Fair value of warrants	$1.55 – 2.05	$	1.90

A reconciliation of warrant liabilities is included below (in thousands):

Balance as of December 31, 2023	$	17
Loss upon re-measurement		9
Balance as of March 31, 2024	$	26
Balance as of December 31, 2024	$	5,639
Initial recognition of issuance of warrants		7,109
Change in fair value of warrant liabilities		(2,896)
Balance as of March 31, 2025	$	9,852

12. Segment Reporting

The Company operates as a single operating and reportable segment, consistent with the manner in which the Chief Executive Officer, designated as the Chief Operating Decision Maker ("*CODM*") of the Company, evaluates the Company's performance and allocates resources. The Company's operations solely consist of the development of novel therapeutics for the treatment of central nervous system disorders including suicidal depression, chronic pain, and post-traumatic stress disorder ("*PTSD*") and now schizophrenia.

The Company did not generate any revenue during the three months ended March 31, 2025 or the year ended December 31, 2024. The CODM evaluates performance based on operating expenses and monitors key expense categories related to the Company's research and development activities, as well as general and administrative functions. As the Company is currently in the pre-revenue phase, the associated expenses above are drivers.

The CODM does not separately evaluate performance by geographic region or product line, as the Company has not yet commenced commercial operations and has limited operations due to the current liquidity and funding of the Company. The Company's operations are conducted solely within the United States of America.

Significant Segment Information

All of the Company's assets relate to this single operating segment, see the accompanying balance sheets.

All of the Company's operating expenses, which consists of research and development and general and administrative expenses, relate to this single operating segment, see the accompanying statements of operations.

The following table reconciles the loss from operations to total loss:

	For the three months ended March 31,	
Expense Category	**2025**	**2024**
Loss from operations	$ (3,847)	$ (5,998)
Interest income	(4)	(27)
Interest expense	—	230
Change in fair value of convertible notes payable	965	318
Change in fair value of warrant liabilities	(2,896)	9
Loss on issuance of Registered Direct Offering common shares	730	—
Loss on convertible note redemptions	1,593	—
Loss on Considerations Shares and Warrants	1,277	—
Net loss	$ (5,512)	$ (6,528)

Long-lived assets consist of property, plant, and equipment, net which are included in other assets in the balance sheet as they are not material. Long-lived assets by year are as follows:

	March 31, 2025	**December 31, 2024**
Computers, cost	$ 29	$ 29
Accumulated depreciation	(20)	(19)
Total equipment	$ 9	$ 10

13. Income Taxes

The Company recorded no provision or benefit for income tax expense for the three months ended March 31, 2025 and 2024, respectively.

For all periods presented, the pretax losses incurred by the Company received no corresponding tax benefit because the Company concluded that it is more likely than not that the Company will be unable to realize the value of any resulting deferred tax assets. The Company will continue to assess its position in future periods to determine if it is appropriate to reduce a portion of its valuation allowance in the future.

The Company has no open tax audits with any taxing authority as of March 31, 2025.

14. Related Party Transactions

Glytech Agreement

The Company licenses patents that are owned by Glytech, LLC ("*Glytech*"), pursuant to a license agreement (the "*Glytech Agreement*"). Glytech is owned by Daniel Javitt, a co-founder and former director of the Company. The Glytech Agreement requires that the Company pay Glytech for ongoing scientific support and also reimburse Glytech for expenses of obtaining and maintaining patents that are licensed to the Company. During the three months ended March 31, 2025 and 2024, the Company paid Glytech $0.1 million and $0.1 million, respectively, for continuing technology support services and reimbursed expenses. These support services are ongoing.

The Fourth Amendment to the Glytech Agreement, effective as of December 31, 2020, includes an equity value-triggered transfer of Excluded Technology from Glytech to the Company. The Excluded Technology is defined in the Glytech Agreement as any technology, and any know-how related thereto, covered in the licensed patents that do not recite either D-cycloserine or lurasidone individually or jointly. This definition would cover pharmaceutical formulations, including some that the Company considers "pipeline" or "future product" opportunities, that contain a combination of pharmaceutical components different from those contained in NRX-100 and NRX-101. On November 6, 2022 the Glytech Agreement was amended whereby Glytech agreed to transfer and assign the remainder of the Licensed Technology and the Excluded Technology to the Company for no additional consideration at any time upon receipt of written notice from the Company if, on or prior to March 31, 2024, (i) the value of the Glytech equity holdings in the Company (the "*Glytech Equity*") has an aggregate liquidity value of at least $50 million for twenty (20) consecutive trading days immediately preceding any given date and (ii) there are no legal or contractual restrictions on selling all of the securities represented by the Glytech Equity then applicable to Glytech (or reasonably foreseeable to be applicable to Glytech within the following twenty trading days).

Consulting Agreement with Dr. Jonathan Javitt

The Chief Scientist of the Company, Dr. Jonathan Javitt, is a major shareholder in the Company and a member of the Board of Directors. Therefore, his services are deemed to be a related party transaction. He served the Company on a full-time basis as CEO under an employment agreement with the Company until March 8, 2022 and currently serves under a Consulting Agreement with the Company as Chief Scientist thereafter and received compensation of $0.1 million and $0.2 million during the three months ended March 31, 2025 and 2024, respectively.

On March 29, 2023, the Consulting Agreement dated March 8, 2022 (the "*Javitt Consulting Agreement*") between the Company and Dr. Jonathan Javitt was amended to extend the term of the Agreement until March 8, 2024 with automatic annual renewals thereafter unless one party or the other provides notice of non-renewal. The amendment also provided for payment at the rate of $0.6 million per year, payable monthly (i.e., less than $0.1 million per month), and a performance-based annual bonus with a minimum target of $0.3 million, at the discretion of the Board and upon satisfactory performance of the services. The annual discretionary bonus for 2023, if any, may be approved by the board in 2024 and is payable in March 2024, will be pro-rated from the start of the extension period and is subject to Dr. Javitt's continued engagement by the Company. The annual discretionary bonus for 2024, if any, may be approved by the board in 2025 and is payable in March 2025, will be pro-rated from the start of the extension period and is subject to Dr. Javitt's continued engagement by the Company. As of March 31, 2025 and December 31, 2024, the annual discretionary bonus of $0.2 million and $0.2 million is accrued and included within accrued and other current liabilities on the condensed consolidated balance sheets, respectively.

The Javitt Amendment also provides, subject to the approval of the Board of Directors, for a grant of 50,000 shares of restricted stock of the Company under the Company's 2021 Omnibus Incentive Plan. The restrictions are performance based, and half of the restricted shares (25,000) shall have the restrictions removed on the New Drug Application Date (as defined below) and the remaining half (25,000) will have the restrictions removed on the New Drug Approval Date (as defined below). As of March 31, 2025, the Board of Directors has not approved the grant of restricted stock.

The term "New Drug Application Date" means the date upon which the FDA files the Company's new drug application for the Antidepressant Drug Regimen (as defined below) for review. The term "New Drug Approval Date" means date upon which the FDA has both approved the Company's Antidepressant Drug Regimen and listed the Company's Antidepressant Drug Regimen in the FDA's "Orange Book". The term "Antidepressant Drug Regimen" means NRX-101, a proprietary fixed-dose combination capsule of d-cycloserine and Lurasidone, administered for sequential weeks of daily oral treatment following patient stabilization using a single infusion of NRX-100 (ketamine) or another standard of care therapy.

Consulting Agreement with Zachary Javitt

Zachary Javitt is the son of Dr. Jonathan Javitt. Zachary Javitt provides services related to website, IT, and marketing support under the supervision of the Company's CEO who is responsible for assuring that the services are provided on financial terms that are at market. The Company paid this family member a total of $0.1 million and $0.1 million during the three months ended March 31, 2025 and 2024, respectively. These services are ongoing.

Included in accounts payable were $0.2 million and less than $0.1 million and less than $0.1 million due to the above related parties as of March 31, 2025 and December 31, 2024, respectively.

15. Subsequent Events

On April 17, 2025, the Company increased the maximum aggregate offering price of the shares of the Company's common stock, par value $0.001 per share issuable under that certain At the Market Offering Agreement, as amended with H.C. Wainwright & Co., LLC, dated August 14, 2023, to $20,000,000 and filed a prospectus supplement under the Offering Agreement for an aggregate of $20,000,000. Prior to the date hereof, the Company sold shares of Common Stock having an aggregate sales price of approximately $2.0 million under the Offering Agreement. The Company sold 64,263 shares of Common Stock with an aggregate sales price of approximately $0.1 million under the Offering Agreement subsequent to the quarter ended March 31, 2025.

On May 9, 2025, in furtherance of the Company's previously announced plans for its subsidiary, HOPE Therapeutics, Inc. ("*Hope*"), to develop a national network of precision psychiatry clinics, Hope and its wholly-owned subsidiary, HTX Management Company, LLC ("*HTX*", and collectively with Hope, the "*Subsidiaries*"), entered into an Asset Purchase and Contribution Agreement (the "*Kadima Purchase Agreement*"), with Kadima Neuropsychiatry Institute, Medical Corp. ("*Kadima Medical*"), Kadima Holdings, Inc. ("*Kadima Holdings*"), and David Feifel, M.D., PH.D ("*Feifel*", and collectively with Kadima Medical and Kadima Holdings, "*Kadima*"). The entry into the Kadima Purchase Agreement follows the entry into that certain Membership Interest Purchase and Contribution Agreement (the "*Dura Purchase Agreement*"), dated March 29, 2025, by and among the Subsidiaries, Dura Medical, LLC, and Stephen Durand, CRNA, APRN. As of the date of this Report, the transactions contemplated by each of the Kadima Purchase Agreement and the Dura Purchase Agreement have not yet been consummated.

The Kadima Purchase Agreement contains representations, warranties and covenants of the Company and Kadima that are customary for a transaction of this nature, including among others, covenants by Kadima regarding the validity of certain material contracts entered into between Kadima and third-parties being assigned to the Subsidiaries, title to the assets being sold by Kadima, the condition and sufficiency of the assets being purchased, and Kadima's rights to its intellectual property, tax liabilities, and the investment representations of Kadima.

The Purchase Agreement also contains customary indemnification provisions whereby Kadima will indemnify the Company for certain losses arising out of inaccuracies in, or breaches of, the representations, warranties and covenants of Kadima, pre-closing taxes of Kadima, and certain other matters, subject to certain caps and thresholds.

The foregoing description of the Kadima Purchase Agreement does not purport to be complete and is qualified in its entirety by the full text of the Kadima Purchase Agreement, a copy of which is filed as Exhibit 10.6 hereto and is incorporated by reference herein. The Kadima Purchase Agreement has been attached to provide investors with information regarding its terms. It is not intended to provide any other factual information about the Subsidiaries or Kadima. In particular, the assertions embodied in the representations and warranties contained in the Purchase Agreement are qualified by information in the confidential disclosure schedules (the "*Disclosure Schedules*") provided by Kadima in connection with the consummation of the transactions contemplated by the Kadima Purchase Agreement. These Disclosure Schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties and certain covenants set forth in the Kadima Purchase Agreement. Moreover, certain representations and warranties in the Kadima Purchase Agreement were used for the purposes of allocating risk between the Subsidiaries and Kadima, rather than establishing matters of fact. Accordingly, the representations and warranties in the Kadima Purchase Agreement should not be relied on as characterization of the actual state of facts regarding the Subsidiaries and/or Kadima.

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

You should read the following discussion and analysis of NRx Pharmaceuticals' financial condition and plan of operations together with NRx Pharmaceuticals' condensed consolidated financial statements and the related notes appearing elsewhere herein. In addition to historical information, this discussion and analysis contains forward looking statements that involve risks, uncertainties and assumptions. NRx Pharmaceuticals' actual results may differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section entitled "Risk Factors" included elsewhere herein. All references to "Note," followed by a number reference from 1 to 14 herein, refer to the applicable corresponding numbered footnotes to these condensed consolidated financial statements.

Overview

NRx Pharmaceuticals, Inc. (Nasdaq: NRXP) ("*NRx*", the "*Company*", "we", "us" or "our") is a clinical-stage bio-pharmaceutical company which develops and will distribute, through its wholly-owned operating subsidiary, NeuroRx, Inc. ("*NeuroRx*"), novel therapeutics for the treatment of central nervous system disorders including suicidal depression, chronic pain, and post-traumatic stress disorder ("*PTSD*") and now schizophrenia. All of our current drug development activities are focused drugs that modulate on the N-methyl-D-aspartate ("*NMDA*") receptor in the brain and nervous system, a neurochemical pathway that has been disclosed in detail in our annual filings. The Company has two lead drug candidates that are expected to be submitted during the second quarter of 2025 for Food and Drug Administration ("*FDA*") approval with anticipated FDA decision dates under the Prescription Drug User Fee Act ("*PDUFA*") by year end 2025: NRX-101, an oral fixed dose combination of D-cycloserine and lurasidone and NRX-100, a preservative-free formulation of ketamine for intravenous infusion. In February 2024, NRx incorporated HOPE Therapeutics, Inc. ("HOPE"), a medical care delivery organization focused on interventional psychiatric treatment of the above conditions with NMDA-targeted and other psychedelic drugs, neuromodulatory devices, such as Transcranial Magnetic Stimulation ("TMS"), digital therapeutics, and medication management.

NeuroRx is organized as a traditional research and development ("R&D") company, whereas HOPE is organized as a medical care delivery company intended to own and/or operate clinics that serve patients with suicidal depression, PTSD, and other serious Central Nervous System ("CNS") disorders.

Fiscal 2024 and the first quarter of 2025 marked a period of both expansion and change for NRx. Throughout this time, the Company implemented a restructuring of its leadership to address challenges related to capital formation, clinical trial enrollment, and corporate development. These efforts led to measurable achievements throughout 2024 and the first quarter and positioned the Company for growth and the achievement of our development objectives in 2025. Management's plan, through the establishment of HOPE, is to transform NRx from a pre-revenue biotechnology company to a revenue-generating enterprise that continues to develop life-saving drugs and technologies through NRx, while also treating patients through HOPE.

During the first quarter of 2025 and in the subsequent period, key achievements by the Company include the following:

- Completed formulation and stability assessment of its proprietary preservative-free ketamine product (NRX-100) with results sufficient to apply to the US Food and Drug Administration for three years of room temperature shelf stability, the maximum labeled shelf life allowed for sterile, injectable products

- Filed an application with the United States Patent and Trademark Office ("USPTO") for NRX-100, our proprietary, preservative free form of IV Ketamine; the patent application was based on extensive prior art suggesting that preservatives, such as benzethonium chloride, were needed to maintain long-term stability and sterility of ketamine products.

- Received notice of a filing fee waiver from the Food and Drug Administration ("FDA") for the planned NRX-100 New Drug Application;

- Entered into a strategic advisory agreement with BTIG, Inc. (BTIG) to support the identification and acquisition of interventional psychiatry clinics to form the initial HOPE Therapeutics network, targeting total revenues on a pro-forma basis of $100 million by year-end 2025.

- Identified and negotiated acquisition agreements with three clinical entities (as identified below) estimated to represent approximately $15 million in pro-forma revenues with targeted closing in the second quarter of 2025.

- Identified and entered into negotiations with four additional clinical entities (not yet identified) estimated to represent $20 million in potential pro-forma revenue with targeted closing in the third quarter of 2025.

- Executed definitive agreements to acquire the non-clinical assets of Kadima Neuropsychiatry Institute, which is expected to serve as the clinical model for treatment offerings in HOPE-acquired clinics and expected to continue its role as a leading investigative site for research into neuroplastic therapies including psychedelic medications, transcranial magnetic stimulation (TMS), and hyperbaric therapy;

- Executed definitive agreement to acquire Dura Medical, a foundational clinic in Florida, which is expected to support and drive the acquisition of additional HOPE clinics to achieve critical mass in the region;

- Executed a binding letter of intent to acquire a majority interest in NeuroSpa TMS Holdings, LLC, an operator of multiple clinics on the west coast of Florida

- Executed a term sheet for $7.8 million in debt financing to support acquisition of HOPE Therapeutics clinics

- Executed term sheet for a strategic investment in an amount of $2.5 million;

- Completed the third tranche of a convertible note offering and registered direct equity offering to institutional investors on favorable terms to the

Company expected to provide sufficient cash to support operations through the end of 2025.

Development of NRX-101 for Suicidal Treatment-Resistant Suicidal Bipolar Depression

On May 5, 2024, the Company announced final data from the recently completed phase 2b/3 trial of NRX-101 in suicidal bipolar depression, with a significantly improved safety profile as demonstrated by a statistically significant reduction in akathisia, an adverse event considered by many experts to be a precursor to suicide. Given the vital need for safer medications in this at-risk population, we plan to submit an NDA to the US FDA for treatment of bipolar depression patients at risk of akathisia, based on these data as well as additional data from our STABIL-B trial.

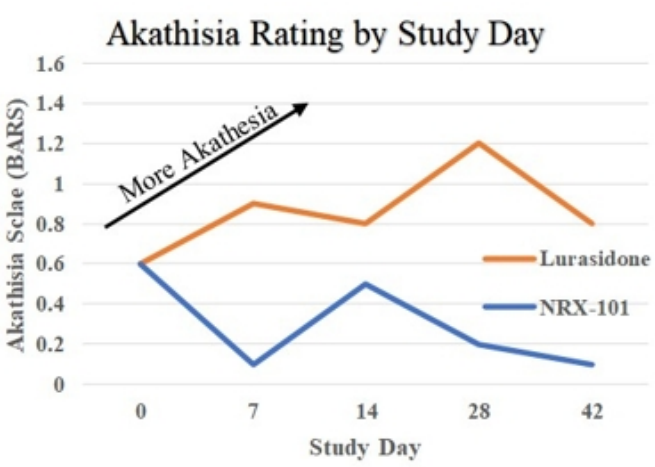
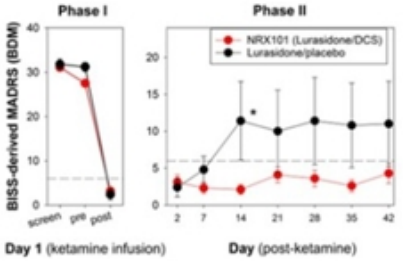


Figure 1: Akathisia rating by study day: A consistent effect is seen commencing at the first post-randomization visit and continued throughout the study (Mixed Model Repeated Measures Regression Effect size =.37; P=0.025).

Trial participants had identical mean scores on the BARS at baseline with subsequent decrease in the NRX-101 treated group versus an increase in the lurasidone-treated group, yielding a 76% relative mean difference between the groups. The difference was apparent at the first post-randomization visit and continued throughout the trial. (Fig 1) Over the 42 days of observation, an effect size of .37 was identified with a statistically significant P value of 0.025 on the Mixed Model for Repeated Measures methodology agreed to with FDA in the 2018 Special Protocol Agreement. Akathisia as ascertained by a 1 point increase in the BARS was seen in 11% of participants randomized to lurasidone (comparable to previous reports in the literature) and seen in only 2% of those treated with NRX-101, an akathisia level that was previously reported for the placebo arm of the lurasidone registration trial.

Akathisia was a prespecified key safety endpoint of the Company's clinical trial. Hence this finding is not a "post-hoc" observation. As previously noted, this clinical trial of 91 participants with suicidal bipolar depression who were not pre-treated with ketamine demonstrated that NRX-101 and lurasidone were comparable in their antidepressant effect. A 33% but statistically non-significant sustained decrease in suicidality was also seen favoring NRX-101. As noted above, improved antidepressant efficacy is not required to seek drug accelerated drug approval based on a statistically-significant safety benefit.

The results released on May 24 are consistent with and amplify the results of the Company's previously published STABIL-B trial (Fig 2 below). In both trials a meaningful reduction in Akathisia was seen, which was statistically significant in the current trial (P<.025) and near significant (P=0.11) in the STABIL-B with similar effect sizes The STABIL-B additionally demonstrated a statistically-significant reduction in suicidality on the Columbia Suicide Severity Rating Scale (C-SSRS).



	Efficacy Measures: Repeated Measures Mixed Model LS Mean Differences							
	Through Day 28				Through Day 42			
	LOCF No		LOCF yes		LOCF No		LOCF yes	
MADRS Depression	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value
Score	-4.0	0.09	-7.7	0.03	-3.7	0.04	-7.7	0.04
Suicidality Rating	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value
Scale C-SSRS	-0.5	NS	-1.3	0.04	-0.6	NS	-1.5	0.02
Clinical Global	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value	LS Mean Δ	p-value
Impression CGI-SS	-0.4	NS	-2.9	0.05	-0.6	NS	-2.9	0.02

1 Nierenberg A, Lavin P, Javitt DC, et. al. NRX-101 vs lurasidone for the maintenance of initial stabilization after ketamine in patients with severe bipolar depression with acute suicidal ideation and behavior; a randomized prospective phase 2 trial. Int J Bipolar Dis 2023;11:28-38, doi.org/10.1186/s40345-023-00308-5.

Reduced suicidality associated with the administration of D-cycloserine has additionally been demonstrated by Chen and Coworkers.

Figure 2: Results from published STABIL-B Trial

Incorporation of HOPE Therapeutics and progress towards an NDA for HTX-100 (IV ketamine) in the treatment of suicidal depression

In the first quarter of fiscal 2024, the Company incorporated HOPE Therapeutics as a wholly-owned subsidiary and engaged its auditors who in August 2024 completed an audit of its financial statements which will be necessary for the intended spin-off of HOPE to the Company's shareholders. Intravenous ketamine has now become a standard of care for acute treatment of suicidal depression, in the absence of an FDA-labeled product. Intranasal Esketamine is approved by the FDA (SPRAVATO®), but has not demonstrated a benefit on suicidality and is not approved for use in patients with bipolar depression. Attempts to use intranasal racemic ketamine for suicidal depression have failed.

The Company has formed data-sharing partnerships to license clinical trial data from a French Government-funded trial and two National Institute of Health (NIH)-funded trials all of which demonstrate efficacy of racemic Intravenous ketamine against depression and two of which demonstrate statistically significant benefit vs suicidality. The Company's role is to reformat these data into the required presentation required for review by the FDA.

In contrast to nasal ketamine, Intravenous racemic ketamine demonstrates dramatic and immediate reduction of suicidality in patients with both Major Depressive Disorder and Bipolar Depression. Grunebaum and colleagues demonstrated a rapid and statistically significant reduction in Suicidal Ideation at day 1 (p=0.0003) and in depression (P=0.0234), as measured by the Profile of Mood States among patients randomized to IV Ketamine compared to those randomized to midazolam. This trial was published in the American Journal of Psychiatry . Abbar and colleagues similarly published 84% remission from suicidality on the C-SSRS in patients treated with ketamine, vs. 28% in those treated with placebo (P<.0001). This trial was published in the British Medical Journal.

In November 2023, the Company initiated manufacture of ketamine together with Nephron Pharmaceuticals, Inc. to develop a single patient presentation of ketamine. Stability and sterility data deemed sufficient to establish three year room temperature shelf life were obtained. Demonstrating the ability to manufacture drug product, and prove its stability, are critical components of the drug approval process with the US FDA.

A long-term challenge with ketamine is that the current formulation (KETALAR®) is highly acidic. While it is suitable for intravenous use, it cannot be administered subcutaneously. In March 2024 the Company demonstrated the formulation of a pH neutral patentable form of IV ketamine that it anticipates will have widespread applicability both in treatment of depression and chronic pain.

Treatment of Urinary Tract Infection ("*UTI*") and Urosepsis:

Although treatment of UTI is quite different from use of NRX-101 to treat Central Nervous System disorders, D-cycloserine was originally developed as an antibiotic because of its role in disrupting the cell wall of certain pathogens. During Q3 2023, NRx tested NRX-101 and its components against resistant pathogens that appear on the Congressionally mandated QIDP list and proved in vitro effectiveness against antibiotic-resistant *E. coli, Pseudomonas, and Acinetobacter.* Accordingly, NRx was granted QIDP designation, Fast Track Designation, and Priority Review by the US FDA in January 2024.

In recent years, increased antibiotic resistance to common pathogens that cause urinary tract infections and urosepsis (i.e., sepsis originating in the urinary tract) has resulted in a marked increase in cUTI, hospitalization, and death from urosepsis. The US Center for Disease Control and Prevention reports that more than 1.7 million Americans contract sepsis each year, of whom at least 350,000 die during their hospitalization or are discharged to hospice (CDC Sepsis Ref.). There are approximately three million patients per year who contract cUTI in the U.S. annually (Lodise, et. al.). Additionally, should NRX-101 succeed in clinical trials, the Company will consider developing a follow-on product that is anticipated to achieve another 20 years of patent exclusivity.

A key challenge in the treatment of cUTI is the tendency of advanced antibiotics to cause C. Difficile infection, which is fatal in 10% of those who contract it over the age of 65 and results in prolonged hospitalization in many more. The Company recently announced data demonstrating that NRX-101 does not compromise the intestinal microbiome, unlike common antibiotics including Clindamycin and Ciprofloxacin. Should these findings be documented in human patients, NRX-101 would represent the only treatment for cUTI that does not cause *C. Difficile* infection.

Recent Developments

Financing

We consummated a series of financing agreements with an institutional investor for up to $16.3 million in debt capital, for which we closed on $10.9 million in 2024 and an additional $5.4 million during the first quarter of 2025. We also closed $3.5 million in an above-market registered direct common stock and warrant offering during the first quarter of 2025. We executed a term sheet with a publicly-traded strategic investor to provide additional capital to support the expansion of HOPE clinics. In addition, management is negotiating with several commercial lenders to provide additional financing to support the acquisition of additional clinics on standard commercial loan terms. Although no assurances can be given, and assuming we're able to consummate the proposed financings, management believes that we will have sufficient financing to consummate our previously announced acquisitions, execute our business plan and achieve our projected revenue objectives.

Drug Development

- We filed module 3 (manufacturing) of our NDA for NRX-100 (preservative-free sterile ketamine) in a tamper-resistant, diversion resistant packaging presentation. NRX-100 was previously granted Fast Track Designation by FDA in combination with use of NRX-101. Ketamine efficacy data is in hand from four clinical trials. Three manufacturing lots are now completed with filed stability data suitable for shelf life exceeding two years at room temperature. The anticipated PDUFA date for this settlement is prior to December 30, 2025. We also anticipate filing an Abbreviated New Drug Application ("*ANDA*") for the use of preservative-free ketamine in all currently-indicated clinical applications.

- We are engaged in the filing of a New Drug Application ("*NDA*"), which we anticipate filing during the second quarter of 2025, for Accelerated Approval under Breakthrough and Priority Review of NRX-101 in treatment of bipolar depression in people at risk of akathisia, based on the Phase 2b/3 and STABIL-B data. Three manufacturing lots are now completed with more than 24 months of room temperature shelf-stability. The anticipated PDUFA date for this application is prior to December 31, 2025. Work is ongoing to prepare the module 3 manufacturing section documenting our transition from manufacturing at WuXi Apptec in Shanghai to manufacturing of NRX-101 in North Carolina with manufacture of three commercial lots.

- We accepted a non-binding offer from a commercial pharmaceutical company to license and distribute NRX-100 (preservative-free ketamine) that provides for $325 million in potential milestones plus a sliding scale royalty that ranges from 11% - 16% of sales.

- We initiated development of and plan to file a citizen's petition with the FDA to remove benzethonium chloride, a known neurotoxic substance from presentations of ketamine intended for intravenous use. Management believes that the preservative-free feature of NRX-100 will be deemed of benefit to patients because of the known toxicity of benzethonium chloride in current generic products.

- As a next-generation product, we developed a novel, patentable pH neutral formulation for ketamine (designed as HTX-100) that will be suitable for both intravenous and subcutaneous administration. Initial laboratory lots demonstrate shelf stability and ongoing stability is being assessed. Ketamine in its current commercial presentations cannot be administered subcutaneously because of its high acidic (pH 3.5-4.0) properties, an acidity range that is known to cause pain and skin ulcers. We anticipate long-term patent protection on this novel product. This product is expected to undergo clinical testing in 2025/2026 and be ready for FDA approval in 2027.

- NRX-101 in the treatment of Complicated Urinary Tract Infection ("*cUTI*") was granted Qualified Infectious Disease Product ("*QIDP*"), Fast Track, and Priority Review designations in 2024. We have now demonstrated that NRX-101 does not damage the microbiome of the gut, in contrast to all other advanced antibiotics and is less likely to cause C. Difficile infection (a potentially lethal side effect of antibiotic treatment). NRx is reviewing partnership options.

- We executed a Memorandum of Understanding with Foundation FundaMental for rights to develop a potential disease modifying drug for schizophrenia, autism, and acute mania. If successful, this would represent the first drug to reverse the underlying disease mechanism of these conditions, rather than simply treating symptoms.

- We filed an application with the United States Patent and Trademark Office ("USPTO") for NRX-100, our proprietary, preservative-free form of IV Ketamine; the patent application was based on extensive prior art suggesting that preservatives, such as benzethonium chloride, were needed to maintain long-term stability and sterility of ketamine products.

- We received notice of a filing fee waiver from the Food and Drug Administration ("FDA") for the planned NRX-100 New Drug Application.

HOPE Therapeutics

- We partnered with representatives of ketamine clinic operators to construct a care platform that will include ketamine, operational support, and digital therapeutic extensions. In advance of FDA approval, HOPE anticipates that it will supply ketamine under 503b pharmacy licensure to meet the national ketamine shortage declared by FDA.

- We signed two definitive agreements and one binding letter of intent to acquire precision psychiatry centers, the closing of which is subject to certain conditions. Although no assurances can be given, we are also currently negotiating the terms for the acquisition of six additional psychiatry centers, which are subject to due diligence review and execution of a letter of intent. Upon closing, the acquisitions will form the foundation for the development of HOPE to achieve our objective of creating a national network offering interventional psychiatry to treat suicidal depression and PTSD.

- We engaged BTIG, a leading investment bank, to support us in identifying and acquiring additional clinic candidates to join the HOPE network sufficient to achieve management's revenue targets by year-end 2025.

- Our potential acquisition targets have contracts with the Veterans Administration for the treatment of depression and, assuming closing of our previously announced acquisitions, we expect to expand to the treatment of PTSD by year-end 2025.

- We executed a term sheet for a strategic investment in an amount of $2.5 million.

Financial Results

Since inception, the Company has incurred significant operating losses. For the three months ended March 31, 2025 and 2024, the Company's net loss was $5.5 million and $6.1 million, respectively. As of March 31, 2025, the Company had an accumulated deficit of $283.8 million, a stockholders' deficit of $25.2 million and a working capital deficit of $25.5 million.

Going Concern

The Company's ongoing clinical activities continue to generate losses and net cash outflows from operations. The Company plans to pursue additional equity or debt financing or refinancing opportunities in 2025 to fund ongoing clinical activities, to meet obligations under its current debt arrangements and for the general corporate purposes of the Company. Such arrangements may take the form of loans, equity offerings, strategic agreements, licensing agreements, joint ventures or other agreements. The sale of equity could result in additional dilution to the Company's existing shareholders. The Company cannot make any assurances that additional financing will be available to it and, if available, on acceptable terms, or that it will be able to refinance its existing debt obligations which could negatively impact the Company's business and operations and could also lead to a reduction in the Company's operations. We will continue to carefully monitor the impact of our continuing operations on our working capital needs and debt repayment obligations. As such, the Company has concluded that substantial doubt exists about the Company's ability to continue as a going concern for a period of at least twelve months from the date of issuance of these condensed consolidated financial statements. The Company may raise substantial additional funds, and if it does so, it may do so through one or more of the following: issuance of additional debt or equity and/or the completion of a licensing or other commercial transaction for one of the Company's product candidates.

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

Components of Results of Operations

Operating Expense

Research and development expense

The Company's research and development expense consists primarily of costs associated with the Company's clinical trials, salaries, payroll taxes, employee benefits, and equity-based compensation charges for those individuals involved in ongoing research and development efforts. Research and development costs are expensed as incurred. Advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received.

General and administrative expense

General and administrative expense consists primarily of salaries, stock-based compensation, consultant fees, and professional fees for legal and accounting services.

Settlement expense

Settlement expense during the three months ended March 31, 2025 consists of deductibles related to insurance claims.

Results of operations for the three months ended March 31, 2025 and 2024

The following table sets forth the Company's selected statements of operations data for the following periods (in thousands):

	Three months ended March 31,		Change
	2025	2024	Dollars
	(Unaudited)		
Operating expense:			
Research and development	$ 804	$ 1,748	$ (944)
General and administrative	2,943	4,250	(1,307)
Settlement expense	100	—	100
Total operating expense	3,847	5,998	(2,151)
Loss from operations	$ (3,847)	$ (5,998)	$ 2,151
Other expense(income):			
Interest income	$ (4)	$ (27)	$ 23
Interest expense	—	230	(230)
Change in fair value of convertible notes payable	965	318	647
Change in fair value of warrant liabilities	(2,896)	9	(2,905)
Loss on issuance of Registered Direct Offering common shares	730	—	730
Loss on Considerations Shares and Warrants	1,277	—	1,277
Loss on convertible note redemptions	1,593	—	1,593
Total other expense	1,665	530	1,135
Loss before tax	(5,512)	(6,528)	1,016
Net loss	$ (5,512)	$ (6,528)	$ 1,016

Operating expense

Research and development expense

For the three months ended March 31, 2025, the Company recorded $0.8 million of research and development expense compared to approximately $1.7 million for the three months ended March 31, 2024. The decrease of $0.9 million is related primarily due to the conclusion of the phase 2 study related to NRX-101 and the Company's cash conservation efforts, $0.4 million in clinical costs, $0.1 million in shipping, freight, and delivery, $0.4 million in other regulatory and process development costs, and $0.2 million in payroll and payroll related expenses. The research and development expense for the three months ended March 31, 2025 and 2024, respectively, includes less than $0.1 million and $0.1 million, respectively of non-cash stock-based compensation.

General and administrative expense

For the three months ended March 31, 2025, the Company recorded $2.9 million of general and administrative expense compared to approximately $4.3 million for the three months ended March 31, 2024. The decrease of $1.3 million is related primarily to a decrease of less than $0.1 million in insurance expense, $0.2 million in stock-based compensation expense, $1.2 million in consultant fees, and $0.2 million in employee expenses partially offset by an increase of $0.4 million in legal expense. The general and administrative expense for the three months ended March 31, 2025 and 2024, respectively, includes less than $0.1 million and $0.2 million, respectively, of non-cash stock-based compensation.

Settlement expense

Settlement expense during the three months ended March 31, 2025 consists of $0.1 million of deductibles related to insurance claims, as compared to $0 during the three months ended March 31, 2024.

Other expense (income)

Interest income

For the three months ended March 31, 2025, the Company recorded less than $0.1 million of interest income compared to $0.1 million of interest income for the three months ended March 31, 2024. The decrease of less than $0.1 million is due is due to a large decrease in the balance in the Company's money market account at March 31, 2025 as compared to the prior year.

Interest expense

For the three months ended March 31, 2025, the Company recorded $0 of interest income compared to less than $0.2 million of interest expense for the three months ended March 31, 2024. The decrease of less than $0.2 million is due to no premiums being paid on the convertible notes.

Change in fair value of convertible notes payable

For three months ended March 31, 2025, the Company recorded a loss of $0.9 million related to the change in fair value of the convertible notes payable which are accounted for under the fair value option. For the three months ended March 31, 2024, the Company recorded a loss of approximately $0.3 million related to the change in fair value of the convertible notes payable which are accounted for under the fair value option.

Change in fair value of warrant liabilities

For the three months ended March 31, 2025, the Company recorded a gain of $2.9 million related to the change in fair value of the warrant liabilities compared to a loss of less than $0.1 million for the three months ended March 31, 2024. The decrease in loss during the three months ended March 31, 2025 was attributed to the warrants issued in conjunction with the First, Second and Third Tranches of the Anson Notes.

Loss on issuance of Registered Direct Offering

For the three months ended March 31, 2025, the Company recorded a loss of $0.7 million related to the issuance of Registered Direct Offering. As the fair value of the warrant liabilities issued in the Registered Direct Offering exceeded the net proceeds received of $3.255 million, the Company recognized the excess of the fair value over the net proceeds received of $3.255 million as a loss upon issuance of RD Shares of $0.7 million which is included in other expense (income) in the condensed consolidated statement of operations for the period ended March 31, 2025.

Loss on Considerations shares and warrants

For the three months ended March 31, 2025, the Company recorded a loss of $1.3 million related to the loss on issuance of Consideration Shares and Warrants.

Loss on convertible note redemptions

For the three months ended March 31, 2025, the Company recorded a loss of $1.6 million related to convertible note redemptions. These redemptions were calculated as the difference between the redemption price per the terms of the Anson agreement (See Note 7) relative to the fair value of the common stock on the date of redemption.

Liquidity and Capital Resources

The Company has generated no revenues, has incurred operating losses since inception, expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. Until such time as the Company is able to establish a revenue stream from the sale of its therapeutic products, it is dependent upon obtaining necessary equity and/or debt financing to continue operations. The Company cannot make any assurances that sales of NRX-101 will commence in the near term or that additional financings will be available to it on acceptable terms or at all. This could negatively impact our business and operations and could also lead to the reduction of our operations.

January 2025 Securities Purchase Agreement

On or about January 27, 2025, the Company entered into the RD Purchase Agreement with the Investors for the sale by the Company of the RD Shares to the Investors in an aggregate of 1,215,278 shares of common stock, at a purchase price of $2.88 per share, in the Registered Direct Offering. Concurrently with the sale of the RD Shares, pursuant to the RD Purchase Agreement the Company also sold to the Investors the unregistered RD Warrants to purchase the RD Warrant Shares, in a private placement. Subject to certain beneficial ownership limitations, the RD Warrants are immediately exercisable upon issuance at an exercise price equal to $2.88 per share of common stock, subject to adjustments as provided under the terms of the RD Warrants. The RD Warrants are exercisable for five years from the RD Closing Date. The closing of the sales of these securities under the RD Purchase Agreement occurred on or about the RD Closing Date.

The gross proceeds to the Company from the offerings were approximately $3.5 million, before deducting offering expenses, and excluding the proceeds, if any, from the exercise of the RD Warrants. The Company intends to use the net proceeds from the transactions for general corporate purposes, including the funding of certain capital expenditures.

The RD Shares were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3, which was filed with the SEC on June 9, 2022, and subsequently declared effective on June 21, 2022 (File No. 333-265492) (the "Registration Statement"), and the base prospectus dated as of June 21, 2022, contained therein, as supplemented by a prospectus supplement dated January 27, 2025 (together, the "Prospectus"), which was filed with the SEC pursuant to Rule 424(b) under the Securities Act of 1933, as amended. Pursuant to the Prospectus, the Company offered and sold 1,215,278 shares of its Common Stock at a price of $2.88 per share, resulting in gross proceeds of $3.5 million and net proceeds of approximately $3.3 million, after deducting offering expenses.

The RD Warrants and the RD Warrant Shares were sold and issued without registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act as transactions not involving a public offering and Rule 506 promulgated under the Securities Act as sales to accredited investors, and in reliance on similar exemptions under applicable state laws.

August 2024 SPA

On August 12, 2024, the Company executed the August SPA and related agreements, under which the Company agreed to sell and issue, and certain purchasers agreed to purchase, an aggregate of $16.3 million of Notes and Warrants. The consideration payable by the purchasers under the August SPA will be comprised of three equal closings of $5.4 million, each subject to certain closing conditions. The proceeds arising from the sale of the Notes and the Warrants were used to settle the Company's outstanding amounts owed to Streeterville and other working capital needs. The Company has, as of the date of this Annual Report, consummated the first tranche, second tranche, and third tranche under the August SPA, with gross proceeds to the Company of $16.3 million.

The Notes bear interest at the rate of 6% per annum and mature in 15 months following their date of issuance. The Notes may be settled in cash or in shares of the Company's common stock, at the sole discretion of the holder, at the applicable conversion price. The Notes may not be prepaid by the Company however, the holders of the Notes may elect to convert the Notes, in whole or in part, into shares of the Company's common stock at any time after the original issuance date. The conversion price: (A) for the Notes issued in the first tranche will equal the lower of (i) $2.4168, or (ii) the Alternative Conversion Price; (B) for the Notes issued in the second tranche will equal the lower of (i) $1.766, or (ii) the Alternative Conversion Price; and (C) for the Notes issued in the third tranche will equal the lower of (i) $3.78, or (ii) the Alternative Conversion Price. The Notes include certain redemption, protection features and default interest and penalties. The Notes are secured by all assets of the Company, including its intellectual property.

The Warrants have a term of 5 years, an exercise price of $2.4168 per share for the Warrants issued in the first tranche, $1.766 per share for the Warrants issued in the second tranche, and $3.78 per share for the Warrants issued in the third tranche, each subject to adjustment as more specifically set forth in the Warrants, and are exercisable immediately upon issuance

April 2024 Offering

On April 18, 2024, we entered into the April Underwriting Agreement with the Representative, as the representative of the April Underwriters, relating to the April Offering of the Shares, which April Offering closed on the April Closing Date. The public offering price for each share of common stock was $3.30. Pursuant to the April Underwriting Agreement, the Company also granted the Representative the April Over-Allotment Option. Aggregated gross proceeds from the April Underwriting Agreement were approximately $2.4 million (including April Overallotment Exercise proceeds), before deducting and commissions and estimated expenses payable by the Company. The Company intends to use the net proceeds from the April 2024 Public Offering for working capital and general corporate purposes.

On May 23, 2024, the Underwriters in the April 2024 Public Offering exercised their April Over-Allotment Option to purchase an additional 91,050 April Option Shares. In connection with the April Overallotment Exercise, we issued an additional April Underwriter Warrant to purchase up to 4,553 shares of common stock. The April Overallotment was exercised in full and closed on May 23, 2024.

February 2024 Offerings

On February 27, 2024, the Company entered into a February Underwriting Agreement with EF Hutton LLC, as the Representative of the February Underwriters, relating to the February 2024 Public Offering. The public offering price for each share of common stock was $3.00 and the February Underwriters purchased the shares of common stock pursuant to the February Underwriting Agreement at a price for each share of common stock of $2.76. Pursuant to the February Underwriting Agreement, the Company also granted the Representative the February Over-Allotment Option. Aggregate gross proceeds from the February Underwriting Agreement were approximately $1.7 million (including February Overallotment Exercise proceeds), before deducting underwriting discounts and commissions and estimated expenses payable by the Company. The Company intends to use the net proceeds from the February 2024 Public Offering for working capital and general corporate purposes. The Company also used the proceeds from February 2024 Public Offering to repay the Convertible Promissory Note initially issued to Streeterville Capital, LLC in November 2022.

On March 5, 2024, the Underwriters in the February 2024 Public Offering exercised their February Over-Allotment Option to purchase an additional 75,000 February Option Shares. In connection with the February Overallotment Exercise, we issued an additional February Underwriter's Warrant to purchase up to 3,750 shares of common stock. The February Overallotment Exercise closed on March 6, 2024.

On February 29, 2024, the Company completed the February 2024 Private Placement. Pursuant to the securities purchase agreement, the Company issued and sold 270,000 shares of common stock and warrants to purchase up to 270,000 shares of common stock at a price of $3.80 per share of common stock and accompanying warrant, which represents a 26.7% premium to the offering price in February 2024 Public Offering. The common stock and the February Warrants were offered pursuant to a private placement under Section 4(a)(2) of the Securities Act. The February Warrants will have an exercise price of $3.80 per share, are initially exercisable beginning six months following the date of issuance, and will expire 5 years from the date of issuance. The aggregate net cash proceeds to the Company from the February 2024 Private Placement were approximately $1.0 million.

At-The Market Offering Agreement

On April 15, 2024, the Company increased the maximum aggregate offering amount of the shares of common stock issuable under that certain At the Market Offering Agreement, dated August 14, 2023 (the "Offering Agreement"), with H.C. Wainwright & Co., and filed a prospectus supplement (the "Current Prospectus Supplement") under the Offering Agreement for an aggregate of $4.9 million (the "ATM Offering"). On August 14, 2024, the Company reduced the amount to under the Offering Agreement to $0 and suspended the ATM Offering. Through March 31, 2025, the Company received aggregate net cash proceeds to the Company from the ATM Offering of approximately $1.6 million.

Cash Flows

The following table presents selected financial information and statistics for each of the periods shown below:

	March 31, 2025	December 31, 2024
Balance Sheet Data:		
Cash	$ 5,548	$ 1,443
Total assets	7,590	3,651
Convertible notes payable and accrued interest	8,397	6,257
Total liabilities	32,751	26,874
Total stockholders' deficit	(25,161)	(23,223)

	March 31,	
	2025	2024
	(Unaudited)	
Statement of Cash Flow Data:		
Net cash used in operating activities	$ (3,480)	$ (3,671)
Net cash used in investing activities	—	—
Net cash provided by financing activities	7,585	395
Net increase (decrease) in cash	$ 4,105	$ (3,276)

Operating Activities

During the three months ended March 31, 2025, operating activities used approximately $3.5 million of cash, primarily resulting from a net loss of $5.5 million partially offset by net non-cash losses of $2.0 million, including $1.0 million in change in fair value of convertible promissory notes, $0.1 of stock-based compensation, $1.6 million loss in convertible note redemptions, $1.3 million of loss on debt settlement, $0.4 million in debt issuance costs, $0.7 in loss on issuance of Register Direct offering and changes in operating assets and liabilities of less than $0.1 million, offset by a gain of $2.9 million in change in fair value of warrants.

During the three months ended March 31, 2024, operating activities used approximately $3.7 million of cash, primarily resulting from a net loss of $6.5 million partially offset by net non-cash losses of $0.6 million, including $0.3 million in change in fair value of convertible promissory note, and $0.2 million of stock-based compensation, and changes in operating assets and liabilities of $2.3 million.

Investing Activities

During the three months ended March 31, 2025 and 2024 there was $0 of investing activities.

Financing Activities

During the three months ended March 31, 2025, financing activities provided $7.6 million of cash resulting from $3.3 million in proceeds from issuance of common stock and warrants related to the RD Offering and $5.0 million in proceeds from the Anson Notes, offset by $0.3 million in repayments of insurance notes and $0.4 million in debt issuance costs due to the fair value election on Anson Notes.

During the three months ended March 31, 2024, financing activities provided $0.4 million of cash resulting from $1.0 million in proceeds from issuance of Common Stock and warrants issued in a private placement, and $1.5 million in proceeds from issuance of Common Stock and warrants offset by $2.2 million in repayments of the convertible note.

Contractual Obligations and Commitments

See Note 7, Debt, and Note 8, Commitments and Contingencies, of the notes to the Company's condensed consolidated financial statements as of and for the three months ended March 31, 2025 included elsewhere in this report for further discussion of the Company's commitments and contingencies.

Milestone Payments

Pursuant to the legal settlement with Sarah Herzog Memorial Hospital Ezrat Nashim ("*SHMH*") in September 2018, which included the license of intellectual property rights from SHMH, an ongoing royalty of 1% to 2.5% of NRX-101 gross sales is due to SHMH, together with milestone payments of $0.3 million, upon completion of phase 3 trials and commercial sale of NRX-101. The milestone payments for developmental and commercial milestones range from $0.1 million to $0.8 million. Annual maintenance fees are up to $0.2 million.

Off-Balance Sheet Arrangements

The Company is not party to any off-balance sheet transactions. The Company has no guarantees or obligations other than those which arise out of normal business operations.

Critical Accounting Policies and Significant Judgments and Estimates

The Company's management's discussion and analysis of its financial condition and results of operations is based on its financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). The preparation of these financial statements requires NRx Pharmaceuticals to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the balance sheet and the reported amounts of expenses during the reporting period. In accordance with GAAP, NRx Pharmaceuticals evaluates its estimates and judgments on an ongoing basis. The most critical estimates relate to stock-based compensation, the valuation of warrants, and the valuation of convertible notes payable. NRx Pharmaceuticals bases its estimates and assumptions on current facts, historical experiences, and various other factors that NRx Pharmaceuticals believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company defines its critical accounting policies as those accounting principles that require it to make subjective estimates and judgments about matters that are uncertain and are likely to have a material impact on its financial condition and results of operations, as well as the specific manner in which the Company applies those principles. While its significant accounting policies are more fully described in Note 3 to its financial statements, the Company believes the following are the critical accounting policies used in the preparation of its financial statements that require significant estimates and judgments.

Stock-based Compensation

We measure stock option awards granted to employees and directors based on the fair value of the award on the date of the grant and recognize compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective award. For restricted stock awards, the grant date fair value is the fair market value per share as of the grant date based on the closing trading price for the Company's stock. The straight-line method of expense recognition is applied to awards with service-only conditions. We account for forfeitures as they occur.

We estimate the fair value of each stock option award using the Black-Scholes option-pricing model, which uses as inputs the fair value of our common stock and assumptions we make for the volatility of our common stock, the expected term of our stock-based awards, the risk-free interest rate for a period that approximates the expected term of our stock-based awards, and our expected dividend yield. Therefore, we estimate our expected volatility based on the implied volatility of publicly traded warrants on our common stock and historical volatility of a set of our publicly traded peer companies. We estimate the expected term of our options using the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that we have never paid cash dividends on common stock and do not expect to pay any cash dividends in the foreseeable future.

The assumptions used in determining the fair value of stock-based awards represent reasonable estimates, but the estimates involve inherent uncertainties and the application of our judgment. As a result, if factors change and we use significantly different assumptions or estimates, our stock-based compensation expense could be materially different in the future.

Warrant Liabilities

We account for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, Distinguishing Liabilities from Equity ("*ASC 480*") and ASC 815, Derivatives and Hedging ("*ASC 815*"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, or date of modification, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The fair value of the Private Placement Warrants, Anson Warrants, Consideration Warrants, and Anson Registered Direct Offering Warrants were estimated using a Black Scholes valuation approach and the fair value of the Substitute Warrants was estimated using a modified Black Scholes valuation approach which applies a probability factor based on the earnout cash milestone and earnout shares milestone probabilities of achievement at each reporting period.

Convertible Notes Payable

As permitted under Financial Accounting Standards Board ("*FASB*") Accounting Standards Codification ("*ASC*") Topic 825, Financial Instruments ("*ASC 825*"), the Company elects to account for its convertible promissory notes, which meets the required criteria, at fair value at inception and at each subsequent reporting date. Subsequent changes in fair value are recorded as a component of non-operating loss in the condensed consolidated statements of operations. As a result of electing the fair value option, direct costs and fees related to the convertible promissory notes are expensed as incurred.

The Company estimates the fair value of the convertible notes payable using a Monte Carlo simulation model, which uses as inputs the fair value of our common stock and estimates for the equity volatility and volume volatility of our common stock, the time to expiration (i.e. expected termination date) of the convertible note, the risk-free interest rate for a period that approximates the time to expiration, and probability of default. Therefore, we estimate our expected future equity and volume volatility based on the historical volatility of both our common stock utilizing a lookback period consistent with the time to expiration. The time to expiration is based on the contractual maturity date, giving consideration to the mandatory and potential accelerated redemptions beginning six months from the issuance date. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of measurement for time periods approximately equal to the time to expiration. Probability of default is estimated using Bloomberg's Default Risk function which uses our financial information to calculate a default risk specific to the Company.

The assumptions used in determining the fair value of the convertible note payable represent reasonable estimates, but the estimates involve inherent uncertainties and the application of our judgment. As a result, if factors change and we use significantly different assumptions or estimates, the change in fair value of the convertible note payable recorded to other (income) expense could be materially different in the future.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act, designed to ensure that information required to be disclosed in our reports filed pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

In designing and evaluating the disclosure controls and procedures, we recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and we were required to apply our judgment in evaluating the cost-benefit relationship of possible controls and procedures. We have carried out an evaluation as of March 31, 2025 under the supervision, and with the participation, of our management, including our Chief Executive Officer (who serves as our principal executive officer) and our Chief Financial Officer (who serves as our principal financial officer), of the effectiveness of the design and operation of our disclosure controls and procedures.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2025 in providing reasonable assurance of achieving the desired control objectives.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal controls over financial reporting that occurred during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company continues to review its disclosure controls and procedures, including its internal control over financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that the Company's systems evolve with its business.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 8, Commitments and Contingencies, of the notes to the Company's unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2025 included elsewhere in this report for further discussion of certain legal proceedings in which we are involved.

Item 1A. Risk Factors

We have disclosed the risk factors that materially affect our business, financial condition or results of operations under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on March 14, 2025 (the "*Annual Report on Form 10-K*"). There have been no material changes from the risk factors previously disclosed. You should carefully consider the risk factors set forth in the Annual Report on Form 10-K and other information set forth elsewhere in this Quarterly Report on Form 10-Q. You should be aware that these risk factors and other information may not describe every risk that we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, or may not be able to assess, also may materially adversely affect our business, financial condition and/or operating results.

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

No unregistered sales of equity securities occurred during the three months ended March 31, 2025, that were not previously reported.

Item 3. Defaults Upon Senior Securities

No defaults upon senior securities occurred during the three months ended March 31, 2025, that were not previously reported.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the quarter ended March 31, 2025, as such terms are defined under Item 408(a) of Regulation S-K. Additionally, we did not adopt or terminate a Rule 10b5–1 trading arrangement during the quarter ended March 31, 2025.

Item 6. Exhibits

Exhibit Number	Description	Incorporation by Reference
10.1	Term Sheet, dated as of January 5, 2025, between the Company and JGS Holdings LLC	Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 10, 2025
10.2+	Securities Purchase Agreement, dated January 27, 2025, by and among the Company and the purchaser signatories thereto.	Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 29, 2025
10.3	Consent and Waiver Agreement, dated January 27, 2025, by and among the Company and the signatories thereto.	Exhibit 10.3 to the Company's Current Report on Form 8-K filed on January 29, 2025

10.4	Form of Amended and Restated Securities Purchase Agreement, dated as of January 28, 2025, by and among the Company and the Investor.	Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 3, 2025
10.5	Form of Second Amended and Restated Securities Purchase Agreement, dated as of February 3, 2025, by and among the Company and the Investor.	Exhibit 10.2 to the Company's Current Report on Form 8-K filed on February 3, 2025
10.6*+	Asset Purchase and Contribution Agreement, dated as of May 9, 2025, by and among Hope Therapeutics, Inc. and the signatories thereto.	
10.7*+	Membership Interest Purchase and Contribution Agreement, by and among Hope Therapeutics, Inc. and the signatories thereto.	
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	
32.1**	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	
32.2**	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	
101†	Interactive data files pursuant to Rule 405 of Regulation S-T formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets; (ii) Unaudited Condensed Consolidated Statements of Operations; (iii) Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit); (iv) Unaudited Condensed Consolidated Statements of Cash Flows; and (v) Notes to Unaudited Financial Statements.	
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)	

+ Certain portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulations S-K. The Company will furnish supplementally an unredacted copy of such exhibit to the Securities and Exchange Commission or its staff upon request.

* Filed herewith.

** This certification is being furnished solely to accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

† In accordance with Rule 406T of Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, is deemed not filed for purposes of section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

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.

NRX PHARMACEUTICALS, INC.

Date: May 15, 2025

By: /s/ Jonathan Javitt
Chairman and Interim Chief Executive Officer
(Principal Executive Officer)

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.

NRX PHARMACEUTICALS, INC.

Date: May 15, 2025

By: /s/ Michael Abrams
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.6

Execution

ASSET PURCHASE AND CONTRIBUTION AGREEMENT

BY AND AMONG

HOPE THERAPEUTICS, INC.,

HTX MANAGEMENT COMPANY, LLC

KADIMA NEUROPSYCHIATRY INSTITUTE, MEDICAL CORP.,

KADIMA HOLDINGS, INC.

AND

DAVID FEIFEL, M.D., PH.D.

May 9, 2025

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Schedules:

ASSET PURCHASE AND CONTRIBUTION AGREEMENT

This ASSET PURCHASE AND CONTRIBUTION AGREEMENT (this "Agreement"), dated as of May 9, 2025 (the "Effective Date"), is by and among (a) HOPE THERAPEUTICS, INC., a Delaware corporation ("Parent"), (b) HTX MANAGEMENT COMPANY, LLC, a Delaware limited liability company ("Purchaser"), (c) KADIMA NEUROPSYCHIATRY INSTITUTE, MEDICAL CORP., a California professional corporation ("Practice"), (d) KADIMA HOLDINGS, INC., a California corporation ("Holdco", together with Practice shall be referred to hereafter together as "Seller") and (d) DAVID FEIFEL, M.D., PH.D. ("Feifel"). Holdco, Practice and Feifel are referred to collectively herein as the "Seller Parties". The Purchaser and the Seller Parties are referred to collectively herein as the "Parties".

WHEREAS, Feifel [**]issued and outstanding equity interests of Practice (Holdco and Practice together shall also sometimes be referred to as, the "Relevant Entities") and the Practice is engaged in the provision of (i) neuropsychiatric, psychiatric, ketamine assisted psychotherapy, therapy and related ancillary services for a variety of conditions, including but not limited to, depression, anxiety, PTSD, OCD, eating disorders, and the related ancillary services thereof other services relating to the foregoing, (ii) clinical research and clinical trials related to the foregoing, and (iii) any other services a Seller Party is providing or engaging in or actively planning as of the Closing Date or as of the period of time immediately prior to the Closing Date (the "Business");

WHEREAS, Holdco is a newly formed corporation that has not issued any equity interests, held or owned any assets, or engaged in any activities other than activities incident to its formation;

WHEREAS, prior to the Closing Date, Feifel, Holdco and Practice shall effectuate a reorganization within the meaning of Section 368(a)(1)(F) of the Code pursuant to the transactions set forth on Exhibit A (the "Pre-Closing Reorganization");

WHEREAS, as a result of the Pre-Closing Reorganization, Feifel shall own [**] the issued and outstanding equity interests of Holdco, and Holdco shall own all of the issued and outstanding equity interests of Practice;

WHEREAS, at the Closing, (i) Purchaser desires to acquire and accept from Practice, and Practice desires to contribute to Purchaser, the Contributed Assets, and (ii) Purchaser desires to purchase from Practice, and Practice desires to sell to Purchaser, the remainder of the Acquired Assets (which are also referred to herein as the "Purchased Assets"), all as more particularly set forth in this Agreement;

WHEREAS, on the Closing Date and immediately following the Closing, (i) Practice will distribute the Purchase Price, the Feifel Personal Effects and the Specifically Excluded Assets as set forth on Schedule 1.2(j), and its rights and obligations under this Agreement to Holdco, (ii) Holdco will, in turn, distribute the Purchase Price to Feifel, and (iii) Practice, on the one hand, and Purchaser, on the other hand, will enter into a business support services agreement in the form attached hereto as Exhibit B (the "Business Support Services Agreement"), which shall be effective as of the Closing;

WHEREAS, at 12:01 a.m. Pacific Time on the day following the Closing Date, Holdco will distribute all of the issued and outstanding capital stock of Practice to Feifel; and

WHEREAS, in consideration of the substantial direct and indirect economic benefit that Seller Parties will receive from the sale and contribution of the Acquired Assets, Seller Parties are willing to make certain representations, warranties, covenants and other agreements in favor of the Purchaser, all as more particularly set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, the Parties agree as follows:

ARTICLE I
SALE AND CONTRIBUTION OF ACQUIRED ASSETS

1.1. Acquired Assets. Subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell, assign, transfer, convey, deliver and contribute to the Purchaser, and the Purchaser shall purchase, acquire, take and accept from Practice all of Seller's right, title and interest in and to all assets owned by Seller (wherever located) except for the Excluded Assets (all of the assets sold, assigned, transferred, conveyed, delivered and contributed to the Purchaser hereunder are referred to collectively herein as the "Acquired Assets"), free and clear of all Liens. The Acquired Assets include all of Seller's right, title and interest in and to the following:

(a) Personal Property. All equipment, fixtures, furniture, office furniture, office supplies and office equipment, computers, computer terminals and printers, telephone systems, telecopiers and photocopiers and other tangible personal property of every kind and description, including those items described on Schedule 1.1(a);

(b) Current Assets. All current assets of Seller, including all accounts receivable, trade receivable, notes receivable and other receivables (the "Accounts Receivable") and all inventory, except for (i) subject to Section 1.10, the Government Receivables and (ii) the current assets described in Section 1.2(h);

(c) Amounts Collected. All amounts collected by Practice in respect of the Government Receivables;

(d) Deposits and Prepaid Items. All deposits and advances, prepaid expenses and other prepaid items of Seller, including those items described on Schedule 1.1(d), but not including any prepaid Taxes;

(e) Assumed Contracts. All Contracts set forth on Schedule 1.1(e) (collectively, the "Assumed Contracts"); provided, that in the event Purchaser determines following the Closing that the Seller Parties failed to disclose a Material Contract on Schedule 3.4(a) in breach of the representations and warranties contained in Section 3.4(a), Purchaser, in its sole discretion, shall determine whether or not such Material Contract shall be deemed an Acquired Asset for all purposes under this Agreement;

(f) Books and Records. All books and records (including all data and other information stored on discs, tapes or other media) relating to the Acquired Assets;

(g) Marketing Materials. All email contact lists and any other marketing data and other information relating to the Business;

(h) Intellectual Property. Any and all rights in, arising out of, or associated with any of the following in any jurisdiction throughout the world: (i) issued patents and patent applications (whether provisional or non-provisional), including divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, or restorations of any of the foregoing, and other Governmental Authority-issued indicia of invention ownership (including certificates of invention, petty patents, and patent utility models); (ii) trademarks, service marks, brands, certification marks, logos, trade dress, trade names, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing ("Trademarks"); (iii) copyrights and works of authorship, whether or not copyrightable, and all registrations, applications for registration, and renewals of any of the foregoing ("Copyrights"); (iv) internet domain names and social media account or user names (including "handles"), whether or not Trademarks, all associated web addresses, URLs, websites and web pages, social media sites and pages, and all content and data thereon or relating thereto, whether or not Copyrights; (v) trade secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein; (vi) computer programs, operating systems, applications, firmware and other code, including all source code, object code, application programming interfaces, data files, databases, protocols, specifications, and other documentation thereof ("Software"); and (vii) all other intellectual or industrial property and proprietary rights relating to any of the foregoing (the "Intellectual Property") which are in any way connected to the Business and owned by Practice, including those items described on Schedule 1.1(h), together with all (A) royalties, fees, income, payments, and other proceeds now or hereafter due or payable to Practice with respect to such Intellectual Property, and (B) claims and causes of action with respect to such Intellectual Property, whether accruing before, on, or after the date hereof, including all rights to and claims for damages, restitution, and injunctive and other legal or equitable relief for past, present, or future infringement, misappropriation, or other violation thereof (the "Intellectual Property Assets"), other than any such Intellectual Property which constitutes an Excluded Asset;

(i) Other Intangibles. The Business of Seller as a going concern, and all of the customer relationships and related goodwill, if any, relating to or used in conjunction with the Business, including but not limited to, any and all of the operations related to the research and clinical trials Practice participates in, conducts on behalf of a sponsor or other Person, or for which Practice serves as an investigative site;

(j) Other Assets. All assets of Seller, including the items described on Schedule 1.1(j), other than those assets previously described in this Section 1.1 except for the Excluded Assets; and

(k) Causes of Action. All rights, claims or causes of action of Seller against third parties in respect of any of the Acquired Assets described in the foregoing clauses (a) through (j); provided, however, that such claims or rights shall not include any claims, causes of action, defenses and rights of offset or counterclaim relating to the Excluded Assets or the Excluded Liabilities.

1.2. Excluded Assets. The following assets of Practice and Holdco, as applicable, shall be retained by each respective Party and are not being sold, assigned, transferred, conveyed, delivered or contributed, directly or indirectly, to the Purchaser hereunder (all of the following are referred to collectively herein as the "Excluded Assets"):

(a) Excluded Contracts. All Contracts to which any Relevant Entity is a party or by which any Relevant Entity is bound other than the Assumed Contracts;

(b) Accounts and Lockboxes. All bank accounts and lockboxes;

(c) Government Receivables. All Government Receivables;

(d) Insurance Policies. All insurance policies and all prepaid expenses associated therewith;

(e) Employee Benefit Plans. All Employee Benefit Plans;

(f) Corporate Records. Practice's and Holdco's articles of incorporation, bylaws, qualifications to conduct business as a foreign corporation (if applicable), arrangements with registered agents relating to foreign qualifications (if applicable), taxpayer and other identification numbers, seals, minute books, stock transfer books, blank stock certificates, all books and records relating to such Relevant Entity's Tax Returns or otherwise relating to Tax matters of such Relevant Entity for all periods (provided that the Purchaser shall be entitled to copies of any such information that is relevant to the ongoing Tax Returns and Tax obligations of the Business with respect to the Acquired Assets) and other documents relating to the incorporation, maintenance and existence of such Relevant Entity as a corporation or professional association;

(g) Provider Numbers. Practice's Medicare and Medicaid provider numbers, as applicable, and all associated National Provider Identifiers ("NPIs") relating to each Healthcare Provider;

(h) Other Clinical Assets. All other assets that are clinical in nature including patient medical records of the Business and all Permits and any other records, inventory or equipment existing on the Closing Date used in connection with the Business that Practice is required under applicable Law to maintain in its possession;

(i) Agreement and Related Agreements. All rights of a Seller Party under this Agreement and the Related Agreements (other than Related Agreements that are Assumed Contracts) including the Purchase Price and Rollover Equity Units;

(j) Other Excluded Assets. All right, title and interest of any Seller Party in and to the assets set forth on Schedule 1.2(j) ("Specifically Excluded Assets"); and

(k) Personal Effects. All right, title and interest of any Seller Party in and to those assets that are the personal effects of Feifel and that are not material to the Business ("Feifel Personal Effects").

1.3. Assumption of Liabilities. Subject to the terms and conditions of this Agreement and except as contemplated by Section 1.4, at the Closing, the Purchaser shall assume and satisfy or perform when due only the Liabilities of Practice with respect to performance obligations that arise and become due and payable following the Closing under the Assumed Contracts (collectively, the "Assumed Liabilities") but no others; provided, however, that the Purchaser is not assuming any Liabilities (a) with respect to non-performance or default under or breach of any Assumed Contract or (b) arising under or relating to any Assumed Contract for which a consent necessary to assignment has not been obtained.

1.4. No Other Liabilities Assumed. Notwithstanding anything to the contrary in this Agreement, the Purchaser shall not assume or become responsible for any Liability of any Relevant Entity or any of its Affiliates, whether or not relating to the Business, that is not specifically set forth in Section 1.3, including but not limited to, any and all of the following (collectively, the "Excluded Liabilities"):

(a) Agreement and Related Agreements. Any Liability of any Relevant Entity arising out of or relating to this Agreement or any Related Agreement (other than Liabilities under Related Agreements that are Assumed Contracts to the extent that such Liabilities are Assumed Liabilities) or the consummation of the transactions contemplated hereby or thereby;

(b) Indebtedness, Indebtedness-Like Items and Transaction Expenses. Any Liability for Indebtedness, Indebtedness-Like Items or Transaction Expenses;

(c) PPP Loans. Any Liability under (i) any and all PPP Loan(s) that may exist and (ii) any other loan from, or Liability of the Relevant Entities to the U.S. Small Business Administration (the "SBA") or any other Person under the CARES Act, "Paycheck Protection Program" or "Economic Stabilization Fund";

(d) Pre-Closing Operations. Any Liability arising out of or relating to the use, operation or ownership of any of the Acquired Assets or the operation of the Business on or prior to the Closing Date;

(e) Pre-Closing Actions. Any Liability for any Actions involving the Business to the extent arising from circumstances or events existing or occurring prior to the Closing or resulting from any Relevant Entity's conduct of the Business on or prior to the Closing Date, including Actions alleging medical malpractice;

(f) Regulatory Actions. Any Liability arising out of or relating to a Relevant Entity's or a Healthcare Provider's violation or alleged violation of Law, together with any regulatory Actions of any Governmental Authority ongoing as of, or arising prior to, the Closing;

(g) Insurance Liabilities. Any Liability arising out of or relating to accrued insurance charges or insurance claims, retroactive insurance rate adjustments or insurance premiums payable for pre-Closing periods;

(h) Excluded Taxes. Any Excluded Taxes; and

(i) Excluded Assets. Any Liabilities arising out of or relating to any Excluded Asset.

1.5. Purchase Price; Payments at Closing.

(a) Subject to the terms and conditions of this Agreement, in reliance upon the representations and warranties of the Seller Parties, the total consideration for the purchase and sale of the Purchased Assets, the contribution of the Contributed Assets and the other covenants and agreements set forth herein shall be in an amount (the "Purchase Price") equal to [***].

(b) For purposes of this Agreement, the "Closing Payment" means an amount equal to (i) the Purchase Price, plus (ii) the Cash plus (iii) if the Net Working Capital is greater than the Upper Net Working Capital Target, the amount by which the Net Working Capital is greater than the Net Working Capital Target, minus (iv) if the Net Working Capital is less than the Lower Net Working Capital Target, the amount by which the Net Working Capital is less than the Net Working Capital Target, minus (v) the Indebtedness, minus (vi) the Indebtedness-Like Items, minus (vii) the Transaction Expenses.

(c) Prior to the Closing Date (but not less than five (5) business days prior to the Closing Date unless agreed to by Purchaser), Feifel has executed and delivered to Purchaser a certificate (the "Estimate Certificate") certifying, on behalf of the Seller Parties, and attaching documents providing reasonable support for, (i) good faith estimates of (A) the Cash (the "Estimated Cash"), (B) the Net Working Capital (the "Estimated Net Working Capital"), (C) the Indebtedness (the "Estimated Indebtedness"), (D) the Indebtedness-Like Items (the "Estimated Indebtedness-Like Items") and (E) the Transaction Expenses (the "Estimated Transaction Expenses") and (ii) after substituting the Estimated Cash for the Cash, the Estimated Net Working Capital for the Net Working Capital, the Estimated Indebtedness for the Indebtedness, the Estimated Indebtedness-Like Items for the Indebtedness-Like Items and the Estimated Transaction Expenses for the Transaction Expenses, a calculation of the Closing Payment (the "Estimated Closing Payment").

(d) At the Closing:

(i) Purchaser shall pay or cause to be paid to Practice, by wire transfer of immediately available funds in accordance with the Flow of Funds Spreadsheet, an aggregate amount equal to (A) the Estimated Closing Payment minus (B) the Adjustment Escrow Amount minus (C) the Indemnity Escrow Amount.

(ii) Purchaser shall deposit or cause to be deposited with Seacoast Bank, as selected by Purchaser (the "Escrow Agent"), in an interest bearing account (the "Adjustment Escrow Account"), by wire transfer of immediately available funds in accordance with the Flow of Funds Spreadsheet, an amount equal to the Adjustment Escrow Amount. The Adjustment Escrow Amount, together with all interest, dividends and other income thereon, shall be held and disbursed by the Escrow Agent in accordance with the terms of this Agreement and the Escrow Agreement.

(iii) Purchaser shall deposit or cause to be deposited with the Escrow Agent in an-interest bearing account (the "Indemnity Escrow Account"), by wire transfer of immediately available funds in accordance with the Flow of Funds Spreadsheet, an amount equal to the Indemnity Escrow Amount. The Indemnity Escrow Amount, together with all interest, dividends and other income thereon, shall be held and disbursed by the Escrow Agent in accordance with the terms of this Agreement and the Escrow Agreement.

(iv) Purchaser, on behalf of Practice, shall pay or cause to be paid the Estimated Indebtedness, to the extent set forth in the Payoff Letters, and the Estimated Indebtedness-Like Items, to the creditors of Practice, by wire transfer of immediately available funds in accordance with the Flow of Funds Spreadsheet.

(v) Purchaser, on behalf of Practice, shall pay or cause to be paid the Estimated Transaction Expenses, to the extent set forth in the Transaction Expense Invoices, to the applicable third parties, by wire transfer of immediately available funds in accordance with the Flow of Funds Spreadsheet.

(vi) Purchaser shall issue to Holdco the Rollover Equity Units, subject to Section 1.6 below.

For the avoidance of doubt, the payment amounts, specified accounts and wire instructions for all payments contemplated by this Section 1.5(c)-(d) shall be set forth in the Flow of Funds Spreadsheet.

(e) Immediately following the Closing, Purchaser shall, and Feifel shall cause Practice to, distribute to Feifel all of the funds that Practice received pursuant to Section 1.5(d)(i).

1.6. Rollover Equity. In exchange for the issuance to Holdco of a total of [***] [***] Units (the "Rollover Equity Units"), based on a value per Rollover Equity Unit of [***] ("Value Per Rollover Unit") in Purchaser, which the Parties acknowledge and agree shall be deemed to be valued at a total of [***] (the "Rollover Amount"), Holdco shall contribute, transfer, assign and deliver to Purchaser, and Purchaser shall accept, acquire and assume, all of the Contributed Assets and all of Holdco's and Feifel's rights, title and interest therein and thereto, free and clear of all Liens, which shall be evidenced by Holdco's and Feifel's execution and delivery to Purchaser at the Closing of a rollover and joinder agreement in the form attached hereto as Exhibit C (the "Rollover and Joinder Agreement"), and such other recordable instruments of assignment, transfer and conveyance as Purchaser may reasonably request.

1.7. Tax Treatment; Allocation of Purchase Price.

(a) For U.S. federal income and applicable state and local income Tax purposes, the Parties agree that the acquisition by Purchaser of the Acquired Assets shall be treated (i) with respect to the Purchased Assets, as a purchase and sale of an undivided proportionate interest in each of the Acquired Assets in a taxable transaction governed by Section 1001 of the Code, and (ii) with respect to the Contributed Assets, as a contribution of an undivided proportionate interest in each of the Acquired Assets in a transaction governed by Section 721 of the Code.

(b) Within ninety (90) days of the final determination of the Cash, the Net Working Capital, the Indebtedness, the Indebtedness-Like Items and the Transaction Expenses pursuant to Section 1.9, Purchaser shall provide to Feifel a schedule allocating the Purchase Price (and any applicable Assumed Liabilities that are liabilities for Tax purposes) among the Acquired Assets in a manner consistent with the methodology set forth on Schedule 1.7(b) and Section 1060 of the Code and the Treasury Regulations promulgated thereunder (the "Purchase Price Allocation Schedule"). The Parties agree that for all Tax reporting purposes they shall report the transactions contemplated by this Agreement in accordance with the Purchase Price Allocation Schedule and the intended Tax treatment contained in Section 1.7(a) and shall not take any position during the course of any audit or other Action inconsistent with the Purchase Price Allocation Schedule or such intended Tax treatment unless required by a determination of the applicable Governmental Authority that is final. The Parties shall make appropriate adjustments to the Purchase Price Allocation Schedule to reflect adjustments to the Purchase Price.

(c) Solely for purposes of this Section 1.7, the term "Acquired Assets" shall include any item reflected as a Current Asset in the Net Working Capital as finally determined pursuant to Section 1.9.

1.8. Withholding. The Purchaser shall be entitled to deduct and withhold or cause to be deducted and withheld from the consideration otherwise payable to any Person pursuant to this Agreement any amount that is required to be deducted and withheld with respect to the making of such payment under any provision of applicable Law. In the event of any such deduction or withholding, such amount shall be treated for all purposes of this Agreement as having been paid to such Person in respect of which such deduction or withholding was made.

1.9. Purchase Price Adjustment.

(a) As soon as reasonably practicable, but not later than ninety (90) days after the Closing Date, Purchaser shall prepare and deliver to Feifel a statement (the "Closing Date Statement") setting forth, in reasonable detail, (i) calculations of: (A) the Cash, (B) the Net Working Capital, (C) the Indebtedness, (D) the Indebtedness-Like Items and (E) the Transaction Expenses and (ii) based on such calculations, a calculation of the Closing Payment. Following the Closing Date, upon reasonable notice and during normal business hours, Purchaser shall reasonably cooperate with Feifel and his advisors by promptly making available to Feifel and his advisors copies of the relevant portions of books, records, financial information, work papers, and supporting data as reasonably requested, in connection with Feifel's review of the Closing Date Statement and its components.

(b) Within thirty (30) days after Feifel's receipt of the Closing Date Statement (the "Objection Period"), Feifel shall either notify Purchaser in writing that the Closing Date Statement is acceptable or object thereto in writing (the "Objection Notice"), setting forth a description of each disputed item in reasonable detail. If Feifel delivers a timely Objection Notice and Purchaser and Feifel do not resolve such objections on a mutually agreeable basis within thirty (30) days after Purchaser's receipt of the Objection Notice, the remaining disputed items shall be resolved within an additional thirty (30) days by an independent and neutral mutually agreed nationally recognized firm of independent certified public accountants jointly selected by Practice and Purchaser (the "Referral Firm"). The calculations of the Cash, the Net Working Capital, the Indebtedness, the Indebtedness-Like Items and the Transaction Expenses (i) agreed to by the Parties, (ii) as determined by the Referral Firm or (iii) if Feifel fails to deliver a timely Objection Notice within the Objection Period, as set forth in the Closing Date Statement, in each case, pursuant to this Section 1.9, shall be final, conclusive and binding on the Parties for purposes of this Section 1.9.

(c) In resolving any disputed item, the Referral Firm (i) shall be bound by the provisions of this Section 1.9, (ii) may not assign a value to any disputed item greater than the highest value claimed for such disputed item or less than the lowest value claimed for such disputed item by either Purchaser in the Closing Date Statement or Feifel in the Objection Notice, (iii) shall limit its decision to such disputed items and (iv) shall make its determination based solely on presentations by Purchaser and Feifel which are in accordance with the guidelines and procedures set forth in this Agreement (i.e., not on the basis of independent review). The fees, costs and expenses of the Referral Firm shall be paid by the Practice (and/or Feifel, on behalf of Practice) and Purchaser in inverse percentage that the Referral Firm's determination (before such allocation) bears to the total amount of the total items in dispute as originally submitted to the Referral Firm. For example, should the items in dispute total in amount to $1,000 and the Referral Firm awards $600 in favor of a Seller Party's position, sixty percent (60%) of the costs of its review would be borne by Purchaser and forty percent (40%) of such costs would be borne by the Seller (and or Feifel on behalf of Seller Parties).

(d) No later than five (5) Business Days after the date on which the Cash, the Net Working Capital, the Indebtedness, the Indebtedness-Like Items and the Transaction Expenses are finally determined pursuant to this Section 1.9:

(i) if the Closing Payment (as calculated, for the avoidance of doubt, using the Cash, the Net Working Capital, the Indebtedness, the Indebtedness-Like Items and the Transaction Expenses, in each case, as finally determined pursuant to this Section 1.9) is greater than or equal to the Estimated Closing Payment, (A) Purchaser shall pay or cause to be paid to Practice, by wire transfer of immediately available funds in accordance with a certificate executed by Feifel (on behalf of Practice) and delivered to Purchaser, certifying, on behalf of the Purchaser, the wire instructions for the account to which such payment should be made, an aggregate amount, if any, equal to the difference of the Closing Payment and the Estimated Closing Payment, (B) Purchaser and Feifel (on behalf of Practice) shall submit a joint written instruction to the Escrow Agent in accordance with the Escrow Agreement directing the Escrow Agent to disburse all funds available in the Adjustment Escrow Account to Feifel for the benefit of Practice and (C) Practice shall, and Feifel shall cause Practice to, distribute to Feifel all of the funds that Practice received pursuant to the foregoing clauses (A) and (B);

(ii) if the Closing Payment (as calculated, for the avoidance of doubt, using the Cash, the Net Working Capital, the Indebtedness, the Indebtedness-Like Items and the Transaction Expenses, in each case, as finally determined pursuant to this Section 1.9) is less than the Estimated Closing Payment and the difference of the Estimated Closing Payment and the Closing Payment (the "Overpayment Amount") is less than or equal to the amount of the funds available in the Adjustment Escrow Account, (A) Purchaser and Feifel shall submit a joint written instruction to the Escrow Agent in accordance with the Escrow Agreement directing the Escrow Agent to disburse the Overpayment Amount from the Adjustment Escrow Account to Purchaser, (B) Purchaser and Feifel shall submit a joint written instruction to the Escrow Agent in accordance with the Escrow Agreement directing the Escrow Agent to disburse the amount, if any, remaining in the Adjustment Escrow Account (after giving effect to the disbursement contemplated by the foregoing clause (A) to Feifel for the benefit of Practice and (C) Practice shall, and Feifel shall cause Practice to, distribute to Feifel all of the funds that Seller received pursuant to the foregoing clause (B); and

(iii) if the Closing Payment (as calculated, for the avoidance of doubt, using the Cash, the Net Working Capital, the Indebtedness, the Indebtedness-Like Items and the Transaction Expenses, in each case, as finally determined pursuant to this Section 1.9) is less than the Estimated Closing Payment and the Overpayment Amount is greater than the amount of the funds available in the Adjustment Escrow Account, (A) Purchaser and Feifel (or Feifel shall cause Practice) shall submit a joint written instruction to the Escrow Agent in accordance with the Escrow Agreement directing the Escrow Agent to disburse all funds available in the Adjustment Escrow Account to Purchaser and (B) Feifel (or Feifel shall cause Practice) shall pay to Purchaser, by wire transfer of immediately available funds in accordance with a certificate executed by Purchaser and delivered to Feifel, certifying the wire instructions for the account to which such payment should be made, an amount equal to the difference of the Overpayment Amount and the amount of funds available in the Adjustment Escrow Account (prior to giving effect to the disbursement contemplated by the foregoing clause (A)) (the "Shortfall Amount"). Notwithstanding the foregoing, in the event that Feifel (or Practice) does not make the payment described in the foregoing clause (B), Purchaser may elect, in its sole discretion, to recover the amount of such payment (x) from the funds available in the Indemnity Escrow Account, in which case Purchaser and Feifel (or Feifel shall cause Practice) shall submit a joint written instruction to the Escrow Agent in accordance with the Escrow Agreement directing the Escrow Agent to disburse to Purchaser an amount equal to the Shortfall Amount from the Indemnity Escrow Account, (y) from Feifel pursuant to Article VI or (z) any combination of the means described in the foregoing clauses (x) and (y).

1.10. Government Receivables. Each Party hereby acknowledges and agrees that the Purchaser is not purchasing or acquiring from the Practice, and that the Acquired Assets do not include, any accounts receivable of Practice arising from the rendering of services or the provision of medical care, drugs or supplies to patients of Practice by Practice, any employee of Practice or Feifel relating to (a) any Government Program or (b) any third-party patient claim of Practice that is due to Practice from any beneficiary of a Government Program or any Government Program directly (collectively, the "Government Receivables"); provided, however, that the Purchaser is purchasing and acquiring the Acquired Assets, and the Acquired Assets include all amounts deposited in any account of Practice in respect of the Government Receivables.

ARTICLE II
CLOSING; CONDITIONS TO CLOSING

2.1. The Closing. Upon the terms and subject to the conditions contained in this Agreement, the closing (the "Closing") of the sale and contribution of the Acquired Assets contemplated hereby shall take place by electronic exchange of documents and wire transfer of funds (or via such other means as the Parties may agree) not later than the second (2nd) Business Day after the Conditions Precedent to Closing set forth in Section 2.4(a) and Section 2.4(b) have been satisfied or waived by the Party entitled to the benefit thereof, or such other time as is mutually agreed by Purchaser and Feifel. The day of the Closing is referred to herein as the "Closing Date". All financial and accounting calculations that occur at the Closing (including the calculation of the Estimated Closing Payment), shall be deemed to occur and be effective at 11:59 p.m. Pacific Time on the Closing Date ("Effective Time").

2.2. Deliveries by the Seller Parties. At the Closing, the Seller Parties shall deliver or cause to be delivered to the Purchaser the following documents, each in form and substance acceptable to the Purchaser:

(a) a professional services agreement by and between Practice and Feifel, duly executed by Practice and Feifel;

(b) an escrow agreement by and among Purchaser, Seller Parties (as applicable) and the applicable Escrow Agent for each of the Indemnity Escrow Account and the Adjustment Escrow Account (together the "Escrow Agreements"), duly executed by Feifel;

(c) a bill of sale, assignment and assumption agreement by and among the Purchaser and Seller Parties, as applicable (the "Bill of Sale"), duly executed by Seller Parties, as applicable;

(d) an intellectual property rights assignment by and among the Purchaser and Seller Parties, as applicable (the "Intellectual Property Assignment"), duly executed by Seller Parties;

(e) an assignment, assumption and amendment of lease by and among Practice, Purchaser and each landlord set forth on Schedule 2.2(e) (collectively, the "Lease Assignments"), duly executed by Practice and such landlords;

(f) the Practice Management Documents, duly executed by Practice, and Seller Parties, as applicable;

(g) an amendment to the bylaws of Practice;

(h) Rollover and Joinder Agreement, duly executed by Feifel, Holdco and Purchaser;

(i) Joinder to the LLC Agreement, duly executed by the appropriate Seller Party(ies);

(j) the Estimate Certificate, duly executed by Feifel;

(k) a payoff letter issued by each holder of any Indebtedness for borrowed money, the deferred purchase price of property or services or any lease that is required to be classified as a capitalized lease obligation in accordance with GAAP or that is secured by all or any portion of the assets of the Practice setting forth (i) the amount required to repay in full all such Indebtedness owed to such holder on the Closing Date, (ii) the wire transfer instructions for the repayment of such Indebtedness to such holder and (iii) if applicable, a release of, or commitment to release, all Liens granted by the Practice to such holder or otherwise arising with respect to such Indebtedness effective upon the repayment of such Indebtedness (collectively, the "Payoff Letters");

(l) an invoice issued by each legal counsel, investment banker, broker and or agent of the Relevant Entities entitled to fees or expenses constituting Transaction Expenses setting forth the full amount of the Transaction Expenses owed to such Person (collectively, the "Transaction Expense Invoices");

(m) a duly completed and executed Form W-9 from Holdco and Feifel;

(n) a certificate of an officer of each Relevant Entity certifying (i) the resolutions of the board of directors of such Relevant Entity and of Feifel approving this Agreement, the Related Agreements to which such Relevant Entity is a party and the transactions contemplated hereby and thereby (together with an incumbency and signature certificate regarding the officer(s) signing on behalf of such Relevant Entity) and (ii) the articles of incorporation, bylaws, and other organizational documents of such Relevant Entity, in each case, as amended, restated or otherwise modified in form and substance reasonably acceptable to Purchaser, duly executed by such officer of the Relevant Entity;

(o) a certificate of good standing for each Relevant Entity as of a recent date from the Secretary of State of the State of California;

(p) evidence that all consents, authorizations and notices set forth on Schedule 2.2(p) have been obtained or made;

(q) evidence of the termination of all Contracts as mutually agreed to by Purchaser, Practice and Feifel, including but not limited to, the Contracts set forth on Schedule 2.2(q);

(r) claims histories and loss-run reports of the insurance policies of Practice;

(s) evidence satisfactory to Purchaser that the Seller Parties have completed the Pre-Closing Reorganization in accordance with and pursuant to the steps set forth on Exhibit A, including without limitation, a copy (as timely filed with the Internal Revenue Service) of IRS Form 8869 (*Qualified Subchapter S Subsidiary Election*) evidencing Holdco's election to have Practice be classified as a "qualified subchapter S subsidiary" as defined under Section 1361(b)(3)(B) of the Code, and a duly executed copy of the Contribution and Exchange Agreement (as defined in Exhibit A);

(t) an employment agreement by and between Purchaser and Feifel with regards to the position of Chief Medical Innovation Officer, duly executed by Purchaser and Feifel ("CMIO Employment Agreement"); and

(u) amendments to the employment agreement or independent contractor agreements, as applicable, for each Healthcare Provider, as elected by Purchaser as requiring an amendment, as determined by Purchaser for each Healthcare Provider set forth on Schedule 3.12(e) (each an "Amendment"), duly executed by each individual as set forth on Schedule 3.12(e), Practice and Feifel;

(v) employee proprietary information and invention assignment agreement, duly executed by each Healthcare Provider set forth on Schedule 3.12(e) and Practice;

(w) independent contractor proprietary information and invention assignment agreement, duly executed by each Healthcare Provider set forth on Schedule 3.12(e) and Practice; and

(x) all other documents reasonably required by the Purchaser to effect the transactions contemplated by this Agreement.

2.3. Deliveries by the Purchaser. At the Closing, the Purchaser shall deliver or cause to be delivered to Seller Parties the following documents:

(a) the Escrow Agreements, duly executed by Purchaser and the respective Escrow Agent;

(b) the Bill of Sale, duly executed by Purchaser;

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

(d) the Lease Assignments, duly executed by Purchaser;

(e) the Rollover and Joinder Agreement, duly executed by Purchaser;

(f) the CMIO Employment Agreement, duly executed by Purchaser; and

(g) each Amendment for each Healthcare Provider, duly executed by each individual as set forth on Schedule 3.12(e), Practice and Feifel.

(h) the Practice Management Documents, duly executed by Purchaser.

2.4. Conditions Precedent To Closing. The obligations of Purchaser and the Seller Parties to consummate the transactions contemplated hereby at the Closing shall be subject to the satisfaction of the following conditions precedent, prior to, or as of, the Closing (collectively, the "Conditions Precedent to Closing"):

(a) Conditions Precedent to Purchaser's Obligation. The obligation of Purchaser to consummate the transactions contemplated hereby at the Closing is expressly subject to the satisfaction of each and all of the following conditions, which may be waived in whole or in part by Purchaser:

(i) Each and every representation and warranty of the Seller Parties contained in this Agreement shall have been true and correct in all material respects on the Effective Date and shall be true and correct in all material respects on the Closing Date (other than representations that are expressly made as of a specific date, which shall be true and correct in all material respects as of such specific date);

(ii) The Seller Parties shall have performed and complied in all material respects with all covenants and agreements required by this Agreement, including the covenants set forth at Section 2.5, to be performed by each Seller Party, including without limitation, delivery of those items set forth in Section 2.2;

(iii) There shall have occurred no Material Adverse Effect, or any change to the shares of the capital stock of Practice or Holdco held by Feifel from the Effective Date through the Closing;

(iv) No judgment, order, decree, stipulation or injunction by any Governmental Authority shall be in effect which prevents consummation of any of the transactions contemplated hereby, all Permits required in connection with the transactions contemplated hereby shall have been obtained, and no Action shall have been instituted before any Governmental Authority to restrain, prohibit or rescind, or to obtain damages in respect of this Agreement or the transactions contemplated hereby;

(v) The disclosure schedules and other schedules referenced herein this Agreement shall be completed within fifteen (15) calendar days prior to the Closing Date and accurate as of the Closing Date (or other timeframe as agreed to by Purchaser). The Parties agree and acknowledge that the Seller Parties shall update the disclosure schedules and other schedules referenced herein during the Interim Period upon consultation with, coordination with, and approval by Purchaser, subject to the terms of Section 2.5;

(vi) Holdco and Practice each has good and marketable title to or a valid leasehold interest in all of the Acquired Assets, free and clear of all Liens, and no Person other than the Seller Parties and Purchaser shall have any interest whatsoever in any of the Acquired Assets, all of which shall be free and clear of any Liens of any kind;

(vii) Purchaser shall have received evidence, to Purchaser's satisfaction, that the Pre-Closing Reorganization has been consummated in accordance with Exhibit A; and

(viii) The Practice shall have obtained (or caused to be obtained) and delivered to Purchaser copies of all third-party consents and approvals and notices set forth on Schedule 2.2(p), unless otherwise waived by Purchaser, in each case on terms and conditions satisfactory to Purchaser.

(b) Conditions Precedent to the Seller Parties' Obligations. The obligation of the Seller Parties to consummate the transactions contemplated hereby at the Closing is expressly subject to the satisfaction, at, or prior to, the Closing, of each and all of the following conditions, which may be waived in whole or in part by Feifel:

(i) Each and every representation and warranty of Purchaser contained in this Agreement shall have been true and correct in all material respects on the Effective Date and shall be true and correct in all material respects on the Closing Date (other than representations that are expressly made as of a specific date, which shall be true and correct in all material respects as of such specific date;

(ii) Purchaser shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed by Purchaser, including without limitation, delivery of those items set forth in Section 2.3; and

(iii) No judgment, order, decree, stipulation or injunction by any Governmental Authority shall be in effect which prevents consummation of any of the transactions contemplated hereby, all Permits required in connection with the transactions contemplated hereby shall have been obtained, and no Action shall have been instituted before any Governmental Authority to restrain, prohibit or rescind, or to obtain damages in respect of this Agreement or the transactions contemplated hereby.

2.5. Certain Covenants Prior to the Closing. The Purchaser and each of the Seller Parties agrees as follows with respect to the period between Effective Date and through the Closing Date (the "Interim Period"):

(a) Each of the Parties shall use reasonable commercial efforts to continue and cooperate during the Interim Period, in the performance of due diligence during the Interim Period ("Due Diligence"), and shall use reasonable commercial efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement, including but not limited to, satisfaction of the Conditions Precedent to Closing set forth in Section 2.4(a)-(b) and the mutual cooperation and coordination in determining which Contracts shall be evidenced as contemplated by Section 2.2(q). At the Closing, each Party shall execute and deliver the agreements and instruments contemplated hereby to be executed and delivered by such Party at the Closing.

(b) Pending the Closing, the Seller Parties shall use commercially reasonable efforts to continue to operate the Practice in the usual and ordinary course of business consistent with past practice and shall (and Feifel shall cause Practice) use commercially reasonable efforts to preserve the goodwill and organization of the Business and the relationships with its licensees, licensors, patients, suppliers, employees, independent contractors, vendors and service providers and other Persons having business relations with the Practice, and shall refrain from making any material changes to the manner in which the Practice is operated, unless Purchaser shall have consented in writing to such material changes, including but not limited to, selling, assigning, redeeming, exchanging, pledging or otherwise transferring or permitting the imposition of any Lien upon any Acquired Assets or incur indebtedness or make any change in or adjustment to the compensation or benefits payable to any of its employees or contractors, except as otherwise agreed to in advance in writing by Purchaser during the Interim Period.

(c) Practice and Feifel shall each afford, and cause its officers, directors, managers, employees, attorneys, accountants and other agents to afford (in each case to the extent within the control of the Practice or Feifel), to Purchaser and its accounting, legal and other representatives reasonable access at reasonable times and during normal business hours to the facilities, operations, investors, clients, employees, independent contractors, vendors and service providers and other Persons having business relations with the Practice and to business, financial, legal, tax, compensation and other data and information concerning the affairs and operations of the Practice, including the provision of monthly financial reports supporting the operation of the Practice to Purchaser by the fifteenth of each month during the Interim Period (unless such other timeframe is agreed to by Practice and Purchaser in writing); provided that the Purchaser shall conduct any such activities in such a manner as not to interfere unreasonably with the business or operations of the Practice and with a representative of Practice present, as may be instructed by Practice or Feifel.

(d) Practice and Feifel shall give prompt written notice to Purchaser of (i) any breach of any of its or Feifel's representations or warranties contained in Article III as applicable, (ii) any breach of any covenant hereunder by a Seller Party (in the case of clause (i) or (ii) such that the condition set forth in Section 2.4(a)(i) would not be satisfied), (iii) any filings, written notices, written requests or other material communications from any Governmental Authority concerning the transactions contemplated by this Agreement, (iv) the occurrence after the Effective Date of any fact or condition that would, or would be likely to, cause or constitute a breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of, or Seller's or Feifel's discovery of, such fact or condition. If any such fact or condition requires any change to the schedules to this Agreement prepared by the Seller, the Seller shall promptly deliver to Purchaser a supplement to such schedules specifying such change. Any such disclosure made pursuant to this Section 2.5(d) shall not prevent or be deemed to cure any breach of any representation or warranty or covenant made in this Agreement. In addition, between the Effective Date and the Closing, Practice and Feifel, as the case may be, shall promptly notify Purchaser of the occurrence of any breach of any covenant by such party in this Section 2.5 or of the occurrence of any event that may make the satisfaction of any conditions in Section 2.4 impossible or unlikely.

(e) Upon execution of this Agreement and during the Interim Period, Practice and Feifel shall observe the terms of the exclusivity provision set forth in the Letter of Intent, dated September 27, 2024, executed by and between Purchaser and Practice through the Closing Date.

(f) As soon as practicable after the execution of this Agreement but no later than the two (2) days before the Closing Date, Feifel shall deliver to Purchaser evidence substantiating the transfer of all Intellectual Property listed on Schedule 1.1(h) of the Disclosure Schedules (that is in Feifel's personal name) from Feifel's personal name to Practice, as required by Purchaser and without further consideration, and Feifel shall execute and deliver such other instruments of conveyance and transfer, consents, bills of sale, assignments and assurances as reasonably necessary to effectively consummate, confirm or evidence such transfer, conveyance and delivery to Practice of the Intellectual Property as contemplated under this Section so that as of the Closing Date, all Intellectual Property shall be effectively assigned, transferred and conveyed to Practice pursuant to the terms of the Intellectual Property Assignment.

(g) During the Interim Period, the Seller Parties shall cause the Practice to maintain in force all insurance policies maintained as of the Effective Date, including but not limited to professional liability insurance policies for each Healthcare Provider, and to not make any material modification to the coverage provided by such policies without Purchaser's prior written consent.

(h) During the Interim Period, Practice and Feifel shall, unless waived by Purchaser: (i) maintain all of the assets in good and proper operating condition and repair, ordinary wear and tear excepted; (ii) file when due all Tax returns and other reports that Practice is required to file, pay when due all Taxes and establish adequate reserves for the payment of all such items, and provide to Purchaser, upon request, satisfactory evidence of its timely compliance with the foregoing; (iii) comply with the terms and provisions of each Law applicable to Practice; (iv) obtain and maintain in good standing (without restriction, suspension, etc.) all permits, licenses, registrations, accreditations and other approvals necessary to operate the Practice and own its assets; and (v) promptly provide to Purchaser notice of any Material Adverse Effect of the Practice.

(i) During the Interim Period, Feifel (on behalf of each Seller Party) will promptly disclose in writing to Purchaser any matter hereafter arising that (a) if existing, occurring or known at the Effective Date would have been required to be disclosed to Purchaser or which would render inaccurate any of the representations, warranties or statements set forth in Article III hereof or (b) constitutes a failure of the Seller Parties to comply with or satisfy any covenant or agreement to be complied with or satisfied by them under this Agreement or (c) any other material development affecting the ability of a Seller Party to consummate the transactions contemplated by this Agreement. Notwithstanding the foregoing, no notice under this Section 2.5 will be deemed to have modified any representation and/or warranty or cured any breach of covenant for purposes of determining (i) the satisfaction of the conditions set forth in this Article II (Closing; Conditions to Closing), (ii) a Party's right to indemnification pursuant to Article VI, except, in each case, to the extent such disclosure (x) describes additional Contracts, agreements or arrangements that have been entered into, actions taken or the occurrence of any event in the ordinary course of the Practice's Business or is otherwise in compliance with the Seller Parties' obligations under this Agreement or (y) such Contracts, agreements, arrangements, actions or events do not, individually or in the aggregate, constitute a Material Adverse Effect or (z) are Contracts that have been otherwise agreed to by Purchaser to be an Assumed Contract.

(j) During the Interim Period, neither Seller nor any of its shareholders (including Feifel), directors, officers, employees, contractors, affiliates, agents or representatives shall, without the prior written consent of Purchaser:

(i) create any Lien or other restriction in or on any of the assets or equity of Practice other than Liens in place as of the Effective Date in connection with purchase money interests or equipment leases in the Ordinary Course of Business, which have been disclosed to Purchaser in writing;

(ii) take or omit to take any action that, if taken or omitted between January 1, 2025 and the date hereof, would require disclosure hereunder or that would otherwise result in a breach of any of the representations, warranties or covenants made by the Practice in this Agreement;

(iii) disclose any Confidential Information (other than pursuant to a written confidentiality agreement entered into in the ordinary course of business consistent with past practice with reasonable protections of, and preserving all rights of the Seller and Feifel in, such Confidential Information) or disclose or escrow any source code;

(iv) Hire any new employees or contractors to perform services on behalf of the Practice, except as otherwise agreed to in advance in writing by Purchaser, or make any change in or adjustment to the compensation or benefits payable to any of its existing Healthcare Providers as of the Effective Date, except as otherwise agreed to in advance in writing by Purchaser;

(v) make any distributions to Feifel on account of his equity interests in the Practice or Holdco (unless otherwise agreed to by Purchaser); or

(vi) directly or indirectly solicit, initiate or have any discussions, communications or negotiations with any third parties (other than Purchaser and its advisors, or any third party whose participation is required or advisable in connection with the consummation of the transactions contemplated herein with Purchaser, including financial advisors or lenders to Practice, or other parties from whom consents required for the Closing must be obtained), with respect to: (A) any sale, transfer or issuance of shares in the Practice (or Holdco) or other shares or incentive based stock in the Practice, any options, warrants or other contractual rights to acquire equity securities in the Practice (or Holdco), or the issuance of debt or other securities by Practice; (B) a merger, consolidation, share exchange, business combination or other similar transaction involving Practice, any securities thereof, or any of Practice's direct or indirect subsidiaries; (C) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of one percent (1%) or more of the assets of the Practice or any of its direct or indirect subsidiaries in a single transaction or a series of related transactions; (D) the management of the Practice or the provision of administrative, consulting or similar services to the Practice; (E) any transaction similar to the transactions contemplated by this Agreement; (F) any agreement to, or public announcement by Practice or Feifel of a proposal, plan or intention to, do any of the foregoing or any agreement, arrangement or understanding (written, oral or otherwise) requiring the Practice or Feifel to abandon or terminate negotiations with Purchaser; or (G) any other transaction which would preclude the accomplishment of the transactions contemplated by this Agreement, or consider any inquiries, proposals or requests for information concerning any of the foregoing, without first obtaining Purchaser's prior written consent, which may be withheld in Purchaser's sole discretion. Notwithstanding the generality of the foregoing, nothing herein shall prohibit the Practice or Feifel from discussing the transactions contemplated by this Agreement with its attorneys, accountants and financial consultants as may be required in order to consummate the transactions contemplated by this Agreement.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES

The Seller Parties represent and warrant to the Purchaser, as of the Effective Date and as of the Closing Date, as follows:

3.1. Organization and Power. Practice is a professional medical corporation duly organized, validly existing and in good standing under the Laws of the State of California. Holdco is a corporation duly organized, validly existing and in good standing under the Laws of the State of California. Each Relevant Entity is duly qualified to do business as a corporation and is in good standing in all jurisdictions where the failure to so qualify or be in good standing would result in a Material Adverse Effect. Each Seller Party has full power, authority and capacity to execute, deliver and perform this Agreement and each Related Agreement to which such Seller Party is a party and to consummate the transactions contemplated hereby and thereby. The Practice has full power and authority to carry on the Business. Holdco has not conducted any activities or operations prior to the completion of the Contribution and the QSub Election and has not taken any other action that would jeopardize the treatment of the Pre-Closing Reorganization as a reorganization within the meaning of Section 368(a)(1)(F) of the Code.

3.2. Due Authorization and Ownership.

(a) Each Seller Party has duly authorized, executed and delivered this Agreement and each Related Agreement to which such Seller Party is a party, and this Agreement and such Related Agreements constitute valid and legally binding agreements of such Seller Party, enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting creditors' rights generally or general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at Law).

(b) Feifel owns (i) [***] of the issued and outstanding shares of the capital stock of Holdco and (ii) all of the shares of the capital stock of Practice, in each case, as set forth on Schedule 3.2(b), free and clear of all Liens. Except as contemplated by the Pre-Closing Reorganization, no Relevant Entity owns, nor has any Relevant Entity ever owned, any equity interest in any Person. There are no options, warrants, calls, subscriptions or other rights, agreements or commitments obligating any Relevant Entity or Feifel to transfer or sell any equity interests, shares, of or other interests in any Relevant Entity, except as set forth in the Rollover and Joinder Agreement and LLC Agreement.

3.3. No Violation; Consents.

(a) Except as set forth on Schedule 3.3(a), the execution, delivery and performance by each Seller Party of this Agreement and the Related Agreements to which such Seller Party is a party do not and will not: (i) violate any Order applicable to such Seller Party, any of the Acquired Assets or the Business; (ii) violate any Law; (iii) violate or conflict with, result in a breach of, constitute a default (or an event which, with or without notice or lapse of time or both, would constitute a default) under, permit cancellation of or result in the creation of any Lien upon any of the Acquired Assets under any Contract to which such Seller Party is a party or by which such Seller Party or any of the Acquired Assets is bound; (iv) permit the acceleration of the maturity of any indebtedness of such Seller Party or indebtedness secured by the Acquired Assets; or (v) violate or conflict with any provision of the articles of incorporation, bylaws or other organizational document of any Relevant Entity.

(b) Except as set forth on Schedule 3.3(b), no consents or approvals of, or filings or registrations by any Seller Party with, any Governmental Authority or any other Person not a Party are necessary in connection with the execution, delivery and performance of this Agreement and the Related Agreements to which such Seller Party is a party by such Seller Party and the consummation by such Seller Party of the transactions contemplated hereby and thereby.

(c) No Relevant Entity has breached any provision of, nor is any Relevant Entity in default under the terms of, any Contract to which such Relevant Entity is a party or under which such Relevant Entity has any rights or by which such Relevant Entity is bound or which relates to the Business or the Acquired Assets or the Assumed Liabilities, and, to Seller's Knowledge, no other party to any such Contract has breached such Contract or is in default thereunder in any respect.

3.4. Material Contracts.

(a) Schedule 3.4(a) contains a true, correct and complete list (including the title, date and names of the parties) of all Contracts to which Practice is a party or pursuant to which any of the Acquired Assets or Practice may be bound or pursuant to which any other Person may be party to or be bound to the extent relating to the Business (the "Material Contracts") organized on Schedule 3.4(a) as follows:

(i) any Contract with any referral source;

(ii) any employment agreement with any current or former employee of, or individual service provider to, the Practice that provides for expected annual compensation in excess of Fifty Thousand Dollars ($50,000) per annum or the payment of any cash or other compensation or benefits in connection with the transactions contemplated hereby (alone or in combination with any other event), in each case, other than any Employee Benefit Plan;

(iii) any collective bargaining agreement;

(iv) any contractual non-competition or non-solicitation restrictions that restricts the conduct of the business of Practice or limits the freedom of Practice to provide any service (including in connection with any exclusivity or territorial restrictions) to engage in any line of business or to compete with any Person in any geographic area or to hire, solicit or retain any Person;

(v) any Contract prohibiting the Practice from using, transferring, distributing or enforcing any Intellectual Property Assets (including exclusive license grants thereof to third parties) in any territory;

(vi) any lease or similar agreement under which (A) Practice is lessee of, or holds or uses, any equipment, vehicle or other tangible personal property owned by a third party or (B) Practice is a lessor or sublessor of, or makes available for use by any third party, any tangible personal property owned or leased by Practice;

(vii) any Contract relating to or consisting of a joint venture, alliance or similar agreement;

(viii) any Contract under which Practice is, or may become, obligated to pay any amount in respect of indemnification obligations, deferred purchase price, purchase price adjustment or otherwise in connection with any acquisition or disposition of assets or securities or merger, consolidation or other business combination;

(ix) any Contract under which Practice is, or may become, obligated to incur any severance pay, retention or sale bonus or other compensation which, in any case, would become payable, directly or indirectly and whether or not in connection with the occurrence of another event or by reason of this Agreement;

(x) any indemnification or other similar Contract pursuant to which Practice is obligated to indemnify or advance expenses on behalf of any current or former director, manager, officer, employee or agent of Practice in connection with any Loss based on the fact that such Person is or was a director, manager, officer, employee or agent of any Relevant Entity;

(xi) any Contract between Practice, on the one hand, and any current or former equityholder of any Relevant Entity, on the other hand;

(xii) any Contract between Practice, on the one hand, and a Governmental Authority, on the other hand;

(xiii) any Contract with a Payor or a Third Party Payor Program;

(xiv) any Contract that provides for expected annual revenue to Practice in excess of Twenty-Five Thousand Dollars ($25,000) or the annual payment by Practice of any cash or other compensation or benefits in excess of Twenty Five Thousand Dollars ($25,000);

(xv) any consulting agreement with any current or former contractor of Practice that provides for expected annual compensation in excess of Twenty-Five Thousand Dollars ($25,000) per annum; or

(xvi) any other Contract not included in the foregoing clauses (i) through (xv) to which Practice is a party or by or to which Practice's assets are bound or subject.

(b) The Seller Parties have made available to Purchaser true, correct and complete copies of each of the foregoing Material Contracts, including all amendments, supplements and modifications to each such Material Contract. Except as set forth on Schedule 3.4(b): (i) each Material Contract is in full force and effect and is a valid, legal and binding agreement of, and enforceable against, the Practice and, to Seller's Knowledge, the other parties thereto, in accordance with its terms, in each case except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting creditors' rights generally or general principles of equity; (ii) each Material Contract that is an Assumed Contract may be assigned to the Purchaser without the consent of or notice to any third party; (iii) no Material Contract contains any termination right upon a change in control or sale of all or substantially all of the Practice's assets; and (iv) each Material Contract will continue to be legal, valid, binding, enforceable and in full force and effect on identical terms following the consummation of the transactions contemplated hereby.

3.5. Financial Statements; Certain Obligations.

(a) Attached hereto as Schedule 3.5(a) are true, correct and complete copies of the following financial statements:

(i) the unaudited balance sheets of Practice as of the end of each calendar month during the period beginning January 1, 2025, and ended on the date that is ten (10) Business Days in advance of the Closing Date, and the related unaudited statements of income for such calendar months, and the financial statement for the first quarter of 2025 ending March 31, 2025 (the "Interim Financials"); and

(ii) the unaudited balance sheets of Practice as of the end of each calendar month during the period beginning January 1, 2023 and ended December 31, 2024 and the related unaudited statements of income for such calendar months (together with the Interim Financials, the "Financial Statements").

The Financial Statements fairly present in all material respects the financial position and assets and liabilities of the Practice and the results of the Practice's operations for the periods covered thereby, are consistent with the books and records of the Practice and have been prepared in accordance with the cash basis method of accounting. The Financial Statements are in accordance with the books and records of the Practice, do not reflect any transactions which are not bona fide transactions and do not contain any information that is false or misleading in any material respect or omit any information necessary to make the information contained therein, in light of the circumstances in which such information is presented, not misleading in any material respect.

(b) Schedule 3.5(b) sets forth a list of the Indebtedness. The Seller Parties have made available to Purchaser true, correct and complete copies of all notes, loan agreements or other documentation evidencing such Indebtedness.

(c) All Accounts Receivable have arisen out of bona fide transactions in the Ordinary Course of Business and are carried on the Practice's books and records at values determined in accordance with the Accounting Principles. Each Account Receivable constitutes a valid and binding obligation of the obligor, maker, co-maker, guarantor, endorser or debtor thereof or thereunder. No request or agreement for deduction or discount has been made with respect to any of the Accounts Receivable, and all of such Accounts Receivable are fully collectible in the Ordinary Course of Business.

3.6. Absence of Undisclosed Liabilities. Except as set forth on Schedule 3.6, the Practice has no Liabilities other than (a) Liabilities set forth in the Financial Statements and (b) Liabilities which have arisen after January 1, 2025 in the Ordinary Course of Business (none of which is a Liability relating to a breach of contract, breach of warranty, tort, infringement, violation of Law or Action).

3.7. Absence of Certain Developments. Except as set forth on Schedule 3.7, since January 1, 2025, there has occurred no Material Adverse Effect and no fact or condition exists or is contemplated or, to Seller's Knowledge, threatened which would reasonably be expected to result in a Material Adverse Effect. Except as set forth on Schedule 3.7, pursuant to the Pre-Closing Reorganization or contemplated by this Agreement, since January 1, 2025, the Practice has conducted the Business only in the Ordinary Course of Business and, without limiting the generality of the foregoing, the Practice has not:

(a) mortgaged or pledged any properties or assets or subjected any property or asset to any Lien, except statutory Liens for current Taxes not yet due and payable;

(b) sold, assigned, transferred or licensed any tangible or intangible assets (including any Intellectual Property) or canceled any debts or claims except in the Ordinary Course of Business;

(c) made any commitment for capital expenditures that would be binding on Purchaser or the Practice after the Closing;

(d) adopted, entered into, or amended, modified or terminated any collective bargaining agreement, employment agreement, independent contractor agreement, or Employee Benefit Plan, granted any increase in compensation or made any other change in employment terms, compensation or benefit terms, for any of its current or former directors, officers or employees except in the Ordinary Course of Business and consistent with past practice or made any change in operations affecting employees or independent contractors;

(e) entered into or amended any consulting, bonus, severance, retention, change in control, retirement or similar agreement;

(f) taken any action to cause to accelerate the payment, funding, right to payment or vesting of any compensation or benefits or granted or announced any equity-based incentive awards;

(g) suffered any theft, damage, destruction or casualty loss, whether or not covered by insurance;

(h) made any changes in its accounting systems, policies or practices;

(i) made any changes in its IT or human resources systems or processes;

(j) made any changes in its organizational documents;

(k) made any distributions or dividends to any equityholder;

(l) paid any amount, performed any obligation or agreed to pay any amount or perform any obligation in settlement or compromise of any Action against a Relevant Entity or any of its directors, managers, officers, employees or agents;

(m) (i) incurred any Taxes with respect to events or transactions outside of the Ordinary Course of Business, (ii) entered into any agreement with any Governmental Authority (including a "closing agreement" under Section 7121 of the Code) with respect to any Tax matter, (iii) made, changed or revoked any Tax election, (iv) settled any Tax claim, (v) surrendered the right to any Tax refund, (vi) changed any accounting period for Tax purposes, (vii) changed any method of accounting for Tax purposes, or (viii) amended any Tax Return;

(n) suffered any business disruption or material Liability as a result of COVID-19 or COVID-19 Control Measures; or

(o) committed to do, or become aware of any fact, event, circumstance or condition that would be reasonably expected to result in, any of the foregoing.

3.8. Tangible Assets.

(a) Except as set forth on Schedule 3.8(a), Holdco and Practice each have good and marketable title to or a valid leasehold interest in all of the Acquired Assets, free and clear of all Liens.

(b) All of the tangible personal property included among the Acquired Assets and the Leased Assets has been adequately maintained in a manner consistent with normal industry practices, and all such property is fully operational and in good condition in all material respects (with the exception of normal wear and tear).

3.9. Real Property.

(a) The Practice does not own and has never owned any real property. Schedule 3.9(a) sets forth the address of each parcel of real property leased by the Practice (collectively, the "Real Property"), including any real property leased from an Affiliate of a Relevant Entity, and a true, correct and complete list of all leases with respect to such Real Property (including the title, date and names of the parties to each such lease) (collectively, the "Real Property Leases"). The Seller Parties have made available to Purchaser a true, correct and complete copy of each Real Property Lease. Except as set forth in Schedule 3.9(a), to Seller's Knowledge, with respect to each of the Real Property Leases and the Practice:

(i) such Real Property Lease is in full force and effect, is legal, valid, binding and enforceable and constitutes the entire agreement to which the Practice is a party with respect to the subject Real Property;

(ii) the Practice's possession and quiet enjoyment of the Real Property under such Real Property Lease has not been disturbed, and there are no disputes with respect to such Real Property Lease;

(iii) neither the Practice nor any other party thereto, is in breach or default under such Real Property Lease, and no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such a breach or default or permit the termination, modification or acceleration of rent under such Real Property Lease;

(iv) no security deposit or portion thereof deposited with respect to such Real Property Lease has been applied in respect of a breach or default under such Real Property Lease which has not been redeposited in full;

(v) the Practice has not assigned, subleased, licensed or otherwise granted any Person the right to use or occupy such Real Property or any portion thereof;

(vi) the Closing will not affect the enforceability against any Person of such Real Property Lease or the rights of the Practice to the continued use and possession of the Real Property for the conduct of the Business; and

(vii) there are no disputes, oral agreements or forbearance programs in effect with respect to such Real Property Lease.

(b) The Real Property identified on Schedule 3.9(a) comprises all of the real property used or intended to be used in the Business, and the Practice is not a party to any agreement or option to purchase, sell or lease any real property or interest therein.

(c) The Practice has valid and assignable leasehold interests in the Real Property, free and clear of all Liens. To Seller's Knowledge, there is no unrecorded or undisclosed legal or equitable interest in any portion of the Real Property owned or claimed by any Person. To Seller's Knowledge, there exists no unfulfilled obligation on the part of any Relevant Entity to dedicate or grant an easement or easements over any portion of any of the Real Property to any Person or Governmental Authority. The Practice has no outstanding options, rights of first offer or rights of first refusal to purchase any Real Property or any portion thereof or interest therein.

(d) To Seller's Knowledge, all buildings, structures, fixtures, building systems and equipment, and all components thereof, included in the Real Property (the "Improvements") are in good condition and repair in all material respects and are sufficient for the operation of the Business. To Seller's Knowledge, there are no facts or conditions affecting any of the Improvements which would, individually or in the aggregate, interfere in any material respect with the use or occupancy of the Improvements or any portion thereof in the operation of the Business.

(e) No Relevant Entity or, to Seller's Knowledge, any owner of any Real Property has received any written or, to Seller's Knowledge, oral notice of any condemnation, expropriation or other proceeding in eminent domain affecting any parcel of Real Property or any portion thereof or interest therein. To Seller's Knowledge, there is no Order outstanding, nor any Actions, pending or, to Seller's Knowledge, threatened relating to the ownership, lease, use or occupancy of the Real Property or any portion thereof or the operation of the Business thereon. To Seller's Knowledge, the Real Property is in compliance in all material respects with all applicable building, zoning, subdivision, health and safety and other land use laws, including the Americans with Disabilities Act of 1990, as amended, and all insurance requirements affecting the Real Property (collectively, the "Real Property Laws"). No Relevant Entity or, to Seller's Knowledge, any owner of any Real Property has received any written or, to Seller Knowledge, oral notice of violation of any Real Property Law, and, to Seller's Knowledge, there is no basis for the issuance of any such notice or the taking of any action for such violation.

(f) To Seller's Knowledge: (i) all of the buildings, fixtures and leasehold improvements used by the Practice in the Business are located on the Real Property, and none of such buildings, fixtures or improvements encroach on any adjoining property owned by others or public rights of way; (ii) each parcel of Real Property abuts on at least one (1) side a public street or road in a manner so as to permit reasonable, customary, adequate and legal commercial and non-commercial vehicular and pedestrian ingress, egress and access to such parcel or has adequate easements across intervening property to permit reasonable, customary and adequate vehicular and pedestrian ingress, egress and access to such parcel from a public street or road; and (iii) there are no restrictions on entrance to or exit from the Real Property to adjacent public streets, and no conditions which will result in the termination of the present access from the Real Property to existing highways or roads.

(g) To Seller's Knowledge, there are no outstanding, defaulted or unsatisfied Contracts which have been made to, with or for the benefit of any utility companies, school districts, water districts, improvement districts or any other Governmental Authority which could reasonably be expected to impose any Liability or condition on the Practice or the owner of any Real Property to grant any easements or to make any payments, contributions or dedications of money or land or to construct, install or maintain or to contribute to the construction, installation or maintenance of any improvements of a public or private nature, whether on or off the Real Property.

(h) To Seller's Knowledge, all water, oil, gas, electrical, steam, compressed air, telecommunications, sewer, storm and wastewater systems and other utility services or systems for the Real Property have been installed and are operational and sufficient for the operation of the Business.

(i) Except as set forth on Schedule 3.9(i), the Practice's use or occupancy of the Real Property or any portion thereof and the operation of the Business is not dependent on a "permitted non-conforming use" or "permitted nonconforming structure" or similar variance, exemption or approval from any Governmental Authority.

(j) To Seller's Knowledge, the current use and occupancy of the Real Property and the operation of the Business thereon does not violate in any material respect any easement, covenant, condition, restriction or similar provision in any instrument of record or other unrecorded agreement affecting such Real Property.

(k) To Seller's Knowledge, none of the Real Property or any portion thereof is located in a flood hazard area (as defined by the Federal Emergency Management Agency).

3.10. Intellectual Property.

(a) No Relevant Entity has interfered with, infringed upon, misappropriated or violated any and all trade names, trademarks, service marks, patents, copyrights (and any registrations with any Governmental Authority of, and applications for registration pending with respect to, any of the foregoing), trade secrets, inventions, processes, designs, know-how or formulas of Persons other than the Relevant Entities (the "Third Party Intellectual Property"), and to Seller's Knowledge, no Relevant Entity has received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation (including any claim that such Relevant Entity must license or refrain from using any Third Party Intellectual Property). The Intellectual Property Assets are not subject to any outstanding Order or ruling, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand is pending or, to Seller's Knowledge, threatened which challenges the legality, validity, enforceability, use or ownership of the Intellectual Property Assets. To Seller's Knowledge, no third party has interfered with, infringed upon, misappropriated or violated any of the Intellectual Property Assets in any material respect. To Seller's Knowledge, the conduct of the Business as currently and formerly conducted, including the use of the Intellectual Property in connection therewith, has not infringed, misappropriated, or otherwise violated and will not infringe, misappropriate, or otherwise violate the Intellectual Property or other rights of any Person.

(b) Schedule 1.1(h) identifies each patent, registered trademark or service mark or registered copyright included among the Intellectual Property Assets, each pending patent application, application for registration of any trademark or service mark or application for registration of any copyright which the Practice has made with respect to any of the Intellectual Property Assets and any licenses or sublicenses with respect to the foregoing or other Intellectual Property which are utilized or required in the conduct of the Business. The Seller Parties have made available to Purchaser true, correct and complete copies of all such patents, registrations, applications, licenses, agreements and permissions (as amended to date). Schedule 1.1(h) also identifies each trade name or unregistered trademark, service mark, corporate name, Internet domain name, unregistered copyright and computer software item (other than commercial off-the-shelf software) owned or used by the Practice which are utilized or required in the conduct of the Business.

(c) The Practice possesses all right, title and interest in and to the Intellectual Property Assets, and have the valid and enforceable right to use all other Intellectual Property used or held for use in or necessary for the conduct of the Business as currently conducted or as proposed to be conducted, free and clear of any Lien, license or other restriction. To Seller's Knowledge, the Intellectual Property Assets and the Practice's rights thereto are valid and enforceable.

(d) To Seller's Knowledge, neither the execution, delivery, or performance of this Agreement, nor the consummation of the transactions contemplated hereunder, will result in the loss or impairment of or payment of any additional amounts with respect to, or require the consent of any other Person in respect of, the Purchaser's right to own or use any Intellectual Property Assets in the conduct of the Business as currently conducted. Immediately following the Closing, all Intellectual Property Assets will be owned or available for use by Purchaser on the same terms as they were owned or available for use by the Practice immediately prior to the Closing.

(e) All Intellectual Property Assets used to conduct the Business were developed by employees (current and/or former) and third parties who have entered, or prior to Closing will enter, into binding, valid and enforceable written agreements with the Practice whereby such employees or third parties: (i) acknowledge the Practice's exclusive ownership of all Intellectual Property Assets invented, created, or developed by such employees or third parties within the scope of their employment or engagement with the Practice; (ii) grant a present irrevocable assignment of all of their rights in or to such Intellectual Property Assets to the Practice; and (iii) are under an obligation to execute all documents necessary to the filing, prosecution, maintenance, and enforcement of all Intellectual Property rights in the Intellectual Property Assets. The Seller Parties have made available to Purchaser true, correct and complete copies of all such documents. The Relevant Entities have taken all steps reasonably required to protect the secrecy of all trade secrets and proprietary information included in the Intellectual Property Assets.

(f) All necessary documents and certificates in connection with the Intellectual Property have been filed with the relevant authorities in the United States or foreign jurisdictions for the purposes of maintaining all rights in the Intellectual Property Assets.

(g) All Software, computer hardware, servers, networks, platforms, peripherals, and similar or related items of automated, computerized, or other information technology (IT) networks and systems (including telecommunications networks and systems for voice, data, and video) owned, leased, licensed, or used (including through cloud-based or other third-party service providers) in the conduct of the Business (the "Business IT Systems") are in good working condition and are sufficient for the operation of the Business as currently conducted and as proposed to be conducted. In the past five (5) years, there has been no malfunction, failure, continued substandard performance, denial-of-service, or other cyber incident, including any cyberattack, or other impairment of the Business IT Systems that has resulted or is reasonably likely to result in disruption or damage to the Business. Seller Parties have taken all commercially reasonable steps to safeguard the confidentiality, availability, security, and integrity of the Business IT Systems, including implementing and maintaining appropriate backup, disaster recovery, and Software and hardware support arrangements.

3.11. Compliance with Laws and Regulations; Permits.

(a) Except as set forth on Schedule 3.11(a), the Practice, the Business, each of the Acquired Assets and each of the Leased Assets are, and at all times have been, in compliance in all material respects with, and no violation exists under, any Laws (including Healthcare Laws). The Practice is not in violation of any Law in any material respect, and no Action has been filed or commenced against any of them alleging any failure so to comply in any material respect. To Seller's Knowledge, there are no facts, events, circumstances or conditions that would reasonably be expected to form the basis for any Action against or affecting the Practice relating to or arising under any Law or Order.

(b) Schedule 3.11(b) sets forth all registrations, licenses, permits, variances, interim permits, permit applications, approvals or other authorizations under any Law (the "Permits") obtained by the Practice to carry on the Business. Each of the Permits set forth on Schedule 3.11(b) is in full force and effect. Other than the Permits set forth on Schedule 3.11(b), no other Permits are required to be obtained to carry on the Business. There has been no cancellation or revocation, material violation of or material default under any Permit set forth on Schedule 3.11(b), and, to Seller's Knowledge, there are no facts, circumstances, events or conditions that would reasonably be expected to result in any Permit set forth on Schedule 3.11(b) not being renewed in the Ordinary Course of Business upon its expiration. Except as set forth on Schedule 3.11(b), no Relevant Entity has received any written or, to Seller's Knowledge, oral notice of and is not the subject of any Action with respect to, any violation of, or any obligation to take remedial action under, any Laws, Orders or Permits.

(c) Other than as set forth on Schedule 3.11(c), no notices, reports or other filings are required to be made by any Seller Party with, nor are any consents or Permits required to be obtained by any Seller Party from, any Governmental Authorities in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, the failure of which to be made or obtained (i) is likely to be material to any part of the Business, (ii) would reasonably be expected to prevent, delay or burden the transactions contemplated by this Agreement or (iii) would subject the Practice, Purchaser or any of their respective Affiliates to any Liability.

(d) Except as set forth on Schedule 3.11(d), there have been no Actions involving a Seller Party with respect to any violation or alleged violation of any Laws governing occupational health and safety matters.

(e) No Relevant Entity nor any of their respective current or former equityholders, directors, managers, officers, employees, or, to Seller's Knowledge, independent contractors or agents has offered, paid, solicited or received any unlawful bribes, kickback payments, rebates or other similar unlawful payments of cash or other consideration, including unlawful payments to customers or clients or employees of customers or clients for purposes of doing business with such Persons for or on behalf of any Relevant Entity.

3.12. Compliance with Healthcare Laws.

(a) Except as set forth on Schedule 3.12(a), the Practice, the Business and each physician, psychologist, nurse practitioner, registered nurse, physician assistant, licensed clinical social work, licensed marriage and family therapist, licensed professional counselor and other individual who holds or is required to hold a license from any board or other Governmental Authority relating to the provision of professional services employed or engaged by the Practice (each, a "Healthcare Provider") is, and at all times during the six (6)-year period preceding the Closing Date has been, in compliance in all material respects with, and no material violation exists under, any Healthcare Laws. No Action has been filed, commenced or threatened against any Seller Party or, to Seller's Knowledge, any Healthcare Provider alleging any failure so to comply in any material respect, and no Seller Party or, to Seller's Knowledge, Healthcare Provider has received any written or oral notice from any Governmental Authority or agent thereof of any alleged violation of, default under or any citation for noncompliance with any Healthcare Laws. To Seller's Knowledge, there are no facts, events, circumstances or conditions that would reasonably be expected to form the basis for any Action against or affecting the Practice relating to or arising under any Healthcare Law. Except as set forth on Schedule 3.12(a), no Seller Party or Healthcare Provider has received any written, or, to Seller's Knowledge, oral notice from any Governmental Authority or is aware of any pending, active or threatened Actions involving any Seller Party or any Healthcare Provider with respect to any Healthcare Laws prohibiting, governing, regulating or relating to fee-splitting, self-referrals or payment or receipt of kickbacks in return for or to induce referrals.

(b) Schedule 3.12(b) sets forth all Permits relating to Healthcare Laws and all accreditations by Governmental Authorities or accreditation organizations for the services provided by the Business held by any Seller Party or Healthcare Provider. Each of the Permits and accreditations set forth on Schedule 3.12(b) is, and at all times during the six (6)-year period preceding the Closing Date has been, in full force and effect, and, to Seller's Knowledge, no restriction, suspension or cancellation thereof is threatened. Other than the Permits and accreditations set forth on Schedule 3.12(b), no other Permits or accreditations are required to be held by any Seller Party or Healthcare Provider to comply with any applicable Healthcare Law in all material respects or otherwise provide the services provided by the Business. There has been no cancellation or revocation, material violation of or material default under any Permit or accreditation set forth on Schedule 3.12(b). Except as set forth on Schedule 3.12(b), no Relevant Entity has received any written or oral notice of and is not the subject of any Action with respect to, any violation of, or any obligation to take remedial action under, any Laws, Orders or Permits relating to Healthcare Laws. Except as set forth on Schedule 3.12(b), to Seller's Knowledge, each former Healthcare Provider (with respect to any period of time during which such Healthcare Provider performed services on behalf of the Practice during the six (6)-year period preceding the Closing Date) held, in good standing, all Permits and accreditations necessary to provide or perform the services that such Healthcare Provider provided or performed for or on behalf of the Practice.

(c) Except as set forth on Schedule 3.12(c), at all times during the six (6)-year period preceding the Closing Date:

(i) the Practice and each Healthcare Provider has held (A) the requisite provider or supplier number(s) to bill the Medicare program and the Medicaid program in the state or states in which such Person operates and all other Third Party Payor Programs that such Person bills as a participating or in-network provider and (B) where required to bill any Third Party Payor Programs, a National Provider Identification number issued by the National Plan & Provider Enumeration System;

(ii) to Seller's Knowledge, neither the Practice, Feifel nor any of their respective directors, managers, officers, employees, contractors, agents or Healthcare Providers has received any written or oral notice from a Third Party Payor Program, Governmental Authority or agent thereof that there is any audit, claim review or other Action pending or threatened;

(iii) to Seller's Knowledge, all claims that have been submitted by or on behalf of the Practice and each Healthcare Provider in connection with such Person's activities for the Practice have been submitted in compliance in all material respects with applicable Healthcare Laws and agreements with Third Party Payor Programs, and neither Practice nor any Healthcare Provider has or has had any refund, overpayment, discount or adjustment liability under any Third Party Payor Program other than any refund, overpayment, discount or adjustment occurring as a result of any audits or reviews occurring in the Ordinary Course of Business and that are immaterial in nature;

(iv) to Seller's Knowledge, any research involving human subjects conducted by the Practice or any Healthcare Provider has been conducted at all times (A) in compliance in all material respects with all applicable Healthcare Laws and (B) in compliance in all material respects with the applicable Contract with the sponsor of such research; and

(v) neither the Practice nor any Healthcare Provider has any compensation or ownership relationship (present or contingent, direct or indirect) with any sponsor of clinical research.

(d) Except as set forth on Schedule 3.12(d), Practice maintains a compliance program to monitor compliance with Healthcare Laws. Schedule 3.12(d) sets forth a list of all current core compliance program policies of the Practice.

(e) Schedule 3.12(e)(i) sets forth a list of each Healthcare Provider that, during the last six (6) years, has been employed or engaged by the Practice as an employee, contractor or otherwise or has provided any services either through or on behalf of the Practice. Except as set forth on Schedule 3.12(e)(ii), to Seller's Knowledge, no Healthcare Provider currently employed or engaged by the Practice intends to (A) terminate such Healthcare Provider's employment or engagement with the Practice or (B) reduce the amount of time or effort that such Healthcare Provider currently provides to the Practice.

(f) Schedule 3.12(f) sets forth a list of each Healthcare Provider required to be licensed, certified and/or registered to perform services for the Practice along with such Healthcare Provider's state(s) of licensure, certification or registration (including the licensure, certification or registration number). To Seller's Knowledge, all such licensures, certifications and registrations are and have been valid and contain no restrictions and all Healthcare Providers required to be licensed, certified or registered to perform services to Seller Parties are and have been so licensed, certified or registered without restriction. Except as set forth on Schedule 3.12(f), to Seller's Knowledge, no Healthcare Provider employed or engaged by the Practice has been the subject of any disciplinary proceeding by any Governmental Authority, including any state board of medical examiners or similar Governmental Authority, at any time during the six (6)-year period preceding the Closing Date.

(g) Schedule 3.12(g) sets forth a list of all Contracts of the Practice with each Third Party Payor Program. Except as set forth on Schedule 3.12(g), each such Contract (i) is, and at all times during the six (6)-year period preceding the Closing Date (or, with respect to any such Contract whose term began less than six (6) years prior to the Closing Date, at all times during the term of such Contract) has been, in full force and effect and is a valid, legal and binding agreement of, and enforceable against, the Practice and, to the Seller's Knowledge, the other parties thereto, in accordance with its terms, in each case except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting creditors' rights generally or general principles of equity; and (ii) will continue to be legal, valid, binding, enforceable and in full force and effect on identical terms following the consummation of the transactions contemplated hereby. To Seller's Knowledge, (x) no Third Party Payor Program intends to cancel, suspend or terminate its relationship with the Practice or any Healthcare Provider employed or engaged by the Practice, and (y) there are no facts, circumstances events or conditions that would reasonably be expected to result in any such cancellation, suspension or termination.

(h) No Seller Party or any of their respective equityholders, directors, managers, officers, employees, contractors, agents or Healthcare Providers has been excluded, debarred or suspended from participation in either Medicare, Medicaid or any other Government Program, and, to Seller's Knowledge, no such exclusion, debarment or suspension is threatened. No Seller Party or any of their respective equityholders, directors, managers, officers, employees, contractors, agents or Healthcare Providers has received any written or oral notice from any Third Party Payor Programs of any pending or threatened investigations or surveys. To Seller's Knowledge, there are no facts, circumstances, events or conditions that would reasonably be expected to result in the exclusion, debarment or suspension of any Seller Party or any of their respective equityholders, directors, managers, officers, employees, contractors, agents or Healthcare Providers from participation in either Medicare, Medicaid or any other Government Program.

(i) Schedule 3.12(i) sets forth, for the calendar years ended December 31, 2023, December 31, 2024, and the period commencing on January 1, 2025, and ended on the date that is ten (10) Business Days in advance of the Closing Date, a list of the top ten (10) Payors (by revenues generated from such Payors) of the Practice. No Seller Party has received any indication from any Payor to the effect that, and no Seller Party has any reason to believe that, such Payor will stop, materially decrease the rate of or materially change the terms (whether relating to payment, price or otherwise) with respect to payment or coverage of any items and services provided by the Practice (whether as a result of the consummation of the transactions contemplated hereby or otherwise). The Seller Parties have made available to Purchaser true, correct and complete copies of all material correspondence between the Practice and each Payor relating to any future changes in reimbursement rates or threatened termination, investigations or audits between the Practice and such Payor within the last twelve (12) months. The Seller Parties have made available to Purchaser true, correct and complete copies of all material correspondence between the Practice and each such Payor during the periods set forth above.

(j) To Seller's Knowledge, the data collection, access, maintenance, transmission, use and disclosure by the Practice with respect to individually identifiable health information complies and has complied in all material respects with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended by the American Recovery and Reimbursement Act of 2009 ("HIPAA"), and the regulations promulgated thereunder (the "HIPAA Regulations"), including the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. parts 160 and 164 (subparts A and E), the Security Standards for the Protection of Electronic Protected Health Information, 45 C.F.R. parts 160 and 164 (subparts A and C) and the Standards for Electronic Transactions and Code Sets, 45 C.F.R. parts 160 and 162, and all applicable state laws regarding patient health information (collectively, the "Health Information Laws"). Except as disclosed on Schedule 3.12(j), to Seller's Knowledge, the practices of the Practice regarding the collection, access, maintenance, transmission, use and disclosure of individually identifiable health information in connection with the conduct and operations of the Practice and the Business are and have been in compliance in all material respects with any contracts or commitments with third parties, including any business associate contracts required by the HIPAA Regulations (45 C.F.R. §§ 164.308, 164.314, 164.502, 164.504). The Practice has obtained reasonable and customary agreements and assurances from any third parties used in connection with the Business or the Practice's operations, including any business associate contracts required by the HIPAA Regulations, that such third parties are in compliance in all material respects with all applicable Health Information Laws, to the extent applicable to such third parties' relationship with the Practice. To Seller's Knowledge, all billing practices of the Practice are in compliance in all material respects with HIPAA, and the Practice has (i) created and maintained written policies and procedures to protect the privacy of all patient information and (ii) implemented commercially reasonable security procedures including physical and electronic safeguards, to protect all personal information stored or transmitted in electronic form.

(k) The Practice has implemented and maintain privacy and security policies and procedures, including physical, administrative and technical safeguards, to protect all Personal Information received, created, accessed, stored or transmitted by the Practice. The Practice is, and has at all times been, in compliance in all material respects with (i) all contracts or other arrangements in effect between the Practice and any customer of the Practice that apply to or restrict the use, disclosure or security of Personal Information by the Practice and (ii) all contracts or other arrangements between the Practice and its agents or contractors that apply to or restrict the use, disclosure or secure treatment by such agents or contractors of Personal Information (such contracts or other arrangements referenced in the foregoing clauses (i) and (ii), the "Privacy Agreements"). The Practice has the right pursuant to the Privacy Agreements and its privacy and security policies to use and disclose Personal Information for the purpose such information is and has been used and disclosed. To Seller's Knowledge, neither the execution, delivery or performance of this Agreement nor the consummation of the transactions contemplated by this Agreement, including any direct or indirect transfer of Personal Information resulting from such transactions, will violate any policies or any Privacy Agreements as such currently exist or as existed at any time during which any of the Personal Information was collected or obtained. The Practice has obtained all consents or approvals, if any, required under any Health Information Laws and all applicable Privacy Agreements for the transfer of the Personal Information to be transferred at Closing and for the use and disclosure of that Personal Information for the continued operation of the Business in the Ordinary Course of Business after Closing. There have not been any non-permitted uses or disclosures, security incidents or breaches involving Personal Information held or collected by or on behalf of the Practice. None of the Relevant Entities has notified, either voluntarily or as required by any Law, any affected individual, customer, Governmental Authority or the media of any breach or non-permitted use or disclosure of Personal Information, and no Relevant Entity is currently planning to conduct any such notification or investigation whether any such notification is required.

(l) No Seller Party nor, to Seller's Knowledge, any Healthcare Provider employed or engaged by the Practice has ever been a party to or bound by any order, individual integrity agreement, corporate integrity agreement, monitoring agreement, deferred prosecution agreement, consent decree, settlement or similar agreement with any Governmental Authority.

(m) No Person has filed or, to Seller's Knowledge, has threatened to file against any Seller Party or any Healthcare Provider employed or engaged by the Practice, an action under any federal or state whistleblower statute, including the False Claims Act, 31 U.S.C. §§ 3729-3733.

3.13. Litigation. Except as set forth on Schedule 3.13, there are, and during the six (6)-year period preceding the Closing Date there have been, no Actions, at Law or in equity, pending or, to Seller's Knowledge, threatened or reasonably expected to arise against or involving any Relevant Entity or any Healthcare Provider. No Relevant Entity is in violation of any Order.

3.14. Transactions with Affiliates. Except as set forth on Schedule 3.14, with respect to remuneration for services rendered as a director, officer or employee in the Ordinary Course of Business or pursuant to the Pre-Closing Reorganization, (a) no Affiliate of any Relevant Entity provides or causes to be provided any assets, services or facilities to any Relevant Entity, (b) no Relevant Entity provides or causes to be provided any assets, services or facilities to its Affiliates, (c) no Relevant Entity beneficially owns, directly or indirectly, any investment assets issued by its Affiliates, (d) no Relevant Entity has entered into any agreement, understanding or arrangement with its Affiliates and (e) as of the Closing Date, there will be no Indebtedness, Accounts Receivable or accounts payable between any Relevant Entity, on the one hand, and any of Affiliate of any Relevant Entity, on the other hand.

3.15. Labor Matters and Employment Matters.

(a) Schedule 3.15(a) contains a complete list of the names of all Persons who are who are engaged as employees and all Person who are engaged as independent contractors of Practice as of the date hereof, specifying: (i) with respect to each employee, their job title and complete pay structure, including but not limited to the rate of hourly pay or annual salary, along with details of any commissions, bonuses and other types of compensation applicable to each employee as of the date of this Agreement; (ii) with respect to each independent contractor, a description of the services performed and the compensation arrangement as of the date of this Agreement; (iii) with respect to each such Person, (A) the date of hire or engagement, (B) all agreements affecting such Person's employment or engagement, and (C) if an employee, (1) whether the employee is classified by Practice as exempt or non-exempt under the Fair Labor Standards Act, any applicable wage orders, and any other applicable wage and hour Law, and (2) whether or not such employee is on a leave of absence and, if so, the date such absence began and the anticipated date of return; and (iv) the state in which each Person is employed or engaged. Except as set forth on Schedule 3.15(a) all employees of Seller Practice are "at will" and Seller Practice does not employ or retain the services of any employee or independent contractor who cannot be dismissed immediately without cause, whether currently or immediately after the Closing Date, without notice and without further Liability to Practice.

(b) Each Seller Party is and has at all times in the six (6)-year period prior to the Closing Date been, in compliance with all applicable Laws respecting wage and hour and employment Laws, including but not limited to, Laws related to employee classification, wages, working hours, meal periods and rest breaks, reporting time and on-call pay, wage statements, overtime, minimum wage, postings and notices, leaves of absence, vacation, paid sick leave, equal opportunity and fair employment, fair chance Laws, reasonable accommodations, employee terminations and layoffs, hiring, promotions and transfers, whistle blowing, workers' compensation, tax withholding, reporting, record-keeping, benefits, labor relations, employment policies and practices, and all terms and conditions of employment. Except as set forth on Schedule 3.15(b): (i) there is no employment complaint pending or threatened against any Seller Party before any Governmental Authority, court, arbitrator or mediator, including, but not limited to, on any of the bases set forth above, and there exists no basis for any such complaint; (ii) no present or former employee or independent contractor of any Seller Party has provided notice to Practice or Feifel or threatened to file any claim against any Seller Party on account of, for or related to wage and hour or employment Laws, including but not limited to (A) overtime pay, (B) compensation, wages or salary, (C) vacation time or pay in lieu of vacation time off, (D) any violation of any Law relating to employee or independent contractor classification, wages or work hours, or (E) any Law related to labor or employment practices or any other type of employment or wage and hour claim, and, in each case there exists no basis for any such claim; and (iii) no Person has given notice to Practice or Feifel, or threatened to file any claim against any Seller Party under or arising out of any wage and hour or employment Laws, including, but not limited to, Laws relating to employer-employee or contractor relationships, labor relations, employee entitlements, discrimination or harassment or employment practices, immigration, or plant closings, and there exists no basis for any such claim.

(c) To Seller's Knowledge, in accordance with applicable Law, each Person performing services for any Seller is, and has at all times in the six (6)-year period prior to the Closing Date been, (i) authorized to work in the country in which the Person performs such services and for the entity by which they are employed, (ii) properly classified as an employee or independent contractor, (iii) if an employee, properly classified as an exempt or non-exempt employee under the Fair Labor Standards Act and other applicable wage and hour Law, (iv) paid all wages (including, but not limited to, any required minimum wages, overtime pay and waiting time penalties), benefits, and other compensation for all services performed by such Person, and (v) except as set forth on Schedule 3.15(c)(v), if a U.S. employee, accurately completed all proper employment verification and authorization documentation, including proper maintenance of such documentation during employment and post-termination, as required by Law.

(d) Except as disclosed on Schedule 3.15(d), the Seller Parties have provided the Purchaser with true, correct and complete copies of all policies of the Business concerning safeguards related to the COVID-19 Control Measures as of the Closing Date, including COVID-19 related policies (collectively, "Coronavirus Policies").

(e) Practice has properly verified the employment eligibility of all of its employees in compliance with the Immigration Reform and Control Act and the Illegal Immigration Reform and Immigrant Responsibility Act and has retained a fully completed and executed Form I-9 for each of its employees. Each employee of Practice is legally authorized to work in the jurisdiction in which such employee is employed and in the position in which such employee is employed. Without limiting the foregoing, (i) Practice has properly utilized Form I-9 to verify the identity and work authorization status of each of its employees in compliance with the Immigration and Nationality Act, as amended, the Immigration Reform and Control Act of 1986, as amended, and related promulgating regulations, (ii) no employee of Practice has presented any temporary work authorization document at the time of hire that is currently or at any future date will be subject to I-9 re-verification, (iii) except as disclosed on Schedule 3.15(e), no employee of Practice is employed under an H-1B, L-1A or L-1B visa, or any other employer-petitioned non-immigrant U.S. work authorization, and (iv) during the six (6)-year period prior to the Closing Date, Practice has not received any written correspondence from any person, including any Governmental Authority, questioning the validity of the social security number or work authorization status of any employee of Practice.

(f) To the Knowledge of Seller Parties, no employee or independent contractor of any Seller Party is in violation of any term of any employment agreement, independent contractor agreement, nondisclosure agreement, common law nondisclosure obligation, noncompetition agreement, or restrictive covenant relating to: (i) the right of any such employee or independent contractor to be employed or engaged by a Seller Party; or (ii) the knowledge or use of trade secrets or proprietary information.

(g) Except as set forth on Schedule 3.15(g), no union is certified as collective bargaining agent to represent any employee of the Practice. The Practice is in compliance with all applicable Laws pertaining to employment and employment practices, terms and conditions of employment and wages and hours. The Practice is not (a) a party to, involved in or, to Seller's Knowledge, threatened with any labor dispute, unfair labor practice charge, labor arbitration proceeding or grievance proceeding, (b) currently negotiating any collective bargaining agreement or (c) aware of any threatened strike or filing by any employee or employee group seeking recognition as a collective bargaining representative or unit. The Practice is not planning or contemplating, and has not made any decisions or taken, any actions concerning the employees of the Practice before the Closing Date that would require the service of notice under the Worker Adjustment and Retraining Notification Act of 1988, as amended and/or any similar state Law applicable to Practice.

3.16. Taxes. Except as set forth on Schedule 3.16:

(a) The Practice has complied in all material respects with all Laws relating to Taxes. Practice has duly and timely filed all Tax Returns that were due in accordance with all applicable Laws. All such Tax Returns are true, correct and complete in all respects. All Taxes due and payable (whether or not shown or required to be shown on any Tax Return), or otherwise due and payable by Practice (including Taxes relating to any Acquired Asset or the Business), have been timely paid to the appropriate Governmental Authority.

(b) The aggregate unpaid Taxes of the Practice do not exceed the current Liability for Taxes (excluding any reserve established to reflect timing differences between book and Tax items) set forth as of such date on the Financial Statements (without regard to any notes thereto) as adjusted for the passage of time through the Closing Date. There are no existing Liens for Taxes (other than Liens for Taxes not yet due and payable) on any of the Acquired Assets.

(c) The Practice has (i) timely and properly withheld all required amounts from payments to its employees, agents, contractors, lenders, nonresidents, members, equityholders and other Persons and (ii) complied in all material respects with all reporting and recordkeeping requirements related to such Taxes. Practice has timely remitted all such Taxes to the proper Governmental Authority in accordance with all applicable Laws. Practice has correctly classified those individuals performing services as common law employees, leased employees, independent contractors or agents of such member of the Practice.

(d) Practice has (i) timely paid all sales and use Taxes required to be paid under applicable Law, (ii) properly collected and remitted all sales Taxes required under applicable Law and (iii) for all sales that are exempt from sales Taxes and that were made without charging or remitting sales or similar Taxes, received and retained any appropriate Tax exemption certificates and other documentation qualifying such sale as exempt under applicable law.

(e) Practice has never been a member of an Affiliated Group. Practice is not liable for Taxes of any other Person as a result of successor liability, transferee liability, joint and/or several liability, contractual liability or otherwise. Practice has no obligation to pay Taxes, or share Tax benefits, with another Person other than pursuant to customary provisions included in Contracts entered into in the Ordinary Course of Business the primary purpose of which are not related to Taxes (such as leases, licenses or credit agreements) and for which the Taxes related thereto have been timely paid in accordance with the terms of such agreements.

(f) Less than fifty percent (50%) of Practice's assets consist of interests in "United States real property interests" within the meaning of Section 897(c) of the Code. Practice is not a foreign person within the meaning of Section 1445 of the Code. Neither Purchaser nor Parent is required to withhold any Taxes in respect of payments under this Agreement.

(g) No audits or other Actions are ongoing or, to Seller's Knowledge, threatened with respect to any Tax Return or Taxes of Practice (including any Tax Return or Tax relating to any Acquired Asset). No claim has ever been made by a Governmental Authority in a jurisdiction where Practice does not pay a particular type of Taxes or file a particular type of Tax Returns that Practice is or may be subject to such Taxes or required to file such Tax Returns in that jurisdiction. Practice does not have a request for a private letter ruling, a request for administrative relief, a request for a change in any method of accounting, a request for technical advice or other request pending with any Governmental Authority that relates to the Taxes or Tax Returns of Practice or any Acquired Asset. Practice (or Feifel in connection with Feifel's ownership of Practice) has not commenced a voluntary disclosure proceeding in any state or local or non-U.S. jurisdiction that has not been fully resolved. No power of attorney granted by Practice with respect to any Taxes is currently in force except in connection with the Pre-Closing Reorganization. Practice has not extended any statute of limitations relating to any Taxes of Practice or relating to the Acquired Assets.

(h) Practice has not engaged in any transaction which is a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4(b).

(i) Practice is not subject to a Tax holiday or Tax incentive or grant in any jurisdiction.

(j) The terms of Practice's "nonqualified deferred compensation plans" within the meaning of Section 409A of the Code comply with Section 409A of the Code and have been maintained in operational and documentary compliance with Section 409A of the Code and the Treasury Regulations promulgated thereunder, and no such "nonqualified deferred compensation plan" has or will result in any participant incurring income acceleration or Taxes under Section 409A of the Code. Practice has not agreed to or otherwise has any obligation to pay, gross-up or otherwise indemnify any employee of Practice or other Person for any Taxes (or potential Taxes), including those imposed under Section 409A of the Code.

(k) For federal and all applicable state and local income Tax purposes, Practice was, effective as of the date of formation of Practice and at all times prior to the contribution of the shares of Practice to Holdco as described in the Pre-Closing Reorganization, a validly electing "S corporation" within the meaning of Section 1361(a) of the Code. At all times following the contribution of the shares of Practice to Holdco as described in the Pre-Closing Reorganization and until the Closing, Practice was a validly classified as a "qualified subchapter S subsidiary" of Holdco within the meaning of Section 1361(b)(3)(B) of the Code and no election has been made (or is pending) to change such status. No event has occurred (or fact has existed) that would preclude Practice from initially qualifying as an S corporation under Section 1361(a) or which would terminate Practice's S corporation status, other than the Pre-Closing Reorganization. No Governmental Authority has challenged the effectiveness of any of such elections. Practice has not incurred (and has no potential for) any liability for income Taxes under Section 1374 of the Code (or any similar provision of any state's or local jurisdiction's applicable Laws) on the disposition or sale of any asset (whether actual or deemed). Practice has not incurred (and has no potential for) any Liability for income Taxes in any state or other jurisdiction on the sale or other disposition of any asset (whether actual or deemed). Practice has no Liability for Taxes under Section 1363(d) of the Code that is payable after the Closing Date. Practice has not made an election under Section 444 of the Code.

(l) Practice does not pay any income Taxes in any state or local or non-U.S. jurisdiction other than California pursuant to the applicable Franchise Tax and Pass-Through Entity (PTE) Elective Tax, and Practice is not obligated to pay, directly or indirectly, any income Taxes of any of its stockholders or members (direct or indirect) (by means of withholding, electing to file composite returns in any jurisdiction or otherwise). Neither Feifel nor any former member/stockholder of Practice has any right to any distribution with respect to Taxes (or otherwise) from Practice that will survive the Closing.

(m) Practice is not required to include an item of income, or exclude an item of deduction, for any period after the Closing Date as a result of (i) an installment sale transaction occurring before the Closing governed by Section 453 of the Code (or any similar provision of state, local or non-U.S. Laws); (ii) a transaction occurring on or before the Closing reported as an open transaction for U.S. federal income Tax purposes (or any similar doctrine under state, local or non-U.S. Laws); (iii) any prepaid amount or advance payment received or paid on or prior to the Closing Date or deferred revenue realized on or prior to the Closing Date; (iv) a change in method of accounting with respect to a Pre-Closing Tax Period or an adjustment pursuant to Section 481 of the Code (or any similar provision of state, local or non-U.S. Laws); (v) an agreement entered into with any Governmental Authority (including a "closing agreement" under Section 7121 of the Code) on or prior to the Closing Date; or (vi) the application of Section 263A of the Code (or any similar provision of state, local or non-U.S. Laws). Practice does not have any "long-term contracts" that are subject to a method of accounting provided for in Section 460 of the Code or has any deferred income pursuant to IRS Revenue Procedure 2004-34, Treasury Regulation Section 1.451-5, Section 455 of the Code or Section 456 of the Code (or any corresponding provision of state or local Law). Practice does not use the accrual basis method of accounting for income Tax purposes.

(n) None of the Acquired Assets is tax-exempt use property under Section 168(h) of the Code. No portion of the cost of any Acquired Asset has been financed directly or indirectly from the proceeds of any tax-exempt state or local government obligation described in Section 103(a) of the Code. None of the Acquired Assets is property that Practice is required to treat as being owned by any other Person pursuant to the safe harbor lease provision of former Section 168(f)(8) of the Code.

(o) None of the (i) goodwill, (ii) going concern value or (iii) other intangible assets (that would not be amortizable prior to the enactment of Section 197 of the Code) of Practice was held by any Seller Party or any related person (within the meaning of Section 197(f)(9)(C) of the Code) to a Seller Party on or before August 10, 1993 or could constitute anti-churning property under Section 197(f)(9)(A) of the Code.

(p) Practice has made available to Purchaser true, correct and complete copies of (i) all non-income Tax Returns and all income Tax Returns filed by Practice (or their Affiliates) in the past five (5) years and (ii) all notices, correspondence and similar material received by Practice, any Affiliate of Practice or any of their respective agents from any Governmental Authority relating to the Business or the Acquired Assets or Taxes associated therewith.

3.17. Environmental Matters. Except as set forth on Schedule 3.17:

(a) To Seller's Knowledge, all of the Acquired Assets and the Business, and all uses, conditions and operation of the Acquired Assets and Business are in compliance in all material respects with all applicable Environmental Laws and have been in compliance in all material respects with all applicable Environmental Laws at all times during the Practice's ownership, lease, use and/or operation, and there has been and is no Liability under any Environmental Laws arising out of or relating to the ownership, lease, use or operation of the Acquired Assets or the Business.

(b) To Seller's Knowledge, there has been no Release of Hazardous Substances at, onto, from or under any Real Property in a manner requiring investigation or remediation by the Practice pursuant to applicable Environmental Laws or any Permits that are required pursuant to applicable Environmental Laws, and no Real Property or any facility formerly owned, operated or leased the Practice has been listed or proposed for listing on the National Priorities List under CERCLA or any analogous state or foreign Law.

(c) To Seller's Knowledge, there exist no notices of violation, Actions, citations or requests for information pending or threatened against the Practice or any other Person for whose conduct the Practice is, or would reasonably be expected to be, responsible or potentially responsible relating to: (i) contribution, response, removal or remedial obligations or other Liability of the Practice under any Environmental Law; (ii) violations by the Practice of any Environmental Law; or (iii) the generation, handling, use, treatment, storage, transportation, disposal or release or threatened release of Hazardous Substances, and there exist no facts, events, circumstances or conditions that would reasonably be expected to form the basis for any such notices of violation, Actions, citations or requests for information.

3.18. Insurance. Schedule 3.18 contains a list of each insurance policy currently providing coverage for the Practice, the Business and the Healthcare Providers, and a copy of each such policy has been made available to Purchaser. To Seller's Knowledge, and other than directors and officers indemnification and cyber liability or similar types of insurance coverage, such insurance policies provide types and amounts of insurance customarily obtained by businesses similar to the Business. All of such policies, or similar replacement policies, are now and will be in full force and effect immediately following the Closing with no premium arrearages and should an insurance policy set forth on Schedule 3.18 be terminated or cancelled as a result of the transaction contemplated hereby as of, or after, the Closing, the Practice shall be responsible, at its sole cost, for any costs or fees related to such termination or cancellation and, at its sole cost, promptly obtain equivalent replacement insurance coverage with same or similar policy limits, unless otherwise agreed to by Purchaser. The Practice has not (a) received any notice from any such insurance company canceling or materially amending any of such insurance policies, and, to Seller's Knowledge, no such cancellation or amendment is threatened, or (b) failed to give any required notice or present any claim which is still outstanding under any of such policies. The Practice maintains its professional liability coverage on a "claims made" basis.

3.19. Employee Benefits.

(a) Except as set forth on Schedule 3.19(a), no Relevant Entity or any of their respective Affiliates maintains, sponsors, is a party to, participates in, contributes to, is or has been required to contribute to, has a commitment to create or has any Liability with respect to (i) any "employee benefit plan" (as defined in Section 3(3) of ERISA), (ii) any other retirement or deferred compensation plan, incentive compensation plan, stock plan, retention plan or agreement, unemployment compensation plan, vacation pay, change in control, severance pay, bonus or benefit arrangement, insurance or hospitalization program or any fringe benefit arrangements, whether pursuant to contract, arrangement of any kind, custom or informal understanding or (iii) any employment agreement or consulting agreement, in each case, which have been extended to Persons because they have performed or will perform services for such Relevant Entity or its Affiliates in connection with the Acquired Assets; or with respect to which Purchaser may have any Liability on account of the execution of this Agreement or any transactions contemplated by this Agreement or on account of any Relevant Entity or any of their respective Affiliates having or having had an ERISA Affiliate.

(b) A true, correct and complete copy of each of the plans, programs, policies, arrangements and agreements listed on Schedule 3.19(a) (referred to herein as the "Employee Benefit Plans"), and all contracts relating thereto, or to the funding thereof, each as in effect on the date hereof, has been made available to Purchaser. In the case of any Employee Benefit Plan which is not in written form, an accurate description of such Employee Benefit Plan as in effect on the date hereof has been made available to Purchaser. A true, correct and complete copy of the three (3) most recent Form 5500 annual reports, the summary plan description and any summaries of material modification and the IRS determination or opinion letter with respect to each Employee Benefit Plan, to the extent applicable, have been made available to Purchaser.

(c) All Employee Benefit Plans comply with, and have been administered, funded and maintained in form and in operation in all material respects in accordance with, their terms and with all applicable requirements of Law (including all applicable reporting, filing and testing requirements), and no event has occurred which will or would reasonably be expected to cause any such Employee Benefit Plan to fail to comply with such requirements, and no notice has been issued by any Governmental Authority questioning or challenging such compliance. All contributions due under each Employee Benefit Plan have been paid when due or properly accrued on the Financial Statements.

(d) Each Employee Benefit Plan which is intended to be qualified under Section 401(a) of the Code is the subject of a favorable determination letter or opinion letter issued by the Internal Revenue Service (the "IRS") with respect to the qualified status of such plan under Section 401(a) of the Code and the tax-exempt status of any trust which forms a part of such plan under Section 501(a) of the Code; all amendments to any such Employee Benefit Plan for which the remedial amendment period (within the meaning of Section 401(b) of the Code and applicable regulations) has expired are covered by a favorable IRS determination or opinion letter; and no event has occurred which will or would reasonably be expected to give rise to disqualification of any such Employee Benefit Plan under such Laws.

(e) There have been no "prohibited transactions" (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any Employee Benefit Plan, and no Relevant Entity or any of its Affiliates has engaged in any prohibited transaction. No fiduciary to any Employee Benefit Plan has any Liability for breach of fiduciary duty or other failure to act or comply in connection with the administration or investment of the assets of any Employee Benefit Plan.

(f) There have been no acts or omissions by any Relevant Entity or any of their respective Affiliates which have given rise to or may give rise to fines, penalties, Taxes or related charges under Section 502 of ERISA or Chapters 43, 47, 68 or 100 of the Code for which Purchaser or any of its Affiliates may be liable.

(g) There are no actions, suits or claims (other than routine claims for benefits) pending or, to Seller's Knowledge, threatened involving any Employee Benefit Plan or the assets thereof, and, to Seller's Knowledge, no facts exist which would reasonably be expected to give rise to any such actions, suits or claims (other than routine claims for benefits).

(h) No Relevant Entity, any of their respective Affiliates or any ERISA Affiliate thereof has ever contributed to or been required to contribute to any employee benefit plan subject to Title IV of ERISA or Section 412 of the Code, any multiemployer plan (as defined in Section 3(37) of ERISA), any multiple employer plan (as defined in Section 413 of the Code) or any multiple employer welfare arrangement (as defined in Section 3(40) of ERISA). No Employee Benefit Plan provides post-termination or retiree welfare benefits to any Person for any reason, except as may be required by COBRA or other similar state Law.

(i) The consummation of the transactions contemplated by this Agreement will not, either alone or in conjunction with any other event, (i) entitle any employee to severance pay, (ii) accelerate the time of payment or vesting or trigger any payment of compensation or benefits under, increase the amount payable or trigger any other material obligation pursuant to, any Employee Benefit Plan or (iii) result in any breach or violation of, or default under, any Employee Benefit Plan.

(j) Schedule 3.19(j) sets forth a true, correct and complete list of all Persons who have served as employees, independent contractors or consultants/service providers of the Practice at any time during the two (2) year period preceding the Closing Date, together with each such Person's title, annual salary or hourly wage and bonus opportunity or annual fees collected, as applicable. The Practice has not implemented, and are not currently contemplating the implementation of, any workforce changes affecting the employees of the Relevant Entities in connection with any disruptions caused by COVID-19, including any actual or expected terminations, layoffs, furlough or shutdowns (whether voluntary or by COVID-19 Control Measure).

3.20. Bank Accounts; Powers of Attorney. Schedule 3.20 sets forth a true, correct and complete list of the names and locations of each bank or other financial institution at which the Practice has an account (giving the account numbers) or safe deposit box, the names of all Persons authorized to draw thereon or have access thereto and the names of all Persons, if any, now holding powers of attorney or comparable delegation of authority from the Practice and a summary statement thereof.

3.21. Entire Interest; All Assets. The Acquired Assets include all property, assets and rights relating to, used in, dedicated to or otherwise necessary to assist in the operational and administrative support for the conduct of the Business. No Affiliate of any Relevant Entity or any other Person holds any right, title or interest in any of the Acquired Assets. The Acquired Assets are adequate to assist in the operational and administrative support for the conduct the Business.

3.22. Financial Advisors/Broker Fees. No Seller Party or any Person acting on any Seller Party's behalf has paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the transactions contemplated by this Agreement.

3.23. CARES Act Matters. Schedule 3.23 sets forth a true, correct and complete list of the CARES Act stimulus or relief programs (the "CARES Act Programs") in which the Practice is participating or have participated and the amount of funds requested or received by the Practice under each CARES Act Program. The Seller Parties have made available to Purchaser true, correct and complete copies of all applications, forms and other documents filed or submitted by the Practice relating to any CARES Act Program, and all statements and information contained in such applications, forms and other documents are true, correct and complete in all material respects. All funds received by the Practice under all CARES Act Programs (the "CARES Act Funds") have been used by the Practice in compliance in all material respects with the CARES Act and all CARES Act Terms, and the Practice has maintained accounting and other records relating to the CARES Act Funds and the use thereof that comply in all material respects with the CARES Act and all CARES Act Terms (including records that track the costs and other expenses for which the CARES Act Funds have been used), true, correct and complete copies of which have been made available to Purchaser.

3.24. Employee Retention Credit. During the six (6)-year period preceding the Closing Date, no Seller Party has applied for, retained or received an Employee Retention Credit of any amount.

3.25. *Intentionally Omitted.*

3.26. No Other Representations; Acknowledgement.

(a) Except for the representations and warranties set forth in this Agreement and the Related Agreements, none of the Seller Parties or any other Person makes any other representations or warranties, written or oral, statutory, express or implied, with respect to (i) any Seller Party or such Seller Party's business, operation, assets, liabilities, condition (financial or otherwise) or prospects or (ii) the negotiation, execution, delivery or performance of this Agreement and the Related Agreements by the Seller Parties.

(b) Each Seller Party acknowledges and agrees that the representations and warranties of the Purchaser set forth in this Agreement and the Related Agreements constitute the sole and exclusive representations and warranties of the Purchaser or any other Person with respect to (i) Purchaser or Purchaser's business, operation, assets, liabilities, condition (financial or otherwise) or prospects or (ii) the negotiation, execution, delivery or performance of this Agreement and the Related Agreements by the Purchaser. No Seller Party is relying upon any representations or warranties other than those set forth in this Agreement and the Related Agreements in connection with such Seller Party's decision to enter into this Agreement and the Related Agreements and consummate the transactions contemplated hereby and thereby, and each Seller Party acknowledges and agrees that all other representations and warranties of any kind or nature, written or oral, statutory, express or implied, are specifically disclaimed by the Purchaser.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Seller Parties as follows:

4.1. Organization and Power. As it relates to Purchaser and Parent, (a) Purchaser is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware and Parent is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware, and each or Purchaser and Parent is (b) duly qualified to do business as a foreign limited liability company or corporation, as applicable, and is in good standing in all jurisdictions where the failure so to qualify or be in good standing would have a material adverse effect on Purchaser and/or Parent. Each of Purchaser and Parent has full power and authority to execute, deliver and perform this Agreement and each Related Agreement to which such Party is a party and to consummate the transactions contemplated hereby and thereby.

4.2. Authorization. Each of Purchaser and Parent has duly authorized, executed and delivered this Agreement and each Related Agreement to which such Party is a party, and this Agreement and such Related Agreements constitute valid and legally binding agreements of such Party, enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting creditors' rights generally or general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at Law).

4.3. Financial Advisors; Broker Fees. Except as set forth on Schedule 4.3, neither Purchaser nor Parent nor any Person acting on Purchaser's or Parent's behalf has paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the transactions contemplated by this Agreement.

4.4. Sufficiency of Funds. Purchaser has sufficient cash on hand or other sources of immediately available funds to enable it to pay the Closing Payment and other amounts required to be paid by Purchaser hereunder and to consummate the transactions contemplated by this Agreement and by the Related Agreements.

4.5. Consents. No consents or approvals of, or filings or registrations by Purchaser with, any Governmental Authority or any other Person not a Party hereto are necessary in connection with the execution, delivery and performance of this Agreement and the Related Agreements to which Purchaser is a party by such Purchaser Party and the consummation by Purchaser of the transactions contemplated hereby and thereby.

4.6. No Other Representations; Acknowledgement.

(a) Except for the representations and warranties set forth in this Agreement and the Related Agreements, neither Purchaser nor Parent, nor any other Person on behalf of Purchaser or Parent makes any other representations or warranties, written or oral, statutory, express or implied, with respect to (i) Purchaser or Purchaser's business, operation, assets, liabilities, condition (financial or otherwise) or prospects, or Parent or Parent's business, operation, assets, liabilities, condition (financial or otherwise) or prospects or (ii) the negotiation, execution, delivery or performance of this Agreement and the Related Agreements by the Purchaser and/or Parent, as applicable.

(b) Each of Purchaser and Parent acknowledges and agrees that the representations and warranties of the Seller Parties set forth in this Agreement and the Related Agreements constitute the sole and exclusive representations and warranties of the Seller Parties or any other Person with respect to (i) any Seller Party or such Seller Party's business, operation, assets, liabilities, condition (financial or otherwise) or prospects or (ii) the negotiation, execution, delivery or performance of this Agreement and the Related Agreements by the Seller Parties. Neither Purchaser nor Parent is relying upon any representations or warranties other than those set forth in this Agreement and the Related Agreements in connection with such Party's decision to enter into this Agreement and the Related Agreements and consummate the transactions contemplated hereby and thereby, and each of Purchaser and Parent acknowledges and agrees that all other representations and warranties of any kind or nature, written or oral, statutory, express or implied, are specifically disclaimed by the Seller Parties.

ARTICLE V
COVENANTS AND AGREEMENTS

5.1. Confidentiality. Each Seller Party acknowledges that, following the Closing, the Confidential Information will be owned by the Purchaser and will continue to be valuable and proprietary to the Business and agrees to keep the Confidential Information confidential and not to divulge or make use of, or allow any of such Seller Party's Affiliates to divulge or make use of, the Confidential Information, including any trade secrets or know-how included within the Intellectual Property Assets; provided, however, that in no event shall the foregoing preclude the right of any Party to disclose any Confidential Information which it may be required by Law to disclose.

5.2. Noncompetition; Non-Solicitation.

(a) Feifel hereby acknowledges that Feifel is familiar with the trade secrets of the Relevant Entities and the Business and with other Confidential Information. Feifel acknowledges and agrees that the Purchaser, Parent and their respective Affiliates would be irreparably damaged if Feifel were to provide services to or otherwise participate in the business of any Person competing with the Purchaser, Parent and their respective Affiliates in a similar business and that any such competition by Feifel (or Feifel through an Affiliate) would result in a significant loss of goodwill by the Purchaser, Parent and their respective Affiliates. Feifel further acknowledges and agrees that the covenants and agreements set forth in this Section 5.2 were a material inducement to the Purchaser and Parent to enter into this Agreement and to perform their obligations hereunder and that neither Purchaser nor Parent, nor their respective Affiliates would obtain the benefit of the bargain set forth in this Agreement as specifically negotiated by the Parties if Feifel (or any other Person indirectly or directly at instruction of Feifel) breached the provisions of this Section 5.2. Therefore, Feifel hereby agrees, in further consideration of the amounts to be paid for the Acquired Assets, including the goodwill of the Business, that until the [***]year anniversary of the Closing Date, Feifel shall not (and shall cause Feifel's Affiliates not to) directly or indirectly own any interest in, manage, control, participate in, consult with, render services for or in any other manner engage anywhere in the Restricted Territory in any business engaged directly or indirectly in any Competitive Business or any other business competitive with the Business within the Restricted Territory other than on behalf of the Purchaser and its Affiliates. For purposes of this Agreement, "Restricted Territory" means a [***] radius around any location of Practice or any Affiliate of Practice or an Affiliated Practice existing as of the Closing Date, or any existing location of Purchaser, Parent or any respective Affiliate thereof for which Purchaser, Parent and/or Feifel provides or provided services. Feifel hereby acknowledges that Purchaser, Parent and each of their respective Affiliates' businesses has been conducted or is presently proposed to be conducted throughout the Restricted Territory and that the geographic restrictions set forth above are reasonable and necessary to protect the goodwill of the Purchaser, Parent and each of their respective Affiliates' businesses.

(b) Feifel hereby agrees that until the [***] anniversary of the Closing Date, Feifel shall not (and shall cause Feifel's Affiliates not to) directly, or indirectly through another Person, (i) induce or attempt to induce any employee of Purchaser, Parent, Practice or any of their respective Affiliates to leave the employ of Purchaser, Parent, Practice or any of their respective Affiliates, or in any way interfere with the relationship between Purchaser, Parent, Practice or any of their respective Affiliates and any employee thereof, (ii) hire any Person who was an employee of Purchaser, Parent, Practice or any of their respective Affiliates at any time during the twelve (12)-month period immediately prior to the date of such hiring or (iii) for so long as Practice and/or Feifel have continuing obligations under Section 5.2(a), call on, solicit or service any customer, supplier, Payor, referral source or other business relation of Purchaser, Parent, Practice or any of their respective Affiliates (including any Person that was a customer, supplier, Payor, referral source or other potential business relation of Practice at any time during [***] period immediately prior to the Closing), induce or attempt to induce such Person to cease doing business with Purchaser, Parent, Practice or any of their respective Affiliates or in any way interfere with the relationship between any such customer, supplier, Payor, referral source or business relation and Purchaser, Parent, Practice or any of their respective Affiliates (including making any negative statements or communications about Purchaser, Parent, Practice or any of their respective Affiliates). The restrictions set forth herein shall not apply to any solicitation directed at the public or any public advertisement of employment opportunities (including, without limitation, through the use of employment agencies) that are not directed at any individual described in clause (ii) or (iii) of this Section (each, a "Covered Individual") or prevent Feifel or his Affiliates from employing any Covered Individual who contacts such party, directly or indirectly through an intermediary, at his or her own initiative without any direct or indirect solicitation by or encouragement from such party.

(c) Feifel agrees that, from and after the Closing, Feifel shall not (and shall cause Feifel's Affiliates not to) make any negative, derogatory or disparaging statement or communication regarding Purchaser, Parent, Practice or any of their respective Affiliates or employees, other than in the good faith performance of any legal duty or obligation of Feifel, conferring in confidence with his legal representatives or in truthful testimony given in response to a lawful subpoena or similar court or governmental order. Each of Purchaser and Parent agrees that, from and after the Closing, it shall cause its directors, members, managers and officers not to publicly make any negative, derogatory or disparaging statement or communication regarding Feifel or any of his Affiliates other than in the good faith performance of the Board's or such officer's duties to the Purchaser or Parent, as applicable, conferring in confidence with the Purchaser's or Parent's legal representatives or in truthful testimony given in response to a lawful subpoena or similar court or governmental order.

(d) If, at the time of enforcement of the covenants contained in this Section 5.2 (the "Restrictive Covenants"), a court shall hold that the duration, scope or the Restricted Territory stated herein are unreasonable under circumstances then existing, the Parties agree that the maximum duration, scope or area reasonable under such circumstances shall be substituted for the stated duration, scope or area and that such court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by Law. Feifel has consulted with legal counsel regarding the Restrictive Covenants and based on such consultation has determined and hereby acknowledges that the Restrictive Covenants are reasonable in terms of duration, scope and area restrictions and are necessary to protect the goodwill of Purchaser, Parent, Practice or any of their respective Affiliates' businesses and the substantial investment made by the Purchaser and Parent hereunder. Feifel further acknowledges and agrees that the Restrictive Covenants are being entered into by Feifel in connection with the sale by Practice of the goodwill of the Business and not directly or indirectly in connection with Feifel's employment or other relationship with any Relevant Entity or Purchaser.

(e) If any Seller Party or any of its, his Affiliates thereof breaches, or threatens to commit a breach of, any of the Restrictive Covenants, the Purchaser and Parent shall have the following rights and remedies, each of which shall be independent of the others and severally enforceable and is in addition to, and not in lieu of, any other rights and remedies available to the Purchaser or Parent at Law or in equity:

(i) the right and remedy to have the Restrictive Covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Purchaser, Parent and their Affiliates and that money damages would not provide an adequate remedy to the Purchaser, Parent and their Affiliates; and

(ii) the right and remedy to require any Seller Party to account for and pay over to the Purchaser or Parent any profits, monies, accruals, increments or other benefits derived or received by a Seller Party or any of such Seller Party's Affiliates as the result of any transactions constituting a breach of the Restrictive Covenants.

(f) In the event of any breach or violation by a Seller Party of any of the Restrictive Covenants, the time period of such covenant shall be tolled until such breach or violation is resolved.

5.3. Public Statements. As of the Effective Date, the Purchaser shall be permitted to issue a public announcement or statement with respect to this Agreement or the transactions contemplated hereby; provided, however, any such announcement or statement shall not include the economic terms hereof including, without limitation, the amount or form of the consideration received by the Seller Parties hereunder. Furthermore, Purchaser shall be allowed to disclose the terms of this Agreement and the transactions contemplated hereby (a) to authorized representatives and employees of Purchaser or its Affiliates, (b) to its and its Affiliates' current or prospective investors, lenders, or partners in connection with fundraising activities or fund performance reporting, (c) to any of Purchaser's Affiliates, accountants, attorneys, financing sources, or other agents, or any other Person to whom Purchaser or its Affiliates discloses such information in the ordinary course of business, and (d) following the Closing to any bona fide prospective purchaser of the equity or assets of Purchaser or its Affiliates; provided that in the case of disclosures made pursuant to the immediately foregoing clauses (a) through (d), the recipient is informed of the confidential nature of such information. Purchaser shall also be allowed to issue general press releases in the ordinary course of business; provided, however, any such announcement or statement shall not include the economic terms hereof including, without limitation, the amount or form of the consideration received by the Seller Parties hereunder.

5.4. Use of Name. From and after the Closing, none of the Seller Parties nor any of their respective Affiliates, may, directly or indirectly, use any corporate names or trademarks based on the term "Kadima Neuropsychiatry Institute" or any similar terms to identify such Person without the prior written consent of Purchaser; provided, however, that such written consent will not be necessary with respect to the use by Practice of such names or trademarks so long as the Practice Management Documents remain in full force and effect and such use by Practice of such names and/or trademarks shall be subject to the terms and conditions of use as set forth in the Business Support Services Agreement.

5.5. Consents Not Obtained at Closing.

(a) To the extent any Contract is not capable of being assigned without the consent or waiver of the other party thereto or any third party (including any Governmental Authority), or if such assignment or attempted assignment would constitute a breach thereof or a violation of any Law or Order, neither this Agreement nor any Related Agreement shall constitute an assignment or an attempted assignment of such Contract.

(b) The Seller Parties shall use their reasonable best efforts, and the Purchaser shall cooperate with the Seller Parties at any Seller Party's expense, to obtain any consents and waivers necessary to convey to the Purchaser all Assumed Contracts intended to be included in the Acquired Assets.

(c) If any such consents and waivers are not obtained with respect to any Contract, this Agreement and the applicable Related Agreement(s) shall constitute an equitable assignment by Practice to the Purchaser of all of Practice's rights, benefits, title and interest in and to such Contract, to the extent permitted by Law, and the Purchaser shall be deemed to be Practice's agents for purposes of exercising all of Practice's rights under such Contract, and Practice shall take all necessary steps and actions, at any Seller Party's expense, to provide the Purchaser with the benefits of such Contract.

5.6. Employment and Benefits Matters.

(a) Purchaser shall make conditional offers of employment to each employee of Practice set forth on Schedule 5.6(a) at similar base compensation levels as such employee maintained prior to the Closing to be effective as of either the Closing or a date selected by Purchaser, in its sole discretion, but not later than three (3) months following the Closing Date (such effective date, the "Transition Date"), subject to satisfactory completion of Purchaser's standard pre-employment hiring processes. Each employee set forth on Schedule 5.6(a) who accepts such offer and actually commences employment with Purchaser is referred to herein as a "Transferring Employee" so long as such employee remains continuously employed by Purchaser.

(b) Following the Transition Date, the Transferring Employees will be eligible to participate in such benefit plans as may be offered to similarly situated employees of Purchaser from time to time (collectively, the "Purchaser Plans") in accordance with the terms and conditions of the Purchaser Plans. For purposes of eligibility, vesting and calculation of vacation and severance benefits (but not other benefit accruals under any defined benefits pension plan) under Purchaser Plans, Purchaser shall credit each Transferring Employee with his or her years of service with Practice or any of its predecessor entities to the same extent as such Transferring Employee was entitled immediately prior to the Transition Date to credit for such service under any similar Practice benefit plan (but not to the extent that any such crediting would result in a duplication of benefits). Purchaser shall cause each Transferring Employee to be eligible to participate in Purchaser's health and welfare plans commencing on the Transition Date.

(c) The Seller Parties shall take such action as is necessary to provide that all participants in the Practice Plan have a fully vested and non-forfeitable interest in their entire respective account balances under the Practice Plan as of the Closing (regardless of their years of vesting credit under the Practice Plan). On or prior to the Closing Date, the Seller Parties shall cause Practice to contribute all employer contributions to the Practice Plan that are required to be made under the Practice Plan with respect to all periods prior to the Closing. Prior to, from and after the Closing, the Seller Parties shall take such action as reasonably necessary with regards to the Practice Plan to ensure the participants in the Practice Plan who are Transferring Employees transition into Purchaser's 401(k) plan as directed by Purchaser.

(d) From and after the Closing, the Seller Parties shall cooperate with Purchaser to effectuate the transfer of the Transferring Employees' employment from Practice to Purchaser as of the Transition Date and to implement the provisions of this Section 5.6 and shall cause Practice and its ERISA Affiliates to provide Purchaser with such documents, data and information as may be reasonably necessary to do so.

(e) The provisions of this Section 5.6 are for the benefit of the Parties only, and no employee of Practice, Purchaser or any of their respective Affiliates, or any legal representatives or beneficiaries of any such employee, shall have any rights or remedies (including third-party beneficiary rights) hereunder. Nothing expressed in or implied by this Section 5.6 will confer upon any employee of Practice, Purchaser or any of their respective Affiliates, or any legal representatives or beneficiaries of any such employee, any rights or remedies (including third-party beneficiary rights), including any right to employment or continued employment for any specified period or to be covered under or by any employee benefit plan or arrangement, or shall cause the employment status of any employee of Practice, Purchaser or any of their respective Affiliates to be other than terminable at will.

5.7. Waiver of Transfer Restrictions, Etc. In connection with and in furtherance of the transactions contemplated by this Agreement and the Related Agreements, the Seller Parties hereby waive the provisions of the articles of incorporation, bylaws, and other organizational documents of the Relevant Entities, including any stock redemption agreements, to the extent that such provisions might impede or interfere with the transactions contemplated by this Agreement and the Related Agreements, including any transfer restrictions, rights of first refusal and or similar provisions.

5.8. Termination of Confidentiality Agreement. Effective as of the Closing, Purchaser, Parent and Practice hereby terminate the Confidentiality Agreement and acknowledge and agree that, from and after the Closing, the Confidentiality Agreement will be of no further force or effect, and neither Purchaser, nor Parent, nor Practice will have any rights, duties or liabilities thereunder.

5.9. Ownership Matters. From and after the Closing, for so long as Holdco holds any Rollover Equity Units, (i) Feifel shall not, and Feifel shall cause Holdco and Practice not to, issue, sell or grant any equity interests or ownership interests of Holdco and/or Practice, or any options, warrants, calls, subscriptions or other rights, agreements or commitments obligating Holdco and/or Practice to issue, sell or grant any equity interests or ownership interests of Holdco and/or Practice, to any Person without the prior written consent of Purchaser, which consent may be withheld in Purchaser's sole discretion, and (ii) Feifel shall not sell, assign, convey or otherwise transfer any equity interests or ownership interests of Holdco and/or Practice to any Person without the prior written consent of Purchaser, which consent may be withheld in Purchaser's sole discretion.

5.10. Professional Liability Policies.

(a) For so long as Practice and its Healthcare Providers retain professional liability insurance coverage from the same carrier pursuant to policies that were in place immediately prior to the Closing (the "Legacy Policies"), Purchaser shall cause Practice and its Healthcare Providers to retain the same coverage levels and insurance policy coverage terms as were in effect for such policies prior to the Closing.

(b) In the event that Purchaser elects to have Practice and its Healthcare Providers receive professional liability insurance coverage under policies from a different professional liability carrier, Purchaser shall ensure that the coverage levels and insurance policy coverage terms are consistent with the Legacy Policies.

ARTICLE VI
SURVIVAL; INDEMNIFICATION

6.1. Survival. The representations and warranties of the Parties contained herein or in any certificate executed and delivered pursuant hereto shall survive the Closing and shall expire on the date that is eighteen (18) months after the Closing Date; except with respect to the (A) representation and warranties related to Taxes (Section 3.16) and (B) Fundamental Representations, which shall survive the Closing and remain in full force and effect until the expiration of the applicable statutes of limitations plus sixty (60) days; except with respect to the representations and warranties in Section 3.12 (Compliance with Healthcare Laws) which shall survive until the sixth (6th) anniversary of the Closing Date; provided further, that there shall be no limitations on the period during which a claim may be made for Losses incurred or sustained by any of the Indemnitees as a result of fraud, willful misconduct or intentional misrepresentation. The representations and warranties in this Agreement and the Schedules attached hereto or in any certificate, instrument or other document delivered by any Party to another Party in connection with this Agreement shall survive for the periods set forth in this Section 6.1 and shall in no event be affected by any investigation, inquiry or examination made for or on behalf of any Party, or the knowledge of any Party's officers, directors, managers, stockholders, members, employees or agents or the acceptance by any Party of any certificate hereunder. For the avoidance of doubt, all covenants, agreements or other provisions set forth herein (unless a longer period is explicitly provided for herein) shall survive the Closing for the maximum time period permitted under Law. Notwithstanding anything to the contrary in this Section 6.1, (i) if a Claim Notice given in accordance with Section 6.4(a) on or prior to the last day of the applicable survival period of a representation, warranty, covenant or other agreement asserts a breach of or inaccuracy in such representation or warranty or a breach of such covenant or other agreement, such representation, warranty, covenant or other agreement shall survive and remain in effect with respect to the claim asserted in such Claim Notice until such claim has been finally resolved, with all statutory or common law statutes of limitations or other time-based defenses applicable to such claim being tolled until such final resolution, and (ii) nothing in this Section 6.1 will impair or otherwise limit any Party's right to bring or maintain any Action based upon fraud, willful misconduct or intentional misrepresentation. It is the express intent of the Parties that, if the applicable survival period for an item as contemplated by this Section 6.1 is shorter than the statute of limitations that would otherwise have been applicable to such item, then, by contract, the applicable statute of limitations with respect to such item shall be reduced to the survival period contemplated hereby. The Parties acknowledge that the time periods set forth in this Section 6.1 for the assertion of claims under this Agreement are the result of arms-length negotiation among the Parties and that they intend for the time periods to be enforced as agreed by the Parties.

6.2. Indemnification.

(a) By Seller Parties. Subject to the limitations described in Section 6.3 (including the Non-Tipping Basket and Cap, if and to the extent applicable), in consideration of Purchaser's execution and delivery of this Agreement, each Seller Party (collectively the "Seller Party Indemnitors") shall, on a joint and several basis, indemnify, defend and hold harmless Purchaser, its Affiliates (including, for the avoidance of doubt, Practice from and after the Closing) and each of their respective partners, directors, managers, officers, employees, agents, representatives, successors and assigns (collectively, the "Purchaser Indemnitees") and pay on behalf or reimburse such Purchaser Indemnitees in the manner provided for any Losses that such Purchaser Indemnitee may suffer, sustain or become subject to, as a result of, relating to or by virtue of any of the following:

(i) any breach of or inaccuracy in any representation or warranty made by any Seller Party contained in this Agreement or in any certificate, instrument or other document executed and delivered pursuant hereto;

(ii) any breach of or failure by any Seller Party to perform any covenant or obligation of such Seller Party contained in this Agreement;

(iii) any Excluded Liabilities;

(iv) any claims by or Liabilities with respect to a PPP Loan(s) that may exist and (ii) any other loan from, or Liability of the Relevant Entities to the SBA or any other Person under the CARES Act, "Paycheck Protection Program" or "Economic Stabilization Fund" received by a Seller Party;

(v) any claims by or Liabilities with respect to any employee of any Relevant Entity relating to such employee's employment or termination of employment on or prior to the Closing Date by such Relevant Entity, including any and all group insurance claims, worker's compensation claims or Liabilities arising out of or relating to any accidents, illness or other events which occurred on or prior to the Closing Date; and

(vi) any matter set forth on Schedule 6.2(a)(vi).

(b) By Purchaser. Each of Purchaser and Parent (the "Purchaser Indemnitors") shall, on a joint and several basis, indemnify, defend and hold harmless each of the Seller Parties and each of their respective partners, directors, managers, officers, employees, agents, representatives, successors and assigns (collectively, the "Seller Indemnitees") and pay on behalf or reimburse such Seller Indemnitees in the manner provided for any Losses that such Seller Indemnitee may suffer, sustain or become subject to, as a result of, relating to or by virtue of any of the following:

(i) any breach of or inaccuracy in any representation or warranty made by Purchaser or Parent contained in this Agreement or in any certificate, instrument or other document executed and delivered pursuant hereto; and

(ii) any breach of or failure by Purchaser or Parent to perform any covenant or obligation of such Party contained in this Agreement.

6.3. Limitations on Indemnification Obligations.

(a) The Seller Party Indemnitors shall not have any obligation to indemnify the Purchaser Indemnitees with respect to any claims for Losses under Section 6.2(a)(i) (except with respect to any breach of or inaccuracy in any Fundamental Representation or fraud, willful misconduct or intentional misrepresentation or Losses arising from third-party claims asserted by Federal Healthcare Programs or any third party payors) until the aggregate amount of all Losses under Section 6.2(a)(i) exceeds [***] (the "Non-Tipping Basket") in which event the Seller Party Indemnitors shall pay or be liable for all such Losses as of the first dollar in excess of such Non-Tipping Basket. Thereafter, the Purchaser Indemnitees shall be entitled to indemnification for all Losses under Section 6.2(a)(i) (except with respect to any breach of or inaccuracy in any Fundamental Representation or fraud, willful misconduct or intentional misrepresentation or Losses arising from third-party claims asserted by Federal Healthcare Programs or any third party payors) in excess of the Non-Tipping Basket; provided that, the Seller Party Indemnitors' aggregate liability under Section 6.2(a)(i) (except with respect to any breach of or inaccuracy in any Fundamental Representation or fraud, willful misconduct or intentional misrepresentation or Losses arising from third-party claims asserted by Federal Healthcare Programs or any third party payors) shall not exceed the Cap (as defined in Section 6.3(b)).

(b) The Seller Party Indemnitors aggregate liability under Section 6.2(a)(i) to indemnify the Purchaser Indemnitees with respect to any claims for Losses under Section 6.2(a)(i) (except with respect to any breach of or inaccuracy in any Fundamental Representation or fraud, willful misconduct or intentional misrepresentation or Losses arising from third-party claims asserted by Federal Healthcare Programs or any third party payors) shall not exceed an aggregate amount equal to [***] (the "Cap"), except that (i) the applicable Cap for indemnity obligations and Losses arising from, incurred or sustained by, a Purchaser Indemnitee relating to breaches of or inaccuracies in any of the Fundamental Representations shall not exceed an aggregate amount equal to the Purchase Price, and except that (ii) no Cap shall apply to any indemnity obligation resulting from fraud, willful misconduct or intentional misrepresentation or Losses arising from third-party claims asserted by Federal Healthcare Programs or any third party payors.

(c) For avoidance of doubt, the Non-Tipping Basket shall not apply to Losses incurred or sustained by any of the Purchaser Indemnitees relating to breaches of or inaccuracies in any of the Fundamental Representations.

(d) For avoidance of doubt, neither the Non-Tipping Basket nor the Cap apply to Losses incurred or sustained by any of the Purchaser Indemnitees relating to, or arising from, fraud, willful misconduct or third-party claims by payors of Federal Healthcare Program or other third party payors, and none of such Losses shall count towards the satisfaction of the Non-Tipping Basket or the Cap.

(e) With respect to any Liability or Loss of the Business that was specifically taken into account in calculating adjustments to, or components of, the Final Closing Payment, as determined pursuant to Section 1.9, the Purchaser Indemnitees shall not be indemnified by the Seller Party Indemnitors under this Article VI against any such Liability or Loss to the extent necessary to avoid a duplicative, "double-recovery" by the Purchaser Indemnitees under this Article VI.

(f) The Purchaser Indemnitor shall not have any obligation to indemnify the Seller Indemnitees with respect to any claims for Losses under Section 6.2(b)(i) (except with respect to (A) any breach of or inaccuracy in Section 4.1, Section 4.2 or Section 4.3 or (B) fraud, willful misconduct or intentional misrepresentation) until the aggregate amount of all Losses under Section 6.2(b)(i) exceeds the amount of the Non-Tipping Basket, in which event the Purchaser Indemnitor shall pay or be liable for all such Losses as of the first dollar in excess of such Non-Tipping Basket. Thereafter, the Seller Indemnitees shall be entitled to indemnification for all Losses under Section 6.2(b)(i) (except with respect to (A) any breach of or inaccuracy in Section 4.1, Section 4.2 or Section 4.3 or (B) fraud, willful misconduct or intentional misrepresentation) in excess of the amount of the Non-Tipping Basket; provided that, the Purchaser Indemnitor's aggregate liability under Section 6.2(b)(i) (except with respect to fraud, willful misconduct or intentional misrepresentation) shall not exceed the Cap.

6.4. Indemnification Procedures.

(a) Procedure for Indemnification. Upon becoming aware of any claim for indemnification hereunder (whether as a result of any Action by any third party in respect of which indemnity may be sought hereunder (a "Third Party Claim") or in connection with any Losses which the indemnified party (the "Indemnified Party") deems to be within the ambit of this Article VI or otherwise), the Indemnified Party shall promptly give, in accordance with the terms of Section 8.3, notice of such claim (a "Claim Notice") to the indemnifying party (the "Indemnifying Party"), providing reasonable detail, to the extent known by the Indemnified Party, of the basis for such claim and, to the extent practicable, an estimate of the amount of the Losses arising out of or relating to such claim; provided, however, that the failure to give a Claim Notice shall not relieve the Indemnifying Party of its indemnification obligations hereunder, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure or is otherwise materially prejudiced by such failure (and then only to the extent of such prejudice). If the Indemnified Party and the Indemnifying Party agree in writing to the validity of a claim set forth in a Claim Notice and the amount of Losses associated therewith, or if the Indemnifying Party does not notify the Indemnified Party of its objection to the validity of a claim set forth in a Claim Notice or the amount of Losses associated therewith as set forth in such Claim Notice within thirty (30) days after the Indemnified Party's delivery of such Claim Notice, then the validity of such claim and the amount of such Losses will be deemed final and undisputed, and, no later than five (5) Business Days thereafter, subject to Section 6.6, Section 6.7 and the other provisions of this Article VI, the Indemnifying Party shall pay to the Indemnified Party, by wire transfer of immediately available funds in accordance with a certificate executed by the Indemnified Party and delivered to the Indemnifying Party, certifying the wire instructions for the account to which such payment should be made, the amount of such Losses. If the Indemnifying Party notifies the Indemnified Party of its objection to the validity of a claim set forth in a Claim Notice or the amount of Losses associated therewith as set forth in such Claim Notice within thirty (30) days after the Indemnified Party's delivery of such Claim Notice and the Indemnified Party and the Indemnifying Party are not able to agree in writing to the validity of such claim or the amount of such Losses, either party may bring an Action to resolve such dispute in accordance with Section 8.14. A "Final Determination" of a claim will be deemed to have been made if, in each case, under the terms and limitations of this Article VI (i) the Indemnified Party(ies) and the Indemnifying Party(ies) agree in writing as to the amount of such claim to which the Indemnified Party(ies) is entitled, or (ii) a final Order of an arbitrator or court of competent jurisdiction (the time for appeal having expired and no appeal having been taken) is issued or entered into specifying the amount of such claim to which the Indemnified Party(ies) is entitled.

(b) Defense of Third Party Claims. The Indemnifying Party may, at its own expense, (i) participate in the defense of any Third Party Claim and (ii) upon notice to the Indemnified Party and the Indemnifying Party's written agreement that the Indemnified Party is entitled to indemnification pursuant to Section 6.2 for all Losses arising out of such Third Party Claim, at any time during the course of any such Third Party Claim, assume the defense thereof; provided, however, that (A) the Indemnifying Party's counsel is reasonably satisfactory to the Indemnified Party and (B) the Indemnifying Party shall thereafter consult with the Indemnified Party upon the Indemnified Party's reasonable request for such consultation from time to time with respect to such Third Party Claim. Notwithstanding the foregoing, if Feifel or Practice is the Indemnifying Party, Feifel or Practice, as applicable, shall not be entitled to assume the defense of any Third Party Claim if (i) the Indemnified Party reasonably believes that such assumption, or an adverse determination with respect to such Third Party Claim, would be detrimental to or injure the Indemnified Party's reputation, future business prospects or business opportunities, including the Indemnified Party's commercial relationships or relationships with Governmental Authorities, (ii) the Indemnified Party reasonably believes that the Losses associated with such Third Party Claim could exceed the amount of the funds available in the Indemnity Escrow Account or (iii) such Third Party Claim relates to any criminal Action or any Healthcare Laws or seeks an order, injunction or other equitable remedy. If the Indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party shall have the right (but not the duty) to participate in such defense and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party. If, however, in the opinion of the Indemnified Party's counsel, the representation by the Indemnifying Party's counsel of both the Indemnifying Party and the Indemnified Party would present such counsel with a conflict of interest, then the Indemnified Party may employ separate counsel to represent or defend it in such Third Party Claim, and the Indemnifying Party shall pay the fees and disbursements of such separate counsel. Whether or not the Indemnifying Party chooses to defend or prosecute any Third Party Claim, all of the Parties shall cooperate in the defense or prosecution thereof.

(c) Settlement or Compromise. Any settlement or compromise made or caused to be made by the Indemnified Party or the Indemnifying Party, as the case may be, of any Third Party Claim shall also be binding upon the Indemnifying Party or the Indemnified Party, as the case may be, in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise; provided, however, that the Indemnifying Party shall not settle or compromise any Third Party Claim, or otherwise acknowledge or admit the validity of such Third Party Claim or any Liability in respect thereof, if such settlement, compromise, acknowledgement or admission (i) would result in an order, injunction or other equitable remedy in respect of the Indemnified Party or would otherwise have a direct adverse effect upon the Indemnified Party's continuing operations, (ii) would give rise to any Liability on the part of the Indemnified Party for which the Indemnifying Party shall have not agreed in writing that such Indemnifying Party is solely obligated to satisfy and discharge the claim, (iii) would result in Liabilities which, taken together with other existing claims under this Article VI, would not be fully indemnified hereunder or (iv) would reasonably be expected to increase the Liability of the Indemnified Party for Taxes after the Closing Date, in each case, without the prior written consent of the Indemnified Party, which consent will not be unreasonably withheld or delayed. The Indemnified Party will give the Indemnifying Party at least thirty (30) days' notice of any proposed settlement or compromise of any order, injunction or other equitable remedy that the Indemnified Party is defending, during which time the Indemnifying Party may, subject to the terms and conditions of this Section 6.4, assume the defense of, and responsibility for, such Third Party Claim and, if it does so, the proposed settlement or compromise may not be made.

(d) Failure of Indemnified Party to Act. In the event that the Indemnifying Party does not elect to assume the defense of any Third Party Claim, then any failure of the Indemnified Party to defend or to participate in the defense of any such Third Party Claim or to cause the same to be done shall not relieve the Indemnifying Party of its obligations hereunder; provided, however, that the Indemnified Party shall have given the Indemnifying Party at least thirty (30) days' notice of its proposed failure to defend or participate and, subject to the terms and conditions of this Section 6.4, afforded the Indemnifying Party the opportunity to assume the defense thereof prior to the end of such period.

6.5. Determination of Losses. The amount of any Losses for which indemnification is provided under this Article VI shall be reduced by any amounts actually recovered by the Indemnified Party under insurance policies with respect to such Losses (net of any costs and expenses incurred in connection with recovering such proceeds and any resulting increase in premiums). Notwithstanding anything to the contrary in this Agreement, solely for purposes of determining (a) whether there has been any inaccuracy in or breach of any representation or warranty of any Seller Party set forth in this Agreement or in any certificate executed and delivered pursuant hereto, and (b) the amount of any Losses that are the subject matter of any claim for indemnification relating thereto, each such representation and warranty shall be read without regard and without giving effect to any qualification regarding materiality, Material Adverse Effect or other terms of similar import or effect set forth in any such representation or warranty (as if such standard or qualification were deleted from such representation or warranty).

6.6. Indemnity Escrow Account.

(a) In pursuing the collection of any claims for Losses under Section 6.2(a) (except with respect to any breach of or inaccuracy in any Fundamental Representation or fraud, willful misconduct or intentional misrepresentation), each Purchaser Indemnitee's initial recourse shall be to proceed against the funds held in the Indemnity Escrow Account in accordance with the terms of the Escrow Agreement until (i) the amount of funds available in the Indemnity Escrow Account has been reduced to zero or (ii) the estimated amount of Losses relating to all unresolved claims for Losses under Section 6.2(a) exceeds the amount of the then-remaining funds available in the Indemnity Escrow Account. For the avoidance of doubt, the funds available in the Indemnity Escrow Account and other recourse identified in Section 6.7 shall not be the Purchaser Indemnitees' sole sources of recovery for Losses under Section 6.2(a).

(b) No later than five (5) Business Days following the date that is twelve (12) months after the Closing Date ("Indemnity Escrow Release Date"), Purchaser and Feifel shall (or Feifel shall cause the Practice to) submit a joint written instruction to the Escrow Agent in accordance with the Escrow Agreement directing the Escrow Agent to disburse from the Indemnity Escrow Account to an account designated in writing by Feifel an amount equal to (i) the amount of the then remaining funds available in the Indemnity Escrow Account minus (ii) the aggregate amount of Losses in respect of claims set forth in Claim Notices given by the Purchaser Indemnitees in accordance with Section 6.4(a), on or prior to the Indemnity Escrow Release Date, that have not been finally determined pursuant to Section 6.4(a) or a final, non-appealable Order of a court of competent jurisdiction (collectively, "Pending Claims"); provided, however, that, in the event that no Purchaser Indemnitee has given a Claim Notice in accordance with Section 6.4(a) on or prior to the Indemnity Escrow Release Date, Purchaser and Feifel shall (or Feifel shall cause the Practice to) submit a joint written instruction to the Escrow Agent in accordance with the Escrow Agreement directing the Escrow Agent to disburse from the Indemnity Escrow Account to an account designated in writing by Feifel an amount equal to the then remaining funds available in the Indemnity Escrow Account. No later than five (5) Business Days following the Final Determination of any Pending Claim, Purchaser and Feifel shall (or Feifel shall cause the Practice to) submit a joint written instruction to the Escrow Agent in accordance with the Escrow Agreement directing the Escrow Agent to disburse from the Indemnity Escrow Account (x) to an account designated in writing by Purchaser, an amount equal to the lesser of (A) the amount of Losses in respect of such Pending Claim as so determined, if any, or (B) the amount of the then remaining funds available in the Indemnity Escrow Account and (y) to an account designated in writing by Feifel, an amount, if any, equal to (A) the amount of the then remaining funds available in the Indemnity Escrow Account (after giving effect to the disbursement contemplated by the foregoing clause (x)) minus (B) the aggregate amount of Losses in respect of the Pending Claims that do not have a Final Determination. For the avoidance of doubt, the funds available in the Indemnity Escrow Account shall not be the Purchaser Indemnitees' sole source of recovery for Losses under Section 6.2(a)(i) or any other provision of Section 6.2(a).

(c) Immediately following Practice's receipt of any funds from the Indemnity Escrow Account in accordance with the terms of this Agreement and the Escrow Agreement, Practice shall, and Feifel shall cause Practice to, distribute the portion of such funds received by Practice to Feifel.

6.7. Sources of Recovery; Right of Setoff.

(a) With respect to claims for Losses under this Article VI, subject to Section 6.6 and the other provisions of this Article VI, Feifel, Practice and Holdco may, at their sole discretion, elect to satisfy any claims for Losses (i) through a set-off against any amount owed by Purchaser or Parent under this Agreement (or a Related Agreement) to a Seller Party or any distribution by Purchaser in respect of the Rollover Equity Units, if any, (ii) by payment of cash by Feifel or HoldCo or (iii) by delivery to Purchaser of a number of Rollover Equity Units, if any, held by Holdco (or its permitted transferees) (or other securities granted by Purchaser or Parent or exchanged between Parent and Purchaser or by another Person) equal to the amount of such Losses based on a value per unit equal to the greater of (1) the Value Per Rollover Unit at Closing or (2) the then-current fair market value per unit, as reasonably determined by the Purchaser in good faith.

(b) Notwithstanding the foregoing, if a claim for Losses payable by Feifel, Practice or Holdco has not been satisfied by Feifel, Practice and/or Holdco within thirty (30) days of the date when any such indemnification payment finally became due and payable pursuant to a Final Determination, each Purchaser Indemnitee shall have the right to demand from Practice, Holdco or Feifel satisfaction of such Losses through, at the election of such Purchaser Indemnitee in such Purchaser Indemnitee's sole discretion, any of the means (or any combination thereof) set forth in clauses (i) through (iii) of Section 6.7(a).

(c) In the event that any Party elects to have any Losses under this Article VI satisfied by delivery of any Rollover Equity Units (or other securities granted by Purchaser, Parent or exchanged by another Person), if any, pursuant to Section 6.7(a), Holdco and Feifel hereby agree to cause such Rollover Equity Units, or such other securities held by Feifel or Holdco, if any, to be delivered to Purchaser or Parent (as applicable) or the issuer thereof in satisfaction of Holdco or Feifel's obligations hereunder, including by causing Holdco or Feifel to execute and deliver stock transfer or unit transfer powers, in form and substance reasonably acceptable to Purchaser or Parent (as applicable), evidencing and effecting the transfer to Purchaser of such Rollover Equity Units, or other securities as applicable, if any, and authorizes Holdco or Feifel, as applicable, to transfer such Rollover Equity Units, or other securities as applicable, if any, to Purchaser or Parent, as applicable, on the books of the applicable entity. Notwithstanding the foregoing, if Feifel or Holdco fails to cause such Rollover Equity Units, or other securities as applicable, if any, to be delivered in satisfaction of Feifel's obligations hereunder (or Feifel fails to cause Holdco pursuant to Holdco's obligations hereunder), without any further action by Feifel, Holdco or Practice (if necessary), Holdco and/or Feifel shall automatically forfeit all of Holdco's and/or Feifel's rights, title and interest in and with respect to the applicable Rollover Equity Units, or other securities, if any, and Purchaser or Parent (as applicable) shall be deemed the owner of such Rollover Equity Units, or other securities, if any, for all purposes.

6.8. Tax Treatment of Indemnity Payments. For all Tax purposes, the Purchaser and the Seller Parties agree to treat (and shall cause each of their respective Affiliates to treat) any indemnity payment under this Agreement as an adjustment to the Purchase Price, unless otherwise required by Law.

6.9. Exclusive Remedy. Subject to Section 5.2(e) and Section 8.11 and except with respect to fraud, willful misconduct or intentional misrepresentation, each Party's sole and exclusive remedy for any breach of this Agreement by another Party shall be as provided in this Article VI.

ARTICLE VII
TAX MATTERS

7.1. Apportionment of Taxes. For purposes of this Agreement, if any Tax relates to a period that begins on or before and ends after the Closing Date (the "Straddle Period"), the Parties shall use the following conventions for determining the portion of such Tax that relates to a Pre-Closing Tax Period and the portion that relates to a Post-Closing Tax Period: (a) in the case of property Taxes and other similar Taxes imposed on a periodic basis, the amount of Taxes attributable to the Pre-Closing Tax Period shall be determined by multiplying the Taxes for the entire period by a fraction, the numerator of which is the number of calendar days in the portion of the period ending on the Closing Date and the denominator of which is the number of calendar days in the entire period, and the remaining amount of such Taxes shall be attributable to the Post-Closing Tax Period; and (b) in the case of all other Taxes (including income Taxes, employment Taxes and sales and use Taxes), the amount of Taxes attributable to the Pre-Closing Tax Period shall be determined as if a separate return was filed for the period ending as of the end of the day on the Closing Date using a "closing of the books methodology", and the remaining amount of the Taxes for such period shall be attributable to the Post-Closing Tax Period.

7.2. Tax Returns. Feifel shall prepare or cause to be prepared and file or caused to be filed all Tax Returns for taxable periods ending on or prior to the Closing Date for Practice the due date of which is after the Closing Date. Feifel shall submit such Tax Returns to Purchaser for review and approval at least twenty (20) days prior to their filing (or, if required to be filed within twenty (20) days of the Closing Date or end of the taxable period to which such Tax Return relates, as soon as reasonably practicable after the Closing Date or end of such taxable period, as applicable), which such approval not to be unreasonably withheld, conditioned or delayed.

7.3. Tax Controversies. After the Closing Date, Feifel shall have the right to control, at his sole expense, any Tax audits, Tax disputes or administrative, judicial or other proceedings related to Practice ("Tax Controversies") that relate exclusively to a taxable period ending on or prior to the Closing Date, to employ counsel and other advisors of his choice at his expense and to control the conduct of such Tax Controversy; provided, however, that Feifel shall: (i) promptly notify Purchaser in writing of any such Tax Controversy, (ii) keep Purchaser reasonably informed with respect to the status of such Tax Controversy, including by giving Purchaser advance notice of, and an opportunity to attend, any in-person or telephonic meetings and providing Purchaser with copies of all written correspondence or other submissions sent to, or received by, any Governmental Authority with respect to such Tax Controversy, (iii) allow Purchaser to participate in any such Tax Controversy at its own expense, and (iv) not settle or otherwise resolve such Tax Controversy without the written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed). Purchaser shall control all other Tax Controversies.

7.4. Cooperation on Tax Matters. The Seller Parties shall cooperate, as and to the extent reasonably requested by the Purchaser, in connection with any Tax matters relating to the Practice, the Business, or the Acquired Assets, including (a) assist in the preparation and timely filing of any Tax Return relating to the Practice, the Business or the Acquired Assets; (b) assist in any audit or other proceeding with respect to Taxes or Tax Returns relating to the Practice, the Business or the Acquired Assets; (c) retain for the full period of any statute of limitations and make available any information, records, or other documents relating to any Taxes or Tax Returns relating to the Practice, the Business or the Acquired Assets; and (d) provide any information required to allow the Purchaser to comply with all information reporting or withholding requirements contained in the Code or other applicable Laws.

7.5. Transfer Taxes. Any and all goods and services, sales, use, purchase and transfer Taxes, including any value added, excise, stock transfer, gross receipts, stamp duty, real estate transfer and real, personal or intangible property transfer Taxes and other similar Taxes, and any conveyance fees or recording charges due by reason of the transfer of the Acquired Assets, including any interest or penalties in respect thereof (the "Transfer Taxes"), shall be paid by Feifel. The Party required by applicable Law shall prepare and file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes and shall do so in the time and manner required by appliable Law, and, if required by applicable Law, the other Parties will join in the execution of any such Tax Returns and other documentation.

7.6. Wage Reporting. With respect to employment Tax matters (a) Purchaser shall not assume Practice's obligation to prepare, file, and furnish IRS Form W-2s with respect to the employees of the Business that transfer employment from Practice to Purchaser at (or immediately after) the Closing for the year including the Closing Date; (b) Practice and Purchaser shall agree to elect the "standard procedure" with respect to each such employee pursuant to the procedure prescribed by Section 4 of IRS Revenue Procedure 2004-53, 34 I.R.B 320; and (c) Practice and Purchaser shall work in good faith to adopt similar procedures under applicable wage payment, reporting and withholding Laws for all such employees in all appropriate jurisdictions. Feifel shall indemnify and hold Purchaser harmless from any Taxes incurred by Purchaser that result from any Seller Party's failure to comply with appropriate employment Tax matters

ARTICLE VIII
MISCELLANEOUS

8.1. Expenses. The Seller Parties, on the one hand, and the Purchaser, on the other hand, shall each pay their own expenses (including the fees and expenses of their respective agents, representatives, counsel and accountants) incidental to the preparation, negotiation and consummation of this Agreement and the transactions contemplated hereby.

8.2. Bulk Sales Laws. The Parties waive compliance with the requirements of the applicable Bulk Sales Laws in connection with the consummation of the transactions contemplated hereby.

8.3. Notices. Any notice, request, demand or other communication given by any Party under this Agreement (each a "Notice") shall be in writing, may be given by a Party or its legal counsel and shall be deemed to be duly given (a) when personally delivered, (b) upon delivery by an internationally recognized express courier service which provides evidence of delivery, (c) when three (3) days have elapsed after its transmittal by registered or certified mail, postage prepaid, return receipt requested, addressed to the Party to whom directed at that Party's address as it appears below or another address of which that Party has given notice, (d) when delivered by facsimile transmission if a copy thereof is also delivered in person or by overnight courier or (e) on the date of transmission if sent by electronic mail. Notices of address change shall be effective only upon receipt notwithstanding the provisions of the foregoing sentence.

If to any Seller Party, to:

David Feifel, M.D., Ph.D.
[***]
Email: [***]

with a copy (which will not constitute notice) to:

Witham Mahoney & Abbott, LLP
401 B Street, Suite 1900
San Diego, California 92101
Attn: Charles B. Witham, Esq.
Email: witham@wmalawfirm.com

If to the Purchaser, to:

HTX Management Company, LLC
c/o Hope Therapeutics, Inc.
[***]
[***]
Attn: Jonathan Javitt, Co-CEO

Email: [***]

with a copy (which will not constitute notice) to:

Baker Donelson PC
186 S. Wood Avenue
Suite 300
Iselin, New Jersey 08830
Attn: Lisa Gora, Esq.

Facsimile: 973-218-5849
Email: Lgora@bakerdonelson.com

8.4. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. This Agreement, or any part hereof, may not be assigned without the prior written consent of Feifel and Purchaser, which consent may be withheld in the sole discretion of either such Person; provided, however, that Purchaser may, without the consent of a Seller Party, (a) pledge its rights under this Agreement to any Person that provides funds to Purchaser or its Affiliates, (b) assign any or all of its rights and obligations under this Agreement to one (1) or more Affiliates of Purchaser, or (c) assign any or all of its rights and obligations under this Agreement to any acquirer of all or substantially all of the Business, whether by merger, asset purchase, stock purchase or otherwise.

8.5. Entire Agreement; Modification. This Agreement (and all Schedule and Exhibits hereto) supersedes all prior agreements and understandings between the Parties or any of their respective Affiliates (written or oral) relating to the subject matter hereof, is intended to be the entire and complete statement of the terms of the agreement between the Parties and may be amended or modified only by a written instrument executed by Feifel and Purchaser. The waiver by a Party of any breach of any provision of this Agreement by any other Party shall not be considered to be a waiver of any succeeding breach (whether of a similar or a dissimilar nature) of such provision or any other provision of this Agreement or a waiver of such provision itself.

8.6. Section and Other Headings. The table of contents and section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

8.7. Governing Law. This Agreement shall be exclusively interpreted and governed by the Laws of the State of Delaware, without regard to its conflict of law provisions.

8.8. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

8.9. Electronic Delivery. This Agreement and any Related Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or other electronic means including, without limitation, a portable document format (.pdf), any electronic signature complying with the U.S. Federal ESIGN Act of 2000, as amended or similar reproduction of such signed writing using electronic mail, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party, each other Party shall re-execute original forms thereof and deliver them to all other Parties. No Party shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation of a contract, and each Party hereby irrevocably waives any such defense.

8.10. Further Assurances. Each of the Parties shall execute such documents and other papers and take such further actions as may be required to carry out the provisions hereof and the transactions contemplated hereby, including for purposes of vesting the Purchaser with full right, title and interest in, to and under, and/or possession of, all of the assets used in the Business (other than the Excluded Assets), including such assets owned by any Person (other than Seller) that is an Affiliate of any Seller Party.

8.11. Specific Performance. Each of the Parties hereby acknowledges and agrees that the failure of any Party to perform its covenants and agreements hereunder would cause irreparable injury to the other Parties for which damages, even if available, would not be an adequate remedy. Accordingly, each of the Parties hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of such Party's obligations hereunder and to the granting by any such court of the remedy of specific performance of such obligations. Each of the Parties hereby agrees that such Party will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at law or an award of specific performance is not an appropriate remedy for any reason at law or equity. Any Party seeking an injunction or injunctions to prevent breaches or threatened breaches of, or to enforce compliance with, this Agreement shall not be required to provide any bond or other security in connection with any such injunction.

8.12. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition and unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.13. No Third Party Beneficiaries. Neither this Agreement nor any provision hereof is intended to confer upon any Person (other than the Parties) any rights or remedies hereunder; provided, however, that this Agreement is intended to benefit, and to be enforceable by, the Purchaser Indemnitees.

8.14. Dispute Resolution.

(a) Except for the matters to be decided by the Referral Firm pursuant to Section 1.9 and subject to Section 8.14(b) below, any controversy, claim, dispute or disagreement arising out of or relating to this Agreement or the transactions contemplated hereby shall be settled, at the request of any Party to this Agreement through binding arbitration to be conducted by the American Health Law Association ("AHLA") by selection of one single arbitrator selected pursuant to the AHLA's Dispute Resolution Service Rules and Procedures (the "AHLA Rules") utilizing a mutually agreeable arbitrator from AHLA's panel of neutrals who is knowledgeable with transactions like those contemplated by this Agreement. The place of arbitration shall be San Diego, California, or such other place as mutually agreed by the Parties and, unless otherwise agreed to by the Parties, all proceedings and hearings shall be conducted remotely using videoconference, teleconference or other appropriate electronic/virtual technology and each Party hereby waives, and agrees not to assert, any objection or defense arising from or related to any basis that all or any portion of an arbitration proceeding was conducted remotely by such methods. Either Party may commence the arbitration process called for by this Agreement by filing a written demand for arbitration with AHLA and giving a copy of such demand to each other Party to the dispute in accordance with Section 8.3. The arbitration shall be conducted in accordance with the provisions of the AHLA Rules in effect at the time of filing of the demand for arbitration. The Parties shall cooperate with AHLA and with each other in promptly selecting an arbitrator from the AHLA's panel of neutrals and in scheduling the arbitration proceedings in order to fulfill the provisions, purposes and intent of this Agreement. The Parties will participate in the arbitration in good faith and agree that they shall share in its costs in accordance with this Agreement. The provisions of this Section may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including reasonable attorneys' fees, to be paid by the party against whom enforcement is ordered. Judgment upon the award rendered by the arbitrator may be entered in any court having competent jurisdiction.

(b) Notwithstanding anything in this Agreement, including Section 8.11 or any Related Agreement to the contrary, in the event that a Party has breached a provision of this Agreement that entitles any other Party(ies) to injunctive or other equitable relief, the non-breaching party may commence an action for such relief in any federal or state court of competent jurisdiction.

8.15. Jury Trial Waiver. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY ACTION OR PROCEEDING WHATSOEVER AMONG THEM RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY SHALL INSTEAD BE RESOLVED BY BINDING ARBITRATION, SUBJECT TO SECTION 8.14.

8.16. Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

8.17. Interpretation. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. When used in this Agreement, the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", and the word "or" shall be construed in the inclusive sense of "and/or". Unless the context otherwise requires, references in this Agreement to Articles, Sections and Schedules shall be deemed references to Articles and Sections of, and Schedules to, this Agreement. Unless the context otherwise requires, the words "hereof", "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement. The phrase "made available" when used in this Agreement means that the document or information referred to has been posted to an electronic data room that is accessible by the referenced Party or a representative of such Party, in each case, not less than three (3) days prior to the Closing Date. All references to contracts, agreements, leases or other arrangements shall refer to oral as well as written matters.

8.18. Schedules. Any information or disclosure set forth on any Schedule shall not be deemed to be disclosed or incorporated by reference with respect to any other Schedule unless (and then only to the extent that) the applicability of such information or disclosure to such other Schedule is reasonably apparent on its face. Any capitalized terms used in any Schedule and not otherwise defined in such Schedule or any other Schedule have the meanings set forth in this Agreement. All schedules attached hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

8.19. Certain Waivers. Feifel hereby agrees that Feifel shall not make any claim for indemnification, contribution or other payment against Practice by reason of the fact that Feifel is or was a stockholder, member, director, manager, officer, employee or agent of Practice or any of their respective Affiliates or is or was serving at the request of Practice or any of its respective Affiliates as a director, manager, officer or agent of another Person (whether such claim is for judgments, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise and whether such claim is pursuant to any statute, charter document, bylaw, agreement or otherwise) with respect to any Action brought by any of the Purchaser Indemnitees pursuant to this Agreement or in connection with the transactions contemplated hereby, and Feifel hereby acknowledges and agrees that Feifel shall not have any claim or right to indemnification, contribution or other payment from Practice with respect to any amounts paid or payable by Feifel pursuant to this Agreement or in connection with the transactions contemplated by this Agreement. Effective upon the Closing, Feifel hereby irrevocably waives, releases and discharges Purchaser, Practice and their respective Affiliates from any and all Liabilities to Feifel of any kind or nature whatsoever, whether in Feifel's capacity as a stockholder, member, director, manager, officer, employee or agent of Practice or any of their respective Affiliates or otherwise, in each case, whether absolute or contingent, liquidated or unliquidated or known or unknown and whether arising under any agreement or understanding or otherwise at law or in equity arising out of or relating to any act or omission taken or omitted to be taken from the beginning of time through the Closing, and Feifel hereby agrees that Feifel shall not seek to recover any amounts in connection therewith or thereunder from Purchaser, Practice or any of their respective Affiliates; provided, however, that nothing in this sentence shall affect Feifel's rights under this Agreement or any Related Agreement.

8.20. Independent Counsel. Each of Feifel, Holdco and Practice hereby warrants and represents that each has been advised of the following: (i) each should be represented by counsel of such Party's own choosing in the preparation and analysis of this Agreement; (ii) each is fully aware that the counsel for the Purchaser Parties has not acted or purported to act on behalf of a Seller Party; (iii) each has been represented by independent counsel; and (iv) each has read this Agreement and each of the agreements and schedules referenced herein and contemplated by the transaction herein with care and believes that he/it is fully aware of and understands the contents thereof and its legal effect.

ARTICLE IX
DEFINITIONS

9.1. Definitions. The following terms have the following meanings for purposes of this Agreement:

"Accounting Principles" means cash basis, as modified by the historical principles, practices, assumptions, policies, methodologies and judgments used by the Practice, consistently applied.

"Action" means any (a) Order, suit, litigation, proceeding, hearing, arbitration, action, settlement agreement, corporate integrity agreement or audit or (b) claim, charge, complaint, demand, investigation or dispute.

"Adjustment Escrow Amount" means an amount equal to [***].

"Affiliate" means (a) with respect to an individual, (i) the family members of such individual by blood, adoption or marriage, (ii) such individual's spouse or ex-spouse and (iii) any Person that is directly or indirectly under the Control of such individual or any such family member, (b) with respect to a trust, (i) the beneficiaries, trustees, settlors and grantors of such trust and (ii) any Person that is directly or indirectly under the Control of any such individual, (c) with respect to any Person other than an individual or a trust, any other Person that, directly or indirectly, through one (1) or more intermediaries, Controls, is Controlled by or is under common Control with such Person and any director, manager or officer of such Person and (d) with respect to Purchaser, means any other Person, director, manager or officer identified in the foregoing clause (c) and any Affiliated Practice. The term "Control" (including, with correlative meaning, the terms "Controlled by" and "under common Control with"), with respect to any entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by Contract or otherwise.

"Affiliated Group" means a group of Persons that elects, is required to or otherwise files a Tax Return or pays a Tax as an affiliated, consolidated, combined, unitary or other group recognized by applicable Tax Law.

"Affiliated Practice" means any Person that is or becomes a party to a business support services agreements or other management services agreement or transition services agreement with Purchaser.

"Bulk Sales Laws" means the Laws of any jurisdiction relating to bulk sales which are applicable to the sale of the Acquired Assets by Seller hereunder.

"Business" means the businesses of the Practice, as conducted on the date hereof and as proposed to be conducted, including but not limited to, the business as described in the Whereas Clauses.

"Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banks are authorized to close in New York, New York.

"CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act, as amended, and the rules and regulations promulgated thereunder.

"CARES Act Terms" means all terms and conditions established by any Governmental Authority for the receipt of any funds under any CARES Act Program.

"Cash" means the aggregate amount, as of 12:01 a.m. Pacific Time on the Closing Date, of the cash of the Practice, excluding (a) any cash held in escrow, trust, deposited with a third party or otherwise restricted in use or access, including any cash held on behalf of any employee of the Practice, and (b) the face amount of any checks written and not yet cleared, determined in accordance with the Accounting Principles; provided, however that "Cash" will be reduced to the extent that any cash of the Practice is used or transferred on the Closing Date (i) to pay any dividends, distributions or other amounts to Feifel, (ii) to repurchase any shares of the capital stock of Practice, (iii) to pay any Indebtedness, Indebtedness-Like Items or Liabilities that would have constituted Indebtedness or Indebtedness-Like items had such Liabilities not been paid prior to the Closing, (iv) to pay any Transaction Expenses or (v) otherwise to pay for items outside of the Ordinary Course of Business.

"[***] Unit" has the meaning set forth in the LLC Agreement.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Competitive Business" means (a) the Business, (b) and any other services relating to the foregoing, including administrative, back-office, management services.

"Conditions Precedent to Close" shall have the meaning as set forth at Section 2.4 hereof.

"Confidential Information" means any information concerning the Business, the Acquired Assets or the pre-Closing affairs of any Relevant Entity that is not generally available to the public; provided, that information that is or becomes generally available to the public, other than by disclosure by a Seller Party, shall not constitute "Confidential Information".

"Confidentiality Agreement" means that certain Confidentiality Agreement dated as of September 2024 between Purchaser and Practice.

"Contract" means any contract, lease, commitment, sales order, purchase order, agreement, understanding, indenture, mortgage, note, bond, instrument, plan or license.

"Contributed Assets" means an undivided interest in and ownership of the Acquired Assets equal to the Contributed Asset Percentage.

"Contributed Asset Percentage" means the fraction, expressed as a percentage, (x) the numerator of which is the Rollover Amount and (y) the denominator of which is the Purchase Price.

"Coronavirus Legislation" means the CARES Act, the Families First Act and any other U.S. federal, state, local or non-U.S. Law relating to COVID-19, including, for the avoidance of doubt, any executive order and any administrative guidance or action implementing or interpreting any Coronavirus Legislation, including the California COVID-19 Prevention Non-Emergency Regulations.

"COVID-19" means SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus, coronavirus disease or COVID-19.

"COVID-19 Control Measure" means any pandemic, travel ban or restriction, quarantine, sequester, "shelter in place", "stay at home", social distancing, work restriction, business suspension, shut down or closure, resource allocation or similar Law, Order, policy, advice or recommendation by any Governmental Authority relating to COVID-19, including the measures required by California COVID-19 Prevention Non-Emergency Regulations.

"Current Assets" means the aggregate amount, as of 12:01 a.m. Pacific Time on the Closing Date, of the current assets of the Practice (other than any cash and cash equivalents and assets relating to Taxes), determined in accordance with the Accounting Principles.

"Current Liabilities" means the aggregate amount, as of 12:01 a.m. Pacific Time on the Closing Date, of the current liabilities of the Practice (other than any Indebtedness, Indebtedness-Like Items and Transaction Expenses), determined in accordance with the Accounting Principles.

"Employee Retention Credit" means any employee retention credit provided for by the CARES Act (including as amended by the Consolidated Appropriations Act, 2021 and the American Rescue Plan Act of 2021) and any similar credit under state or local Law, in each case, that have been applied for prior to the Closing.

"Environmental Laws" means all Laws and Orders relating to (a) the protection of human health, safety, the environment, natural resources and wildlife; (b) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, release, threatened release, abatement, removal, remediation or handling of or exposure to any Hazardous Substance; or (c) pollution, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Toxic Substances Control Act of 1976, as amended, the Federal Water Pollution Control Act Amendments of 1972, the Clean Water Act of 1977, as amended, any other so-called "Superfund" or any "Superlien" Law and any other Law having a similar subject matter.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means, with respect to any Person, any other Person that is a member of a controlled group for purposes of Section 4001(a)(14) of ERISA or that is treated as a single employer for purposes of Section 414 of the Code.

"Excluded Taxes" means any Liability for (a) Taxes of Holdco and Feifel for any taxable period; (b) Taxes that relate to the Business, the Acquired Assets or Practice for any Pre-Closing Tax Period (determined, with respect to any Straddle Period, in accordance with Section 7.1); (c) Transfer Taxes for which Feifel is responsible pursuant to Section 7.5; (d) Taxes of any Affiliated Group with respect to which Practice (or any predecessor thereof) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar state, local, or foreign law or regulation or otherwise; (e) Taxes of any Person for which Purchaser or its Affiliates become liable as a transferee or successor, by Contract or pursuant to any law, rule or regulation, which Taxes relate to an event or transaction occurring on or before the Closing Date; (f) employment Taxes (including withholding Taxes) required to be paid or collected with respect to any payments contemplated by this Agreement or arising in connection with the transactions contemplated by this Agreement; (g) any disallowed Employee Retention Credit amounts (and any related Losses); (h) Taxes resulting from or relating to the Pre-Closing Reorganization, including any failure to qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code (or any analogous or corresponding provision of state or local Tax Law); (i) any costs or expenses relating to any audit, contest or proceeding relating to any of the foregoing clauses (a) through (g). Excluded Taxes shall exclude Taxes to the extent actually included in the computation of Indebtedness-Like Items, as finally determined.

"Families First Act" means the Families First Coronavirus Response Act, as amended, and the rules and regulations promulgated thereunder.

"Fair Market Value", with respect to any Rollover Equity Unit, has the meaning set forth in the LLC Agreement.

"Federal Healthcare Programs" means Medicare, Medicaid, TRICARE, federal or state-sponsored workers' compensation programs and all other similar federal, state or local reimbursement or governmental programs.

"Flow of Funds Spreadsheet" means the Flow of Funds Spreadsheet attached hereto as Exhibit D.

"Fundamental Representations" means the representations and warranties set forth in Sections 3.1, 3.2, 3.8(a), 3.11(b), 3.12 and 3.22.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Governmental Authority" means the government of the United States or any foreign country or any state or political subdivision thereof and any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and other quasi-governmental entities established to perform such functions.

"Hazardous Substance" means any substance that is (a) defined, listed or regulated as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law; (b) hazardous, toxic, corrosive, flammable, explosive, infectious, radioactive or carcinogenic; (c) any petroleum product, by-product, or derivative, including crude oil or any fraction thereof; (d) asbestos-containing material, lead-containing paint, polychlorinated biphenyls, radioactive materials or radon; or (e) any other substance or material that is regulated pursuant to any Environmental Law.

"Healthcare Laws" means all Laws applying to Persons involved in the provision or administration of, or the submission of claims for or the receipt of payment for, healthcare products or services by reason of the nature of their businesses, but excluding Laws that generally also apply to Persons not engaged in such businesses, and including: (a) the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), Sections 1320a-7 and 1320a-7a of Title 42 of the United States Code, the Physician Self-Referral Law, commonly known as the "Stark Law" (42 U.S.C. §§ 1395nn and 1396b), the civil False Claims Act (31 U.S.C. § 3729 et seq.), the Federal Criminal False Claims Act (18 U.S.C. § 287), the False Statements Relating to Health Care Matters Law (18 U.S.C. § 1035), Health Care Fraud (18 U.S.C. § 1347) and any regulations promulgated pursuant to such statutes, or similar state or local statutes or regulations, (b) the Health Information Laws, (c) Medicare (Title XVIII of the Social Security Act), the regulations and subregulatory guidance promulgated thereunder, (d) Medicaid (Title XIX of the Social Security Act) including the regulations and subregulatory guidance promulgated thereunder as well as comparable state Medicaid statutes and regulations, (e) TRICARE (10 U.S.C. § 1071 et seq.) and the regulations promulgated thereunder, (f) quality and safety Laws relating to the regulation, storage, provision or administration of, or payment or rebates for, healthcare products or services, including prescription products, immunotherapy antigens, durable medical equipment, prosthetics and controlled substances, or the conducting of clinical research (e.g., Federal Food, Drug & Cosmetics Act (21 U.S.C. §§ 301 et seq.), the Controlled Substances Act (21 U.S.C. §§ 801 et seq.) and the Public Health Service Act (42 U.S.C. §§ 201 et seq.), (g) all Laws relating to the sale or dispensing of hearing aids, (h) Laws governing the provision of services to employees with workers compensation coverage or licensure or certification as a healthcare organization to provide such services, (i) the California Physician Ownership and Referral Act of 1993, ("PORA") and California Labor Code Section 139.3, (j) Cal. Bus. & Prof. Code §650.01 and California Health & Safety Code, Section 445, (k) licensure Laws relating to the regulation, provision or administration of, or payment for, healthcare items, services or goods and the ownership or operation of medical or surgical equipment, immunotherapy antigens or other supplies or accessories, including Laws relating the so-called "corporate practice of medicine" and fee splitting, each of the foregoing clauses (a) through (k) as amended from time to time, and (l) any implementing regulations or program guidance of a Third Party Payor Program that has the force of Law.

"Indebtedness" means the aggregate amount, as of immediately prior to the Closing, of : (a) all indebtedness of the Practice for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money (including all obligations arising from bank overdrafts), (b) all indebtedness of the Practice evidenced by any note, bond, debenture or other similar instrument or debt security, (c) all liabilities of the Practice for any drawn letters of credit, performance bonds, surety bonds and similar obligations, (d) all indebtedness for the deferred purchase price of property or services with respect to which the Practice is liable, contingently or otherwise, as obligors or otherwise, (e) all obligations under leases required to be capitalized in accordance with the Accounting Principles with respect to which the Practice is liable as obligor, (f) all indebtedness secured by a Lien on Practice's assets, (g) all loans/advances payable by the Practice to Feifel or any of Feifel's Affiliates, (h) all non-compete payments, earn-out obligations and other obligations owed to former owners of businesses acquired by the Practice, (i) all liabilities or obligations of the Practice under any currency or interest swap, hedge or similar protection device, (j) all commitments by which the Practice assures a creditor against loss (including contingent reimbursement obligations with respect to letters of credit), (k) all obligations and liabilities of the Practice in respect of declared but unpaid dividends or distributions, (l) all guarantees made by the Practice in connection with the foregoing and any other financial guarantees of the Practice of any kind, (m) all amounts that the Practice owes to a third party by Contract or Order regarding actual or threatened litigation or controversy, (n) all amounts due to or in respect of current or former employees of the Practice (other than accrued payroll due to current employees), for (i) unpaid vacation or other paid time-off, (ii) unpaid bonuses or commissions, (iii) any other bonus or commission amounts related to the pre-Closing period, (iv) unpaid 401(k) profit sharing and other employer contributions owed by the Practice and (v) severance payments or other similar obligations (including obligations to pay professional liability insurance tail coverage) or other similar obligations owed by the Practice relating to the termination of any former employees (including the employer portion of any related payroll and other employment Taxes for the foregoing items (i) through (v)), (o) all obligations of the Practice for real estate Taxes, unless included in rent or required to be paid as part of the Real Property Leases, and (p) all interest, penalties, fees and expenses (including prepayment penalties, premiums, breakage costs, fees and other costs and expenses associated with repayment) on any of the foregoing items (a) through (o).

"Indebtedness-Like Items" means (a) the aggregate amount, as of immediately prior to the Closing, of all credits, refunds and overpayments owed by the Practice to patients or Payors, (b) any payroll or other employment Taxes deferred by the Practice under any Coronavirus Legislation and (c) amounts attributable to construction projects for Practice that are in process as of the Closing.

"Indemnity Escrow Amount" means [***].

"Law" means any law, statute, regulation, ordinance, rule, rule of common law, order, decree, judgment, consent decree, settlement agreement or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Authority, including state, federal and foreign criminal and civil laws and/or related regulations.

"Leased Assets" means all tangible assets subject to any of the Real Property Leases or any personal property leases or otherwise leased by any Relevant Entity in connection with the operation of the Business.

"Liabilities" means any debt, claim, obligation or liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether matured or unmatured, whether liquidated or unliquidated and whether due or to become due), including those arising under any Law or Contract and including any liability for Taxes.

"Lien" means, with respect to any property or asset, any security interest, lien, charge, mortgage, deed, assignment, pledge, hypothecation, encumbrance, servitude, easement, encroachment, lease or sublease, restriction, claim, judgment, option, right of first offer, right of first refusal or interest of another Person of any kind or nature.

"LLC Agreement" means that certain Amended and Restated Limited Liability Company Agreement of Purchaser, as amended, supplemented, restated or otherwise modified from time to time.

"Losses" means all Liabilities, losses, costs, damages, Taxes, claim, demand, action, causes of action, deficiency, fine, penalties or expense, whether or not arising out of third party claims (including interest, penalties, reasonable attorneys' fees and expenses and reasonable amounts paid in investigation, litigation, defense or settlement of any of the foregoing); provided, however, that, in each case except in connection with fraud or damages associated with a Third Party Claim, "Losses" shall not include any punitive, special, incidental, consequential or indirect (including loss of future revenue or income, loss of business reputation or opportunity, or diminution of value or any damages based on any type of multiple or financial measure (including net income, EBIT, EBITDA or similar measures), damages.

"Lower Net Working Capital Target" means the amount equal to ninety-five percent (95%) of the Net Working Capital Target.

"Material Adverse Effect" means a material and adverse effect on (a) the assets, liabilities, business, operations, condition (financial or otherwise), prospects or results of operations of the Business or the Practice or (b) the ability of any Seller Party to consummate timely its obligations under this Agreement or any Related Agreement; provided, however, that, with respect to the foregoing clause (a) any event, change, development, effect or circumstance resulting from or relating to: (i) general business or economic conditions, (ii) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (iii) financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (iv) changes in GAAP, (v) changes in any Law or the enforcement, implementation or judicial interpretation thereof, (vi) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Purchaser, (vii) the announcement, pendency or completion of the transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with any Seller Party and/or the Business, (viii) any natural or man-made disaster or acts of God, (ix) any epidemics, pandemics, disease outbreaks, or other public health emergencies including, without limitation, the pandemic resulting from the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) also known as the novel coronavirus, and the disease caused thereby referred to as COVID-19, or (x) any failure by the Business to meet any internal or published projections, forecasts or revenue or earnings predictions (but not the underlying cause of such failure) shall not be taken into account in determining if a Material Adverse Effect exists or has occurred; provided further, that any event, occurrence, fact, condition or change referred to in clauses (i) through (v), (viii) and (ix) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Business or the Practice compared to other participants in the industries in which the Business or the Practice participate.

"Net Working Capital" means the Current Assets minus the Current Liabilities.

"Net Working Capital Target" means [***]Dollars $*.

"Order" means any judgment, order, direction, decree, stipulation, injunction, writ, charge or other restriction of any Governmental Authority.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency); provided, that in no event will any act or omission of any Relevant Entity in response to COVID-19 or COVID-19 Control Measures be considered ordinary course of business consistent with past custom and practice.

"Payor" means any insurer, health maintenance organization, third party administrator, employer for a self-funded plan, union for a self-funded plan or Government Program (including any Third Party Payor Program) that has authorized any Seller Party as a provider of health care items, services and goods to the members, beneficiaries, participants or the like thereof or to whom the Practice has submitted a claim for items, services or goods.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity or a Governmental Authority (or any department, agency, or political subdivision thereof).

"Personal Information" means any information that identifies a specific natural person, including (a) a natural person's first and last name, in combination with a (i) social security number or tax identification number or (ii) credit card number, bank account information and other financial account information, or financial customer or account numbers, account access codes and passwords, (b) Protected Health Information (as defined under HIPAA) and (c) any information pertaining to an individual that is regulated or protected by Law.

"Post-Closing Tax Period" means any Tax period (or portion thereof) beginning after the Closing Date and the portion of any Straddle Period beginning after the Closing Date.

"PPP Loan" means the following loans extended to Practice by First-Citizens Bank & Trust Company in connection with the SBA's "Paycheck Protection Program:" (i) that certain loan in the principal amount of [***], approved as of [***]; and (ii) that certain loan in the principal amount of [***], approved as of [***].

"Practice Management Documents" means (a) a Business Support Services Agreement by and among Purchaser, Practice and Feifel, (b) a power of attorney by and between Purchaser and Practice, (c) a government lockbox account agreement by and between Purchaser and Practice, (d) an employee leasing agreement by and between Purchaser and Practice, (e) a physician liaison agreement by and between the Purchaser and Feifel, (f) a security agreement by and between Practice and Purchaser, (g) a deficit funding loan agreement by and between Practice and Purchaser, and (g) a directed equity transfer agreement by and among Purchaser, Practice and Feifel.

"Practice Plan" means Kadima Neuropsychiatry Institute 401(k) Profit Sharing Plan with Decimal, Inc. dba Ubiquity Retirement + Savings .

"Pre-Closing Tax Period" means any Tax period (or portion thereof) that ends on or prior to the Closing Date and the portion of any Straddle Period ending on and including the Closing Date.

"Related Agreements" means all agreements, instruments and documents executed and delivered under this Agreement or in connection herewith, including the Pre-Closing Reorganization and Practice Management Documents.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, seeping, migrating, dumping or disposing of any Hazardous Substances (including the abandonment or discarding of barrels, containers and other closed receptacles containing any Hazardous Substances) into the environment.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal Law then in force.

"Seller's Knowledge" means the actual knowledge of Feifel and/or Mary Feifel without any independent duty of investigation or inquiry.

"Tax" or "Taxes" means any federal, state, local or foreign taxes, charges, fees, duties, levies or other assessments, including gross income, net income, gross receipts, net receipts, capital gains, gross proceeds, net proceeds, ad valorem, profits, license, payroll, employment, excise, severance, stamp, lease, occupation, equalization, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property (whether tangible or intangible), unclaimed or abandoned property, escheat, gaming, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, charges or fees of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty or addition thereto, whether disputed or not.

"Tax Return" means any return (including estimated), declaration, report, claim for refund or information return or statement relating to Taxes filed, or to be filed, with a Governmental Authority, including any schedule or attachment thereto, and including any amendment thereof.

"Third Party Payor Programs" means all third party Payor programs, including Medicare, Medicaid, TRICARE, workers compensation and any other federal or state health care programs, as well as Blue Cross and/or Blue Shield, managed care plans, any other private insurance program or administered self-funded employer or union plans.

"Transaction Expenses" means (a) all of the fees, expenses and other costs incurred, paid or required to be paid by the Relevant Entities (whether or not on behalf of Feifel) in connection with the negotiation of this Agreement, the performance of the Seller Parties' obligations hereunder and the consummation of the transactions contemplated hereby (including all of the fees, expenses and other costs of legal counsel, investment bankers, brokers, accountants and other representatives and consultants), including any expenses of Feifel that the Relevant Entities agree or have agreed to reimburse in connection with the transactions contemplated by this Agreement and which are not paid directly by Feifel, whether or not such fees, expenses or costs have been assessed or billed prior to the Closing Date, (b) all special bonuses, "stay-put" bonuses, transaction bonuses, change-in-control or similar payments, sale bonuses, severance or other similar compensation payable to any Person in connection with the transactions contemplated hereby (including the employer portion of any related payroll and other employment Taxes), (c) the cost of any fees, penalties related to a termination or cancellation of a Contract or insurance coverage of the Practice as of, or after, the Closing, and (d) fifty percent (50%) of the fees and expenses of the Escrow Agent.

"Upper Net Working Capital Target" means the amount equal to one hundred five percent (105%) of the Net Working Capital Target.

9.2. Other Defined Terms. The following terms are defined in the sections indicated.

Accounts Receivable	1.1(b)
Acquired Assets	1.1
Adjustment Escrow Account	1.5(d)(ii)
Amendment	2.2(w)
Agreement	preamble
Assumed Contracts	1.1(e)
Assumed Liabilities	1.3
Bill of Sale	2.2(c)
Business Support Services Agreement	recitals
CARES Act Funds	3.23

CARES Act Programs	3.23
Cap	6.3(b)
Claim Notice	6.5(a)
Closing	2.1
Closing Date	2.1
Closing Date Statement	1.9(a)
Closing Payment	1.5(b)
CMIO Employment Agreement	2.2(v)
Copyrights	1.1(h)
Effective Date	preamble
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[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

PURCHASER:

HTX MANAGEMENT COMPANY, LLC

By: _____
Name: Jonathan Javitt
Title: Co-CEO

PARENT:

HOPE THERAPEUTICS, INC.

By: _____
Name: Jonathan Javitt
Title: Co-CEO

[Signature Page to Asset Purchase and Contribution Agreement]

PRACTICE:

KADIMA NEUROPSYCHIATRY INSTITUTE, A MEDICAL CORP.

By: _____
Name: David Feifel, M.D., Ph.D.
Title: President & Chief Executive Officer

HOLDCO:

KADIMA HOLDINGS, INC.

By: _____
Name: David Feifel, M.D., Ph.D.
Title: President & Chief Executive Officer

FEIFEL:

_____
David Feifel, M.D., Ph.D.

EXHIBIT A

Pre-Closing Reorganization

In connection with the Pre-Closing Reorganization (as such term is defined below), the following actions occurred, or will occur, in the in the order specified below:

A. Feifel incorporated Holdco as a California corporation on or about March 7, 2025.

B. At least one day prior to the Closing Date, pursuant to a contribution and exchange agreement by and among Feifel, Holdco and Practice (the "Contribution and Exchange Agreement"), Feifel shall contribute [***]percent (*%) of the issued and outstanding equity interests of Practice to Holdco in exchange for the issuance by Holdco to Feifel of [***] percent (*%) of the issued and outstanding equity interests of Holdco (the "Contribution").

C. On or after the day of the Contribution but prior to the Closing Date, Holdco shall file an IRS Form 8869 (*Qualified Subchapter S Subsidiary Election*) (with box 14 of such form marked "yes" to indicate that such election is being made in connection with a reorganization under Section 368(a)(1)(F) of the Code) to elect for Practice to be classified as a "qualified subchapter S subsidiary" of Holdco within the meaning of Section 1361(b)(3)(B) of the Code for federal and applicable state and local income Tax purposes, with such election effective the same date as the Contribution (the "QSub Election," and together with the Contribution, the "Pre-Closing Reorganization").

EXHIBIT B

Business Support Services Agreement

EXHIBIT C

Rollover and Joinder Agreement

EXHIBIT D

Flow of Funds Spreadsheet

Exhibit 10.7

EXECUTION

MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT

dated as of March 29, 2025,

by and among

HOPE THERAPEUTICS, INC.,

HTX MANAGEMENT COMPANY LLC,

DURA MEDICAL, LLC,

and

STEPHEN DURAND, CRNA, APRN

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MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT

This Membership Interest Purchase and Contribution Agreement (this "***Agreement***"), dated as of March 29, 2025 (the "***Effective Date***"), is entered into by and among (a) Hope Therapeutics, Inc., a Delaware corporation ("***Parent***"), (b) HTX Management Company LLC, a Delaware limited liability company ("***Buyer***" and, together with Parent, each, a "***Buyer Party***", and together, the "***Buyer Parties***"), (c) Dura Medical LLC, a Florida limited liability company ("***Company***"), (d) Stephen Durand, CRNA, APRN, the sole member and manager of the Company ("***Durand***" and also referred to herein as "***Seller***") and Durand and the Company, each, a "***Seller Party***" and together, the "***Seller Parties***"). Parent, Buyer, Company and Seller, and Durand may at times hereinafter be referred to individually as "***Party***" and collectively as "***Parties***." For purposes of this Agreement, capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings as set forth in Annex A.

WHEREAS, the Company operates two (2) healthcare clinics, (each a "***Clinic***" and together, the "***Clinics***") licensed by the Florida Agency for Health Care Administration ("***AHCA***"), located at (i) 1575 Pine Ridge Rd., Ste 16, Naples, Florida (the "***Naples Office***") and (ii) 6804 Porto Fino, Cir. #1, Fort Myers, Florida (the "***Fort Myers Office***" together with the Naples Office shall be referred to herein as the "***Premises***");

WHEREAS, the Company is in the business of the provision of various medical services and procedures, including but not limited to psychiatric, ketamine assisted psychotherapy, therapy, TMS, and related ancillary services for a variety of conditions, including but not limited to, depression, anxiety, PTSD, OCD, eating disorders, and the related ancillary services thereof other services relating to the foregoing taking place at the Premises (as conducted on the Effective Date and Closing Date and as intended to be conducted after the Closing Date, the "***Business***");

WHEREAS, the Seller is the sole legal and beneficial owner of [***]percent (*%) of the issued and outstanding membership interests of the Company (the "***Membership Units***");

WHEREAS, Seller desires to contribute to Buyer, and Buyer desires to accept from Seller, the Membership Units having a value equal to the Rollover Equity Value (the "***Contributed Interests***") in exchange for [***] Units of Buyer (the "***Rollover Equity***");

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, all of the Membership Units except the Contributed Interests (the "***Purchased Interests***"), on the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and covenants of the Parties hereinafter set forth, the Parties hereto agree as follows:

1. PURCHASE AND SALE

1.1. Purchase and Sale; Contribution. At the Closing, upon and subject to the terms and conditions of this Agreement, (a) Seller shall contribute, assign, transfer, convey and deliver to Buyer, and Buyer shall acquire and accept from Seller, free and clear of all Liens, all right, title and interest in and to the Contributed Interests, having an aggregate value equal to the Rollover Equity, and in consideration of the Contributed Interests, Buyer shall issue the Rollover Equity to Seller, and (b) Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase from Seller, free and clear of all Liens, the Purchased Interests, which shall constitute the remaining Membership Units of the Company but do not include the Contributed Interests (the Purchased Interests and Contributed Interests are collectively referred to herein as the "Acquired Interests").

(a) Subject to adjustment pursuant to in Section 1.2, the aggregate consideration payable for the Acquired Interests (as adjusted, the "***Purchase Price***") shall consist of (x) an amount payable in cash equal to [***] (the "***Cash Consideration***"), (y) the issuance of the Rollover Equity by Buyer to Seller, which the Parties agree has a value of [***] (the "***Rollover Equity Value***") and (z) contingent payments of up to [***] (the "***Maximum Contingent Consideration Payment Amount***").

(b) Payments at Closing. At the Closing, in consideration of the Purchased Interests, Buyer shall pay or cause to be paid:

(i) to Seller, by wire transfer of immediately available funds to an account specified in writing by Seller at least three (3) days prior to the Closing, an amount (the "***Closing Date Payment***") equal to the Cash Consideration minus [***] (the "***Indemnity Escrow Amount***"), minus [***] (the "***Adjustment Escrow Amount***" and together with the Indemnity Escrow Amount, the "***Escrow Amount***"), minus the Estimated Closing Indebtedness, plus the Estimated Net Working Capital Adjustment, minus the Estimated Transaction Expenses, in accordance with the Flow of Funds Spreadsheet, minus the amount, if any, that is the difference between the Closing Cash and Baseline Cash in the event the Closing Cash is less than Baseline Cash, plus, the excess amount above the Baseline Cash, if any, that the Closing Cash exceeds the Baseline Cash, as more fully set forth in Section 1.2(a);

(ii) to the holders thereof, in immediately available funds by wire transfer, the Estimated Closing Indebtedness set forth in Annex B, in accordance with the Flow of Funds Spreadsheet;

(iii) to the Persons entitled thereto, in immediately available funds by wire transfer, the Estimated Transaction Expenses, in accordance with the Flow of Funds Spreadsheet; and

(iv) to the Escrow Agent, in immediately available funds by wire transfer, the Escrow Amount, in accordance with the Flow of Funds Spreadsheet.

1.2. Payments; Post-Closing Adjustments.

(a) Determination of Closing Date Payment and Determination of Closing Cash Payment. At least three (3) business days prior to the Closing, the Company shall deliver to Buyer a certificate (the "***Pre-Closing Certificate***"), duly executed by the Company, setting forth the Company's good faith calculation, of (i) the Closing Cash (the "***Estimated Closing Cash***"), (ii) the Closing Indebtedness and Indebtedness-Like Items (the "***Estimated Closing Indebtedness***"), together with related payoff letters in form and substance reasonably acceptable to Buyer indicating the amount required to discharge, upon receipt of payments specified in the applicable payoff letter, any Lien securing the Closing Indebtedness, (iii) the Net Working Capital Adjustment as of the Closing Date (the "***Estimated Net Working Capital Adjustment***"), (iv) the Transaction Expenses (the "***Estimated Transaction Expenses***"), together with invoices or other documents in form and substance reasonably requested by Buyer evidencing the amount of the Transaction Expenses, and (v) based on such calculations and estimates, the Closing Date Payment in accordance with Section 1.1(c), along with a copy of the estimated balance sheet of the Company as of the Closing Date (the "***Closing Balance Sheet***"), upon which such calculations were based; provided that, the Parties agree that the Estimated Closing Cash shall not be paid as part of the Closing Date Payment and shall not be a variable in determining the post-closing adjustment of the Closing Date Payment as determined in accordance with Section 1.1(c). The Buyer will immediately review the Company's Estimated Closing Cash calculation delivered pursuant to this Section 1.2(a), and thereafter, the Company and Buyer shall use reasonably commercial efforts to determine the Closing Cash, within a period of [●] days after the Closing. The date which the Closing Cash is determined and agreed to by Company and Buyer shall be referred to herein as the "***Closing Cash Determination Date***." The actual amount determined and mutually agreed to by the Parties to be the expected Closing Cash of the Company shall be equal to [***], which for purposes of this Section, shall be referred to as the "***Baseline Cash***." If the actual Closing Cash exceeds the Baseline Cash, the difference between the actual Closing Cash and the Baseline Cash shall be paid to Seller at Closing, or promptly thereafter, but no later than three (3) days after the Closing. If the Closing Cash is less than the Baseline Cash, the difference between the actual Closing Cash and the Baseline Cash shall reduce the Cash Consideration on a dollar-for - dollar basis, payable at Closing. Commencing as of the Closing Cash Determination Date, Buyer shall track and calculate the actual Cash of the Company on the balance sheet (the "***Fiscal Quarter Cash***") during each fiscal quarter period which period shall conclude on the last day of such fiscal quarter measuring period (each such period a "***Fiscal Quarter Measuring Period***"). Within ten (10) days after the expiration of each Fiscal Quarter Measuring Period, the Buyer shall determine the Fiscal Quarter Cash. To the extent the Fiscal Quarter Cash in a Fiscal Quarter Measuring Period is greater than the Baseline Cash, Buyer will (or Buyer will cause Company to) remit to Seller the difference between the Fiscal Quarter Cash and the Baseline Cash, until such time the full amount of the Baseline Cash due to Seller is paid to Seller. The Buyer and Company reserve the right to prepay any and all unpaid amounts of the Baseline Cash due to Seller, at any time, without notice to, or approval from Seller, of pre-payment, upon a determination in Buyer's or Company's sole and absolute discretion. For the avoidance of doubt, in the event that Fiscal Quarter Cash is less than the Baseline Cash upon expiration of any Fiscal Quarter Measuring Period, the Company shall not be obligated to remit, or cause to be remitted, any payment in accordance with this Section 1.2(a). The Fiscal Quarter reconciliation process set forth herein shall be referred to as the "Fiscal Quarter Post-Closing Reconciliation."

(b) Methodologies. The Closing Balance Sheet and each of the components that constitute the Pre-Closing Certificate (except the Estimated Net Working Capital Adjustment) shall each be calculated in accordance with the accounting principles set forth in Annex C (the "***Accounting Principles***"). The computation of the Estimated Net Working Capital Adjustment set forth in the Pre-Closing Certificate shall be prepared in accordance with GAAP.

(c) Post-Closing Adjustments of Closing Date Payment. No later than one-hundred twenty (120) days after the Closing Date, Buyer shall prepare and deliver to Seller a statement prepared by Buyer in good faith and in accordance with GAAP (the "***Closing Statement***"), setting forth Buyer's calculation of (i) Reserved (ii) the Closing Indebtedness, (iii) the Net Working Capital Adjustment, and (iv) the Transaction Expenses, along with a copy of the balance sheet of the Company as of the Closing Date upon which such calculations were based, together with a certificate of an officer of Buyer certifying that the Closing Statement was prepared in good faith and in accordance with GAAP and consistent with the terms and conditions of this Agreement. Unless Seller delivers to Buyer in writing, within thirty (30) days after Seller's receipt of the Closing Statement (determined in accordance with Section 8.6) (such thirty (30) day period, the "***Objection Period***"), a statement reasonably describing Seller's objections to Buyer's computations set forth in the Closing Statement (a "***Notice of Objection***"), the Closing Statement and such computations shall become final and binding on the Parties hereto for the purposes of this Section 1.2(c). Following the delivery of the Closing Statement and for purposes of Seller's review of the Closing Statement and preparation of any Notice of Objection, Buyer shall, to the extent reasonably necessary to review the Closing Statement, (A) permit the Seller and its representatives to review the working papers of Buyer and Buyer's accountants relating to the Closing Statement and (B) at Seller's request, reasonable access to the books and records of the Company to support the review and inspection of the determination of the calculation of the Closing Statement, as reasonably determined by the Company. The Seller and Buyer acknowledge that the sole purpose of the determination of the Closing Indebtedness, the Net Working Capital Adjustment, and the Transaction Expenses is to adjust the Closing Date Payment so as to reflect the difference between the Estimated Closing Indebtedness, the Estimated Net Working Capital Adjustment, and the Estimated Transaction Expenses on one hand, and the Closing Indebtedness, the Net Working Capital Adjustment, and the Transaction Expenses on the other hand, pursuant to Section 1.2(e) in accordance with the applicable terms and provisions of this Agreement. If Seller provides the Notice of Objection to Buyer within the Objection Period, then the Parties hereto shall resolve such disputes in accordance with Section 1.2(d).

(d) Disputes.

(i) In the event that Seller provides the Notice of Objection to Buyer within the Objection Period, then the Parties hereto shall resolve any related disputes as follows: Buyer and Seller shall, during the thirty (30) day period following Buyer's receipt of the Notice of Objection (the "***Resolution Period***"), attempt in good faith to resolve Seller's objections. During the Resolution Period, Buyer and its representatives shall, to the extent reasonably necessary to review the Notice of Objection, be permitted to review the working papers of Seller and its accountants relating to the Notice of Objection and the basis therefor. If Buyer and Seller are unable to resolve all such objections within the Resolution Period, the matters remaining in dispute shall be submitted to a nationally recognized, independent accounting firm mutually agreed upon by Buyer and Seller (the "***Independent Expert***"). If Buyer and Seller are unable to agree on a mutually acceptable Independent Expert, then they each shall select a nationally recognized, independent accounting firm, and such firms shall mutually select a nationally recognized, independent accounting firm to serve as the Independent Expert. The Independent Expert shall resolve only those matters set forth in the Notice of Objection remaining in dispute and shall not otherwise investigate any matter independently. Buyer and the Seller each agree to furnish to the Independent Expert access to such Persons and such information, books and records as may be reasonably required by the Independent Expert to make its final determination. Buyer and Seller shall also instruct the Independent Expert to render its written decision as promptly as practicable but in no event later than thirty (30) days from the date that information related to the unresolved objections was presented to the Independent Expert. With respect to each disputed line item, such decision, if not in accordance with the position of either Buyer or Seller, shall not be in excess of the higher, nor less than the lower, of the amounts advocated by Buyer in the Closing Statement or Seller in the Notice of Objection with respect to such disputed line item. Absent fraud or manifest error, the resolution of disputed items by the Independent Expert shall be final and binding on the Parties hereto for the purposes of Section 1.2, and the determination of the Independent Expert shall constitute an arbitral award that is final, binding and non-appealable and upon which a judgment may be entered by a court having jurisdiction thereover. All communications between a Party and the Independent Expert shall be in writing and shall be transmitted to the other Party and neither Buyer nor Seller shall have ex parte communications with the Independent Expert.

(ii) The fees, costs and expenses of the Independent Expert shall be allocated to and borne by Buyer and Seller based on the inverse of the percentage that the Independent Expert's determination (before such allocation) bears to the total amount of the total items in dispute as originally submitted to the Independent Expert. For example, should the items in dispute total in amount to $1,000 and the Independent Expert awards $600 in favor of the Seller's position, sixty percent (60%) of the costs of its review would be borne by Buyer and forty percent (40%) of such costs would be borne by the Seller.

(e) Adjustment Amount. The Closing Date Payment shall be (i) Reserved(ii) decreased by the amount by which the Closing Indebtedness exceeds the Estimated Closing Indebtedness or increased by the amount by which the Estimated Closing Indebtedness exceeds the Closing Indebtedness, (iii) increased by the amount by which the Net Working Capital Adjustment exceeds the Estimated Net Working Capital Adjustment or decreased by the amount by which the Estimated Net Working Capital Adjustment exceeds the Net Working Capital Adjustment and (iv) decreased by the amount by which the Transaction Expenses exceed the Estimated Transaction Expenses or increased by the amount by which the Estimated Transaction Expenses exceed the Transaction Expenses (the aggregate amount of such increases or decreases, the "***Adjustment Amount***").

(f) Payment of Adjustment Amount. Within three (3) business days after the Adjustment Amount has been finally determined in accordance with Sections 1.2(c), 1.2(d) and 1.2(e), (i) if the Adjustment Amount reflects an increase to the Closing Date Payment, Buyer shall pay to Seller the Adjustment Amount and Buyer and Seller shall execute a joint written instruction directing the Escrow Agent to release the Adjustment Escrow Amount to Seller, and (ii) if the Adjustment Amount reflects a decrease to the Closing Date Payment, Buyer and Seller shall execute a joint written instruction directing the Escrow Agent to release (x) the Adjustment Amount to Buyer and (y) the remainder of the Adjustment Escrow Amount, if any, to Seller. In the event that the Adjustment Escrow Amount is insufficient to satisfy the Adjustment Amount, any amount owing to Buyer in excess of the Adjustment Escrow Amount may be recovered by Buyer from the Indemnity Escrow Amount, and, within five (5) business days after the Escrow Agent disburses any such portion of the Indemnity Escrow Amount to Buyer, Seller shall pay to the Escrow Agent an amount equal to the Indemnity Escrow Amount released to Buyer pursuant to this Section 1.2(f). Any payment pursuant to this Section 1.2(f) shall be made by wire transfer of immediately available funds and shall be treated as an adjustment to the Purchase Price for applicable Tax purposes, unless otherwise required by applicable Law.

1.3. Contingent Consideration Payment.

(a) Contingent Consideration Payment.

(i) Provided the Company meets certain thresholds and conditions described in Section 1.3(a)(ii), Seller shall be entitled to receive, and Buyer shall pay to Seller, payments, if any, as identified below as the "***First Year Contingent Consideration Payment,***" the "***Second Year Contingent Consideration Payment,***" and the "***Third Contingent Consideration Payment***") in accordance with Section 1.3(a)(ii) (collectively, the "***Contingent Consideration Payment***"), following the determination of the Final Contingent Consideration EBITDA in each Contingent Consideration Measuring Period.

(ii) Subject to payment per Section 1.3(e):

(1) First Year Contingent Consideration Payment.

(a) If the First Year Final Contingency Consideration EBITDA is equal to, or less than, the First Year Contingent Consideration EBITDA Baseline, then Seller shall receive no First Year Contingency Consideration Payment.

(b) If the First Year Final Contingency Consideration EBITDA is equal to, or greater than, the First Year Contingency Consideration EBITDA Target and Seller has remained in full-time employment with Company during the twelve (12) month period after the Closing, and is in good standing with Company on the date the Contingent Consideration Payment hereunder, if applicable, is to be paid, and there is no outstanding notice of termination for Cause by Buyer or Company, or resignation without Good Reason by Seller (as such terms are defined in Seller's Director Employment Agreement between Seller and Buyer), then Buyer shall pay to the Seller the First Year Maximum Contingency Consideration Payment (subject to Section 1.3(a)(ii)(d)-(e), payable pursuant to the terms of Section 1.3(e).

(c) If the First Year Final Contingency Consideration EBITDA is greater than the First Year Contingent Consideration EBITDA Baseline, but less than the First Year Contingency Consideration EBITDA Target, and Seller has remained in full-time employment with Company during the twelve (12) month period after the Closing, and is in good standing with Company on the date the Contingent Consideration Payment hereunder, if applicable, is to be paid and there is no outstanding notice of termination whether for Cause by Buyer or Company, or resignation without Good Reason by Seller (as such terms are defined in Seller's Director Employment Agreement between Seller and Buyer), then Buyer shall pay to the Seller an amount equal to the: [***] (subject to Section 1.3(a)(ii)(d)-(e), and further subject to a maximum of the First Year Maximum Contingency Consideration Payment and a minimum of zero, payable pursuant the terms of Section 1.3(b) - (e).

(d) If at any time during any Contingent Consideration Measuring Period, including the First Year Contingent Consideration Measuring Period, the Second Year Contingent Consideration Measuring Period or the Third Year Contingent Consideration Measuring Period, Seller resigns from his employment from the Buyer without Good Reason, or Seller's employment with the Buyer is terminated for Cause (as such terms are defined in the Seller's Director Employment Agreement with the Buyer), no Contingency Consideration Payment, including the First Year Contingency Consideration Payment (or the Second Year Contingency Consideration Payment and Third Year Contingency Consideration Payments, as applicable) shall be due or payable to Seller.

(e) If at any time during any Contingent Consideration Measuring Period, including the First Year Contingent Consideration Measuring Period, Seller resigns with Good Reason from his employment with the Buyer, or Seller's employment with the Buyer is terminated without Cause (as such terms are defined in the Seller's Director Employment Agreement with the Buyer), Buyer shall pay to the Seller the maximum Contingent Consideration Payment payable in such Contingent Consideration Measuring Period (i.e., the First Year Maximum Contingent Consideration Payment for the First Year Contingent Consideration Measuring Period, the Second Year Maximum Contingent Consideration Payment for the Second Year Contingent Consideration Measuring Period, and the Third Year Maximum Contingent Consideration Payment for the Third Year Contingent Consideration Measuring Period, each payable pursuant to the terms and conditions of Sections 1.3(b) - (e).

(2) Second Year Contingent Consideration Payment.

(a) If the Second Year Final Contingency Consideration EBITDA is equal to, or less than, the Second Year Contingent Consideration EBITDA Baseline, then Seller shall receive no Second Year Contingency Consideration Payment.

(b) If the Second Year Final Contingency Consideration EBITDA is equal to, or greater than, the Second Year Contingent Consideration EBITDA Target, and Seller has remained in full-time employment with Company during the twenty-four (24) month period after the Closing, and is in good standing with Company on the date the Contingent Consideration Payment hereunder, if applicable, is to be paid and there is no outstanding notice of termination whether for Cause by Buyer or Company, or resignation without Good Reason by Seller (as such terms are defined in Seller's Director Employment Agreement between Seller and Buyer), then Buyer shall pay to the Seller the Second Year Maximum Contingency Consideration Payment (subject to adjustment based on Section 1.3(a)(ii)(1)(d)-(e) as it relates to Seller's termination or resignation during the Second Year Contingent Consideration Measuring Period), payable pursuant to the terms of Section 1.3(e).

(c) If the Second Year Final Contingency Consideration EBITDA is greater than the Second Year Contingent Consideration EBITDA Baseline, but less than the Second Year Contingent Consideration EBITDA Target, and Seller has remained in full-time employment with Company during the twenty-four (24) month period after the Closing, and is in good standing with Company on the date the Contingent Consideration Payment hereunder, if applicable, is to be paid and there is no outstanding notice of termination whether for Cause by Buyer or Company, or resignation without Good Reason Seller (as such terms are defined in Seller's Director Employment Agreement between Seller and Buyer), then Buyer shall pay to the Seller an amount equal to: [***] (subject to adjustment based on Section 1.3(a)(ii)(1)(d)-(e) as it relates to Seller's termination or resignation during the Second Year Contingent Consideration Measuring Period), subject to the Second Year Maximum Contingency Consideration Payment and a minimum of zero, payable pursuant to the terms of Section 1.3(e).

(d) If at any time during any Contingent Consideration Measuring Period, including the Second Year Contingent Consideration Measuring Period, Seller resigns with Good Reason from his employment with the Buyer, or Seller's employment with the Buyer is terminated without Cause (as such terms are defined in the Seller's Director Employment Agreement with the Buyer), Buyer shall pay to the Seller the maximum Contingent Consideration Payment payable in such Contingent Consideration Measuring Period (i.e., the First Year Maximum Contingent Consideration Payment for the First Year Contingent Consideration Measuring Period, the Second Year Maximum Contingent Consideration Payment for the Second Year Contingent Consideration Measuring Period, and the Third Year Maximum Contingent Consideration Payment for the Third Year Contingent Consideration Measuring Period, each payable pursuant to the terms and conditions of Sections 1.3(b) - (e).

(3) Third Year Contingent Consideration Payment.

(a) If the Third Year Final Contingency Consideration EBITDA is equal to, or less than, the Third Year Contingent Consideration EBITDA Baseline, then Seller shall receive no Third Year Contingency Consideration Payment.

(b) If the Third Year Final Contingency Consideration EBITDA is equal to, or greater than, the Third Year Contingency Consideration EBITDA Target, and Seller has remained in full-time employment with Company during the thirty-six (36) month period after the Closing, and is in good standing with Company on the date the Contingent Consideration Payment hereunder, if applicable, is to be paid and there is no outstanding notice of termination whether for Cause by Buyer or Company, or resignation without Good Reason by Seller (as such terms are defined in Seller's Director Employment Agreement between Seller and Buyer), then Buyer shall pay to the Seller the Third Year Maximum Contingency Consideration Payment (subject to adjustment based on Section 1.3(a)(ii)(d)-(e) as it relates to Seller's employment or resignation during the Third Year Contingent Consideration Measuring Period), payable pursuant to the terms of Section 1.3(e).

(c) If the Third Year Final Contingency Consideration EBITDA is greater than the Third Year Contingent Consideration EBITDA Baseline, but less than the Third Year Contingency Consideration EBITDA Target, and Seller has remained in full-time employment with Company during the thirty-six (36) month period after the Closing, and is in good standing with Company on the date the Contingent Consideration Payment hereunder, if applicable, is to be paid and there is no outstanding notice of termination whether for Cause by Buyer or Company, or resignation without Good Reason by Seller (as such terms are defined in Seller's Director Employment Agreement between Seller and Buyer), then Buyer shall pay to the Seller an amount equal to: [***] (subject to adjustment based on Section 1.3(a)(ii)(d)-(e) as it relates to Seller's employment or resignation during the Third Year Contingent Consideration Measuring Period), subject to the Third Year Maximum Contingency Consideration Payment and a minimum of zero, payable pursuant to the terms of Section 1.3(e).

(d) If at any time during any Contingent Consideration Measuring Period, including the Third Year Contingent Consideration Measuring Period, Seller resigns with Good Reason from his employment with the Buyer, or Seller's employment with the Buyer is terminated without Cause (as such terms are defined in the Seller's Director Employment Agreement with the Buyer), Buyer shall pay to the Seller the maximum Contingent Consideration Payment payable in such Contingent Consideration Measuring Period (i.e., the First Year Maximum Contingent Consideration Payment for the First Year Contingent Consideration Measuring Period, the Second Year Maximum Contingent Consideration Payment for the Second Year Contingent Consideration Measuring Period, and the Third Year Maximum Contingent Consideration Payment for the Third Year Contingent Consideration Measuring Period, each payable pursuant to the terms and conditions of Sections 1.3(b) - (e).

Any such payment pursuant to Section 1.3(a)(ii)(1) – (3), shall be referred collectively as the "***Contingent Consideration Payment Amount***").

(b) Contingent Consideration Statement. Within ninety (90) days after the end of each respective Contingent Consideration Measuring Period, Buyer shall deliver to Seller a statement of Buyer's calculation of such applicable period's Final Contingent Consideration EBITDA (the "***Contingent Consideration Statement***").

(c) Disputes. Within thirty (30) days following receipt by Seller of the Contingent Consideration Statement (the "***Contingent Consideration Objection Deadline***"), Seller shall deliver written notice to Buyer (the "***Contingent Consideration Objection***") of any dispute Seller has with respect to the preparation or content of the applicable Contingent Consideration Statement, and such notice shall specify in detail the nature of the dispute. If Seller does not deliver the Contingent Consideration Objection on or before the Contingent Consideration Objection Deadline, the Contingent Consideration Statement will be final, conclusive, and binding on the Parties hereto. In the event Seller delivers the Contingent Consideration Objection on or prior to the Contingent Consideration Objection Deadline, Buyer and Seller shall negotiate in good faith to resolve such dispute. If Buyer and Seller, notwithstanding such good faith effort, fail to resolve such dispute within fifteen (15) days after Seller delivers the Contingent Consideration Objection, then Buyer and Seller jointly shall engage the Independent Expert to resolve such dispute and determine the Final Contingent Consideration EBITDA. The Independent Expert shall be engaged pursuant to an engagement letter among Buyer, Seller, and the Independent Expert. The Independent Expert shall resolve only those matters set forth in the Contingent Consideration Objection remaining in dispute and not to otherwise investigate any matter independently. Buyer and Seller each agree to furnish to the Independent Expert access to such Persons and such information, books, and records as may be reasonably required by the Independent Expert to make its final determination. As promptly as practicable thereafter but in no event later than thirty (30) days thereafter, the Independent Expert shall deliver to Buyer and Seller, in writing, the Independent Expert's determination of the Final Contingent Consideration EBITDA, based solely upon the submissions by Buyer and Seller and not on an independent review, provided that, in no event shall the Final Contingent Consideration EBITDA as determined by the Independent Expert be outside of the ranges established by Seller's and Buyer's calculations of the Final Contingent Consideration EBITDA. The resolution of disputed items by the Independent Expert shall be final and binding on the Parties hereto for the purposes of this Section 1.3, and the determination of the Independent Expert shall constitute an arbitral award that is final, binding, and non-appealable and upon which a judgment may be entered by a court having jurisdiction thereover. Any third-party fees, costs, and expenses related to resolution of the Contingent Consideration Objection, including fees, costs, and expenses of the Independent Expert, shall be allocated to and borne by Seller and Buyer based on the inverse of the percentage that the Independent Expert's determination (before such allocation) bears to the total amount of the total items in dispute as originally submitted to the Independent Expert. For example, should the items in dispute total in amount to $1,000 and the Independent Expert awards $600 in favor of Seller's position, sixty percent (60%) of the costs of its review would be borne by Buyer and forty percent (40%) of such costs would be borne by Seller.

(d) Inspection. For a period of thirty (30) days after Buyer's delivery of the applicable Contingent Consideration Statement for each Contingent Consideration Measuring Period, Seller shall have the right, upon written notice by Seller to Buyer, to conduct a reasonable inspection of the applicable books and records of Parent, Buyer and/or the Company which support the inspection relating to the applicable Final Contingent Consideration EBITDA for purposes of confirming Buyer's calculation of the applicable year's Final Contingent Consideration EBITDA and the applicable Contingent Consideration Payment. In no event shall Seller's inspection rights unreasonably interfere with Buyer's operations.

(e) Payments. Any Contingent Consideration Payment to be paid to Seller shall be paid as follows: (i) [***] of such payment shall be made in cash; and (ii) [***] of such payment shall be in the issuance of a certain number of [***] Units of Buyer (the "***Units***"), as defined in the Operating Agreement of Buyer, based on the then-current value of such Units as determined by Buyer in its sole and absolute discretion, with the cash portion being paid in immediately available funds by wire transfer to an account or accounts designated in writing by Seller to Buyer within [●] business days after the Cash Contingent Payment Amount has been finally determined pursuant to this Section 1.3 and the issuance of Units as set forth herein, in accordance with the terms of the Operating Agreement.

(f) Acknowledgments

(i) Each Seller Party acknowledges that the contingent right of Seller to receive the Contingent Consideration Payment, if any, pursuant to this Section 1.3, (A) is solely a contractual right and is not a security for purposes of any federal or state securities Laws (and shall confer upon Seller only the rights of a general, unsecured creditor under applicable Law), (B) will not be represented by any form of certificate or instrument, (C) does not give Seller any dividend rights, voting rights, liquidation rights, preemptive rights, or other rights of holders of equity securities, (D) is not assignable or otherwise transferable by Seller except by operation of Law (and any purported assignment or transfer in violation hereof shall be null and void ab initio), and (E) is subject and subordinated to Buyers' and their respective Affiliates' institutional debt financing contracts outstanding as of the Effective Date and any restrictions set forth in such contracts, provided that the obligation to make the Contingent Consideration Payment shall remain outstanding until such time as the Contingent Consideration Payment is made pursuant to this Agreement.

(ii) The Parties hereto acknowledge that: (A) there are no assurances that the Seller Parties will receive any Contingent Consideration Payment and Buyer has not promised or projected any Contingent Consideration Payment, (B) the Parties hereto solely intend the express provisions of this Agreement to govern their contractual relationship; (C) no Party is relying on the past performance or financial results, or assets, facilities or personnel, of the business of the Seller, Buyer, or their respective Affiliates; and (D) all matters relating to the calculation of the Contingent Consideration Payment will be determined by Buyer in good faith and, as applicable, in accordance with GAAP, as reasonably determined by Buyer in accordance with Buyer's and its Affiliates' normal accounting and reporting practices as in effect from time to time.

(g) Tax Treatment of Contingent Consideration Payments. For U.S. federal income and applicable state and local Tax purposes, any Contingent Consideration Payments made to Seller shall be treated as "guaranteed payments" within the meaning of Section 707(c) of the Code, unless otherwise required by applicable Law. For the avoidance of doubt, neither the Seller Parties nor the Buyer Parties shall report the Contingent Consideration Payments as an adjustment to the Purchase Price for Tax purposes.

1.4. Closing Deliveries. At the Closing, the Seller Parties and Buyer, as applicable, will deliver or cause to be delivered each of the following (unless previously delivered):

(a) the Closing Date Payment pursuant to Section 1.1(c), to be delivered by Buyer to Seller;

(b) the Escrow Agreement duly executed by Buyer and Seller;

(c) an assignment of membership interests, by and between Seller and Buyer with respect to the Purchased Interests, duly executed by Seller;

(d) an assignment of membership interests, by and between Seller and Buyer with respect to the Contributed Interests, duly executed by Seller;

(e) a consulting agreement, by and between Parent and Durand, dated as of the Closing Date, duly executed by the Company and Durand;

(f) an employment agreement, by and between the Company and [***], dated as of the Closing Date, duly executed by Company and [***];

(g) an employment agreement, by and between the Company and Durand, dated as of the Closing Date, duly executed by the Company and Durand;

(h) an employment agreement, by and between Buyer and Durand, dated as of the Closing Date, duly executed by Buyer and Durand (the "***Director Employment Agreement***");

(i) employment agreements, dated as of the Closing Date, by and between the Company and each Key Employee, duly executed by the Company and each Key Employee;

(j) such documents as Buyer may reasonably request evidencing Seller's admittance as a member of Buyer with respect to the Rollover Equity (including subscription documentation and a joinder to the Amended and Restated Limited Liability Agreement of Buyer, dated [●] (the "***Operating Agreement***"), duly executed by Seller;

(k) written resignations, dated as of the Closing Date and effective as of the Closing, of the managers and officers of the Company, duly executed by such individuals;

(l) evidence reasonably satisfactory to Buyer of the termination of the agreements set forth on Schedule 1.4(k);

(m) a certificate of an officer of the Company certifying that all member, manager, and/or board of manager approvals necessary to consummate the transactions contemplated by this Agreement and the other Transaction Documents have been obtained, duly executed by such officer, and attaching thereto: (i) correct and complete copies of governing documents of the Company, and (ii) a copy of the resolutions of the member, manager, board of managers of the Company evidencing the approval of this Agreement and the other Transaction Documents to which the Company is a party and the transactions contemplated hereby and thereby;

(n) certificates of the Florida Secretary of State, dated no earlier than five (5) days prior to Closing, evidencing the good standing of the Company;

(o) all consents, approvals, including AHCA Approval, notices and filings required from third parties relating to this Agreement or the Transaction Documents or any of the other transactions contemplated hereby or thereby shall have been obtained, including, but not limited to, any consents related to any "change of control," "potential change of control" or similar provision in any Contract, to be delivered by Seller;

(p) an IRS form W-9 of Seller, duly issued and executed;

(q) with respect to the Naples Office, a new lease agreement or amendment to existing lease, shall be entered into directly by and among Company and landlord of the Naples Office, in form and substance reasonably satisfactory to Buyer, containing commercially standard provisions as are usual and customary for a lease of space occupied by a healthcare clinic that contains fair market value rent; and, with respect to the Fort Myers Office, a new lease agreement, or amendment to existing lease agreement, shall be entered into directly by and between Company and landlord for the Fort Myers Office;

(r) such other documents and certificates as either Party may reasonably request or as may be required pursuant to this Agreement.

The agreements referred to in the foregoing clauses (a) through (o), together with any other agreement, document or instrument contemplated to be delivered in connection with this Agreement, are herein referred to as the "***Transaction Documents***".

1.5. The Closing. Upon the terms and subject to the conditions contained in this Agreement, the closing of the sale and contribution of the Acquired Interests (the "***Closing***") contemplated hereby shall take place by electronic exchange of documents and wire transfer of funds (or via such other means as the Parties may agree) not later than the second (2nd) business day after the Conditions Precedent to Closing set forth in Section 1.6(a) and Section 1.6(b) have been satisfied or waived by the Party entitled to the benefit thereof, or such other time as is mutually agreed by Buyer and Seller. The day of the Closing is referred to herein as the "***Closing Date***". All financial and accounting calculations that occur at the Closing (including the calculation of the estimated Closing Date Payment identified on the Pre-Closing Certificate), shall be deemed to occur and be effective at 11:59 p.m. Eastern Time on the Closing Date (the "***Effective Time***"). The Parties shall use commercially reasonable efforts so that the Closing occurs as soon as practicable following the Effective Date.

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5 NTD: Buyer understands that the Naples office is owned by an entity which [***] own. This lease is an Affiliated Transaction and will be reviewed for FMV and regulatory compliance considerations.

1.6. Conditions Precedent To Closing. The obligations of Buyer and the Seller Parties to consummate the transactions contemplated hereby at the Closing shall be subject to the satisfaction of the following conditions precedent, prior to, or as of, the Closing (collectively, the "***Conditions Precedent to Closing***"):

(a) Conditions Precedent to Buyer's Obligation. The obligation of Buyer to consummate the transactions contemplated hereby at the Closing is expressly subject to the satisfaction of each and all of the following conditions, which may be waived in whole or in part by Buyer:

(i) Each and every representation and warranty of the Seller Parties contained in this Agreement shall have been true and correct in all material respects on the Effective Date and shall be true and correct in all material respects on the Closing Date (other than representations that are expressly made as of a specific date, which shall be true and correct in all material respects as of such specific date);

(ii) The Seller Parties shall have performed and complied in all material respects with all covenants and agreements required by this Agreement, including the covenants set forth at Section 1.7, to be performed by each Seller Party, including without limitation, delivery of those items set forth in Section 1.4 to be delivered by each Seller Party;

(iii) There shall have occurred no Material Adverse Effect, or any change to the equity interests of the Company (which are held solely by Durand), from the Effective Date through the Closing;

(iv) No judgment, order, decree, stipulation or injunction by any Governmental Authority shall be in effect which prevents consummation of any of the transactions contemplated hereby, all Permits required in connection with the transactions contemplated hereby shall have been obtained, and no Action shall have been instituted before any Governmental Authority to restrain, prohibit or rescind, or to obtain damages in respect of this Agreement or the transactions contemplated hereby;

(v) AHCA shall have issued final approval (the "***AHCA Approval***") for the transactions contemplated hereby pursuant to Transaction Documents to proceed in response to a transfer of ownership application for each Clinic prepared and submitted in accordance with Section 1.7(b) (the "***AHCA Application***"), and any conditions imposed by AHCA in connection with the AHCA Approval shall be reasonably acceptable to Buyer;

(vi) The Seller shall have obtained (or caused to be obtained) and delivered to Buyer copies of all third-party consents, approvals, or have provided all written notices, as required to consummate the transactions contemplated hereunder, unless otherwise waived by Buyer, in each case on terms and conditions satisfactory to Buyer.

(b) Conditions Precedent to the Seller Parties' Obligations. The obligation of the Seller Parties to consummate the transactions contemplated hereby at the Closing is expressly subject to the satisfaction, at, or prior to, the Closing, of each and all of the following conditions, which may be waived in whole or in part by Durand:

(i) Each and every representation and warranty of Buyer contained in this Agreement shall have been true and correct in all material respects on the Effective Date and shall be true and correct in all material respects on the Closing Date (other than representations that are expressly made as of a specific date, which shall be true and correct in all material respects as of such specific date);

(ii) Buyer shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed by Buyer, including without limitation, delivery of those items set forth in Section 1.4 to be delivered by Buyer, including delivery of a copy of Buyer's Operating Agreement for Seller's review during the Interim Period; and

(iii) No judgment, order, decree, stipulation or injunction by any Governmental Authority shall be in effect which prevents consummation of any of the transactions contemplated hereby, all Permits required in connection with the transactions contemplated hereby shall have been obtained, and no Action shall have been instituted before any Governmental Authority to restrain, prohibit or rescind, or to obtain damages in respect of this Agreement or the transactions contemplated hereby.

1.7. Certain Covenants Prior to the Closing. Buyer and each of the Seller Parties, agrees as follows with respect to the period as of the Effective Date and up and through the earlier of: (x) the Closing Date or (y) the earlier termination of this Agreement pursuant to the terms of Section 7 hereof (the "***Interim Period***").

(a) Each of the Parties shall use reasonable commercial efforts to continue and cooperate during the Interim Period, in the performance of due diligence during the Interim Period ("***Due Diligence***"), and shall use reasonable commercial efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, of the Conditions Precedent to Closing set forth in Section 1.6.(a)-(b)), and including but not limited to, preparing and continuing to actively update the disclosure schedules required to be provided under this Agreement, which set forth disclosures related to the representations and warranties of the Seller (collectively, the "***Disclosure Schedules***"). The initial draft of the Disclosure Schedules shall be provided to Buyer as soon as possible, but no later than ten (10) calendar days from the Effective Date and final and complete Disclosure Schedules be provided to Buyer no later than by the day immediately preceding the Closing. At the Closing, each Party shall execute and deliver the agreements and instruments contemplated hereby to be executed and delivered by such Party at the Closing.

(b) Company and Durand shall use reasonable best efforts to assist Buyer in preparing the AHCA Application, in an effort to receive the AHCA Approval, as requested, and promptly respond to any follow-up requests from the AHCA by providing the responsive information or documents to Buyer. Buyer shall, provided that Seller shall have promptly provided all documents, financial information, other information and other reasonable assistance with completing and filing the AHCA Application reasonably requested by Buyer or its consultant, use commercially reasonable efforts to prepare and file the AHCA Application with the AHCA promptly after the Effective Date and shall thereafter prepare and file any amendments or re-applications in connection therewith. Subject only to the termination of this Agreement, any communications from a Party or its counsel, representatives or agents with the AHCA from and after the Effective Date shall be consistent with the AHCA Application or, if necessary to correct a disclosure in the AHCA Application, shall otherwise be made in furtherance of the transactions contemplated hereby.

(c) Seller Parties shall use commercially reasonable efforts to continue to operate the Company in the usual and Ordinary Course of Business consistent with past practice and shall (and Durand shall cause Company) use commercially reasonable efforts to preserve the goodwill and organization of the Business and the relationships with its licensees, licensors, patients, suppliers, employees, independent contractors, vendors and service providers and other Persons having business relations with the Company, and shall refrain from making any material changes to the manner in which the Company is operated, unless Buyer shall have consented in writing to such material changes, including but not limited to, selling, assigning, redeeming, exchanging, pledging or otherwise transferring or permitting the imposition of any Lien upon any asset or equity of the Company or incur indebtedness or make any material change in or adjustment to the compensation or benefits payable to any of its employees or contractors, except as otherwise agreed to in advance in writing by Buyer during the Interim Period.

(d) Company and Durand shall each afford, and cause its owners, members, officers, managers, employees, attorneys, accountants and other agents to afford (in each case to the extent within the control of the Company or Durand), to Buyer and its accounting, legal and other representatives reasonable access at reasonable times and during normal business hours to the facilities, operations, investors, clients, employees, independent contractors, vendors and service providers and other Persons having business relations with the Company and to business, financial, legal, tax, compensation and other data and information concerning the affairs and operations of the Company, including the provision of monthly financial reports supporting the operations of the Company to Buyer by the fifteenth of each month during the Interim Period; provided that Buyer shall conduct any such activities in such a manner as not to interfere unreasonably with the business or operations of the Company and with a representative of the Company present, as may be instructed by Company or Durand.

(e) Company and Durand shall give prompt written notice to Buyer of (i) any misrepresentation, inaccuracy of, or change to, any of its or Durand's representations or warranties contained in Section 2 as applicable, (ii) any breach of any covenant hereunder by a Seller Party (in the case of clause (i) or (ii) such that the condition set forth in Section 1.6(a)(i) would not be satisfied), (iii) any filings, written notices, written requests or other material communications from any Governmental Authority concerning the transactions contemplated by this Agreement, (iv) the occurrence after the Effective Date of any fact or condition that would, or would be likely to, cause or constitute a breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of, or Seller's or Durand's discovery of, such fact or condition, and (v) any other material development affecting the ability of a Seller Party to consummate the transactions contemplated by this Agreement. If any such fact or condition requires any change to the Disclosure Schedules, the Seller shall, as required by Section 1.7(a), continue to promptly update the Disclosure Schedules to specify such change. Any such disclosure made pursuant to this Section 1.7(e) shall not prevent or be deemed to cure any breach of any representation or warranty or covenant made in this Agreement. Notwithstanding the foregoing, no notice under this Section 1.7 will be deemed to have modified any representation and/or warranty or cured any breach of covenant for purposes of determining (i) the satisfaction of the conditions set forth in this Section 1.7, or (ii) Buyer's right to indemnification pursuant to Section 4.

(f) The Seller Parties shall cause the Company to maintain in force all insurance policies maintained as of the Effective Date, including but not limited to professional liability insurance policies, and to not make any material modification to the coverage provided by such policies without Buyer's prior written consent.

(g) Company and Durand shall, unless waived by Buyer: (i) maintain all of the assets in good and proper operating condition and repair, ordinary wear and tear excepted; (ii) file when due all Tax returns and other reports that Company is required to file, pay when due all Taxes and establish adequate reserves for the payment of all such items, and provide to Buyer, upon request, satisfactory evidence of its timely compliance with the foregoing; (iii) comply with the terms and provisions of each Law applicable to Company and each Clinic; (iv) obtain and maintain in good standing (without restriction, suspension, etc.) all permits, licenses, registrations, accreditations and other approvals necessary to operate the Clinic and own its assets; and (v) promptly provide to Buyer notice of any Material Adverse Effect of the Company.

(h) Reserved.

(i) Neither Company nor Durand, or any of its or their owners, members, managers, officers, employees, contractors, affiliates, agents or representatives shall, without the prior written consent of Buyer:

(i) create any Lien or other restriction in or on any of the assets or equity of Company other than Liens in place as of the Effective Date in connection with purchase money interests or equipment leases in the Ordinary Course of Business, which have been disclosed to Buyer in writing;

(ii) take or omit to take any action that, if taken or omitted between the date of the Latest Balance Sheet and the date hereof, would require disclosure under hereunder or that would otherwise result in a breach of any of the representations, warranties or covenants made by the Seller in this Agreement;

(iii) disclose any Confidential Information (other than pursuant to a written confidentiality agreement entered into in the ordinary course of business consistent with past practice with reasonable protections of, and preserving all rights of the Seller and Company in, such Confidential Information) or disclose or escrow any source code;

(iv) Hire any new employees or contractors to perform services on behalf of the Company, except as otherwise agreed to in advance in writing by Buyer (which approval shall not be unreasonably withheld or delayed), or make any l change in, or adjustment to the, compensation or benefits payable to any of its existing employees or contractors as of the Effective Date or to the compensation or benefits of individuals hired or engaged pursuant to this provision, except as otherwise agreed to in advance in writing by Buyer, which approval shall not be unreasonably withheld or delayed;

(v) make any distributions to Durand on account of his equity interests in the Company, unless otherwise agreed to in advance of Buyer, which approval shall not be unreasonably withheld or delayed; or

(vi) directly or indirectly solicit, initiate or have any discussions, communications or negotiations with any third parties (other than Buyer and its advisors, or any third party whose participation is required or advisable in connection with the consummation of the transactions contemplated herein with Buyer, including financial advisors or lenders to Company, or other parties from whom consents required for the Closing must be obtained), with respect to: (A) any sale or issuance of units in Company or other equity interests in Company, any options, warrants or other contractual rights to acquire equity interests in Company, or the issuance of debt or other securities by Company; (B) a merger, consolidation, share exchange, business combination or other similar transaction involving Company, any securities thereof, or any of Company's direct or indirect subsidiaries; (C) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of one percent (1%) or more of the assets of Company or any of its direct or indirect subsidiaries in a single transaction or a series of related transactions; (D) the management of a Clinic or the provision of administrative, consulting or similar services to Company; (E) any transaction similar to the transactions contemplated by this Agreement; ; (F) any agreement to, or public announcement by Company or Durand of a proposal, plan or intention to, do any of the foregoing or any agreement, arrangement or understanding (written, oral or otherwise) requiring Company or Durand to abandon or terminate negotiations with Buyer; or (G) any other transaction which would preclude the accomplishment of the transaction contemplated by this Agreement, or consider any inquiries, proposals or requests for information concerning any of the foregoing without first obtaining Buyer's prior written consent, which may be withheld in Buyer's sole discretion. Notwithstanding the generality of the foregoing, nothing herein shall prohibit the Company or Durand from discussing the transactions contemplated by this Agreement with its attorneys, accountants and financial consultants as may be required in order to consummate the transactions contemplated by this Agreement.

(j) Company and Durand agree that he/she/it shall keep this Agreement and all negotiations pertaining to the transactions contemplated by this Agreement confidential, and except for in connection with the ACHA Application, or discussions with Company's lenders or mortgagees, will not, without the prior written consent of Buyer, disclose to any person all or any portion of: (A) this Agreement or the existence hereof; (B) the content or existence of any negotiations or discussions in connection with the proposed transactions contemplated by this Agreement or the fact discussions have taken place with respect thereto; or (C) any information or documents provided by one Party to the other Parties in connection with the transactions contemplated by this Agreement, except, with respect to (A) through (C) above, for confidential disclosure to Company's and Seller's attorneys, accountants or other advisors in connection with the evaluation and negotiation of the transactions contemplated by this Agreement, or as may be required by governmental or judicial authorities with competent jurisdiction, or to the extent required by applicable laws or regulations or accrediting organizations. In the event that Company and Durand, or any of their owners or affiliates, or Buyer, receives a subpoena from any person, entity or agency, court order or order of a governmental agency to make any such disclosure, it shall immediately notify the other Party, and, to the extent feasible, give the other Party as much time as possible to contest the subpoena or order before making the disclosure; provided, however, neither the Company nor Durand shall be required to quash, pursue a dismissal of or otherwise seek any remedy from any governmental or judicial authority with respect to such subpoena, court order, or order of a governmental agency.

2. REPRESENTATIONS AND WARRANTIES BY THE SELLER

The Seller represents and warrants to Buyer, as of the Effective Date and as of the Closing Date, as follows:

2.1. Organization. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida. Each Seller Party has full power and authority to carry on the Business as now conducted and to own, lease or operate its properties and assets as now owned, leased or operated. The Company is qualified or licensed to do business and is in good standing in each jurisdiction in which the ownership, use, licensing, or leasing of its assets and properties, or the conduct or nature of its business, makes such qualification, licensing, or admission necessary. Section 2.1 of the Disclosure Schedules sets forth (a) each jurisdiction where the Company is so qualified, licensed or admitted to do business and (b) any name or names under which the Company or any of its predecessors have invoiced account debtors, maintained records concerning their assets or otherwise conducted business in the last five (5) years.

2.2. Ownership.

(a) Section 2.2(a) of the Disclosure Schedules sets forth all of the authorized equity securities and the number of each class or series of equity securities of the Company that are issued and outstanding, together with the record and beneficial holder thereof. The equity interests of the Company set forth on Section 2.2(a) of the Disclosure Schedules constitute all of the aggregate issued and outstanding equity interests of the Company (the "***Equity Interests***"). Seller owns (of record and beneficially) [***] Percent (*%) of the Equity Interests of the Company, free and clear of all Liens, including any restriction on the right of Seller to transfer the Equity Interests to Buyer pursuant to this Agreement, except as may be set forth on Section 2.2(a) of the Disclosure Schedules. The assignments, endorsements, stock powers, or other instruments of transfer to be delivered by Seller to Buyer at the Closing will be sufficient to transfer Seller's entire interest in the Equity Interests (of record and beneficially). Upon transfer to Buyer of the certificates or assignment representing the Equity Interests, Buyer will receive good title to the Equity Interests, free and clear of all Liens.

(b) All of the Equity Interests have been duly authorized and validly issued, and are fully paid and nonassessable. Except as set forth on Section 2.2(b) of the Disclosure Schedules, there are no owners, members, managers or other Contracts relating to the Equity Interests, including the sale, voting, or other transfer thereof. None of the Equity Interests were issued in violation of the Securities Act or any other Law. Except as may be set forth on Section 2.2(b) of the Disclosure Schedules, the Company does not have any outstanding subscription, option, warrant, call or exchange right, convertible security, or other Contract or other obligations in effect giving any Person the right to acquire (whether by preemptive rights or otherwise) any Equity Interests of the Company.

(c) Except as set forth on Section 2.2(c) of the Disclosure Schedules, neither the Company nor Seller owns, or is a party to or bound by any Contract to acquire, any equity interest or other security of any Person or any direct or indirect equity or ownership interest in any other business. The Company is not obligated to provide funds to or make any investment (whether in the form of a loan, capital contribution, or otherwise) in any other Person.

2.3. Authorization; No Violation.

(a) Each Seller Party has the full power and authority to enter into this Agreement and the Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to carry out the transactions contemplated hereunder and thereunder.

(b) Except as set forth in Section 2.3 of the Disclosure Schedules, the execution and delivery of this Agreement and the other Transaction Documents by the Seller Parties does not, and the consummation of the transactions contemplated hereby will not, violate or result in any right of termination or acceleration under any provision of any Contract, the organizational documents of the Seller Parties, any Law, any Permit, or any or governmental order applicable to the Company or the Business. This Agreement and the Transaction Documents (as applicable), when executed, and assuming valid execution and delivery by Buyer, will constitute legal, valid and binding obligations of the Seller Parties, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' rights generally or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or law).

2.4. Financials.

(a) Set forth in Section 2.4(a) of the Disclosure Schedules, the Company has provided accurate, complete and current financial statements of the Company, including balance sheets and statements of income, for the last three (3) calendar years as well as January and February 2025 (collectively, the "***Financial Statements***"). The Financial Statements were prepared in accordance with GAAP and fairly present in all material respects the financial condition and the results of operations and cash flows of the Company at the respective dates of and for the periods referred to in the Financial Statements.

(b) Except as set forth in Section 2.4(b) of the Disclosure Schedules, there has not been any change between February 2025 (the "***Balance Sheet Date***") and the date of this Agreement that has had or is reasonably likely to have a Material Adverse Effect on the financial position, results of operations or business of the Company, and during such time period the Company has operated the Business in the Ordinary Course of Business in all respects.

(c) The accounts receivable of the Company are valid and enforceable claims that resulted from the bona fide provision of services or sale of goods by the Company with respect to the Business in the Ordinary Course of Business consistent with past practices. The accounts receivable are reflected properly on the Company's books and records and are not subject to any pending dispute or, to the Company's Knowledge, threatened defense or counterclaim.

(d) Except as set forth in Section 2.4(d) of the Disclosure Schedules, the accounts payable of the Company arose from bona fide arm's length transactions in the Ordinary Course of Business consistent with past practice, and no such account payable or note payable is delinquent in its payment. The Company has paid its accounts payable in the ordinary course of its business and in a manner which is consistent with its past practices. Except as set forth in Section 2.4(d) of the Disclosure Schedules, the Company does not have any account payable to any Person which is affiliated with the Company or any director, manager, officer, employee, or equity holder of the Company.

2.5. Title and Condition of Assets. Except as set forth in Section 2.5 of the Disclosure Schedules, the Company has good and valid title to, or a valid leasehold interest in, all property and assets used in the operation of the Business, free and clear of all Liens, other than (a) Liens set forth in Section 2.5 of the Disclosure Schedules, (b) Liens for current Taxes, assessments and governmental charges and levies not yet due and payable, (c) materialmen's, mechanics', carriers', warehousemen's, landlords', workmen's, repairmen's, or other like Liens arising in the Ordinary Course of Business, in each case for amounts not yet due and payable, and (d) pledges or deposits to secure obligations under workers or unemployment compensation Laws, in each case for amounts not yet due and payable (collectively, "***Permitted Liens***"). As of the Closing, all property and assets used in the operation of the Business are in good working condition and repair, normal wear and tear excepted. The assets, properties and rights of the Company constitute all of the assets, properties and rights which are used in the operation of the Business and that are necessary or required for the conduct of the Business as currently conducted.

2.6. No Undisclosed Liabilities. Except as set forth on Section 2.6 of the Disclosure Schedules, the Company has no material Liabilities or obligations of any nature, except for Liabilities (a) reflected or reserved against in the Financial Statements, (b) that have arisen after the Balance Sheet Date in the Ordinary Course of Business consistent with past practice (none of which (i) results in obligations in the aggregate in excess of Twenty-Five Thousand Dollars ($25,000) or (ii) results from or arises out of any breach of contract, breach of warranty, tort, infringement or violation of Law), (c) arising out of the transactions contemplated by this Agreement and the Transaction Documents, or (d) under contracts set forth on a Schedule hereto and under other contracts entered into in the ordinary course which are not required to be listed on a Schedule hereto, as of the Closing Date (none of which results from or arises out of any breach of contract, breach of warranty, tort, infringement or violation of Law).

2.7. Taxes.

(a) All Tax Returns required to be filed by or with respect to the Company have been timely filed, and all such Tax Returns were true, correct and complete in all material respects and prepared and filed in compliance with applicable Laws. All Taxes due and owing by or with respect to the Company (whether or not shown on any Tax Return) have been timely paid in full. No written claim has been made by a Governmental Authority in a jurisdiction where the Company does not file a particular type of Tax Returns or pay a particular type of Tax that the Company is or may be required to file such Tax Return or subject to such Tax by that jurisdiction.

(b) The Company has deducted, withheld and timely paid to the appropriate Governmental Authority all Taxes required to be deducted, withheld or paid in connection with amounts paid or owing to any employee, independent contractor, creditor, member or other third party, and the Company has complied with all material reporting, recordkeeping, information, reporting and backup withholding requirements relating thereto under applicable Law.

(c) There is no audit or other proceeding or investigation concerning any Tax liability of the Company pending, being conducted or, to the Company's Knowledge, threatened by a Governmental Authority. The Seller Parties are unaware of any Tax inquiry or investigation that could result in any liability after the Closing with respect to the Company. None of the Seller Parties have waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency, in each case, with respect to the Company, which waiver or extension is still in effect.

(d) There are no Liens for Taxes (other than Permitted Liens) upon any of the assets of the Company, which waiver or extension is still in effect.

(e) The Company provided or made available to Buyer correct and complete copies of all Tax Returns, examination reports and statements of deficiencies filed, assessed against or agreed to by the Company since January 1, 2020. The Company is not a beneficiary of any extension of time within which to file a Tax Return that has not yet been filed.

(f) The Company is not a party to any understanding or arrangement described as a "listed transaction" for purposes of Section 6707A of the Code and Treasury Regulations Section 1.6011-4. All Tax deficiencies asserted, or assessments made, against the Company as a result of any examinations by any Governmental Authority have been fully paid. The Company has not executed any power of attorney with respect to any Tax, other than powers of attorney that are no longer in force.

(g) The Company will not be required to include any item in taxable income or exclude any item of deduction or loss from taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of: (i) any "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Tax Law) executed on or prior to the Closing Date, (ii) the long-term contract method of accounting, (iii) any installment sale, open transaction method or the cash method of accounting with respect to a transaction that occurred on or prior to the Closing Date, (iv) any intercompany transactions or any excess loss account described in Section 1.1502-19 of the Treasury Regulations (or any similar provision of state, local or foreign Law), (v) use of an improper method of accounting, (vi) any change in method of accounting (including adjustments pursuant to Section 481 of the Code) or use of an improper method of accounting, (vii) any prepaid amount or deferred revenue received on or prior to the Closing Date or (viii) as a result of any debt instrument held prior to the Closing that was acquired with "original issue discount" as defined in Section 1273(a) of the Code or subject to the rules set forth in Section 1276 of the Code.

(h) The Company has not been a member of an "affiliated group" within the meaning of Section 1504(a) of the Code filing a consolidated federal income Tax Return. The Company does not have any liability for the Taxes of any Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or non-U.S. Law), as a transferee or successor, by Contract, or otherwise.

(i) No closing agreements, private letter rulings, technical advice memoranda or similar agreements or rulings relating to Taxes have been entered into or issued by any Governmental Authority with or with respect to the Company.

(j) The Company has disclosed on its federal Income Tax Returns all positions taken therein that would give rise to a substantial understatement of federal Income Tax within the meaning of Section 6662 of the Code.

(k) The Company has not distributed stock of another Person, or had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or 361 of the Code.

(l) None of the assets of the Company (i) is "tax-exempt use property" within the meaning of Section 168(h) or Section 370(c)(2) of the Code, (ii) is "tax-exempt bond financing property" within the meaning of Section 168(g)(5) of the Code, or (iii) secures debt the interest on which is tax-exempt under Section 103(a) of the Code. None of the assets of the Company are subject to the limitations on "amortizable section 197 intangibles" described in Section 197(f)(9) of the Code or any similar limitation under state or local Law, and commencing with the taxable periods or portions thereof immediately following the Closing Date, none of the assets of the Company will be subject to (and the depreciation and amortization deductions otherwise available to Buyer or its Affiliates (as applicable) with respect to such assets will not be limited by) the "anti-churning" restrictions or limitations set forth in Section 197(f)(9) of the Code.

(m) No activity of the Company gives rise, or may give rise, to the creation of a permanent establishment in any country outside of its country of incorporation or formation for Tax purposes.

(n) The Company is in compliance with all escheat or unclaimed property Laws, and the Company does not have any liability to pay over any amount to any Governmental Authority any cash or other property under escheat or unclaimed property Laws.

(o) Since its formation, the Company has not (i) owned the stock of any corporation (including the stock of any qualified subchapter S subsidiary), (ii) owned a membership interest in any limited liability company, or (iii) been a member of any partnership or joint venture or other agreement, arrangement, or entity that could be treated as a partnership for Tax purposes.

(p) The Company has properly collected and remitted all sales and use Taxes with respect to sales made to its customers, or has properly received and retained any appropriate tax exemption certificates and other documentation for all sales made without charging or remitting sales or use Taxes that qualify such sales as exempt from sales and use Taxes.

(q) The Company has not claimed the "employee retention credit" within the meaning of Section 2301 of the CARES Act or any other Tax credit applicable to employment Taxes under the Families First Coronavirus Response Act of 2020.

(r) At all times since its formation, the Company has utilized the cash method of accounting for Income Tax purposes.

2.8. Litigation; Orders. Except as set forth on Section 2.8 of the Disclosure Schedules, during the ten (10) year period prior to the Closing Date, there have been no pending or, to the Company's Knowledge, threatened claims, litigation, investigations or proceedings against any Seller Party or relating to the Business and its operations, including matters with respect to employees. No litigation or other proceeding has been commenced or to the Company's Knowledge, threatened in writing by any Person against a Seller Party seeking to prevent or restrict the consummation of the transactions contemplated hereby.

2.9. Compliance with Laws. The Company is operating and has at all times operated in material compliance with all applicable statutes, rules, guidance, regulations, orders, ordinances, judgments, decrees and requirements of all federal, state and local commissions, boards, bureaus and agencies having jurisdiction over the Company and the operations of the Business (collectively, "***Laws***"). To the Company's Knowledge, no event or circumstance exists that (with or without notice or lapse of time) would constitute or result in a violation of Law by the Company, loss of any Permit by the Company, or obligation by the Company to take remedial action. Section 2.9 of the Disclosure Schedules lists each Permit that (a) is held by the Company, or (b) otherwise relates to the business of, or to any assets owned or used by, the Company and the holder of such Permit is not the Company. Each Permit listed on Section 2.9 of the Disclosure Schedules is valid and in full force and effect. No Seller Party has received any written notice or other communication from any Person regarding any actual, alleged, or potential violation of, or failure to comply with, any Permit or applicable Law by the Company or otherwise related to the Business.

2.10. Healthcare Regulatory Compliance.

(a) The Company, its officers, managers, employees, all of its agents and independent contractors are operating and at all times have operated the Company in compliance with all applicable Healthcare Laws. During the past six (6) years preceding the Closing Date, neither the Company nor Durand has received any oral or written notice of any violation or alleged violation of, or any citation for noncompliance with, any Healthcare Law. Section 2.10(a) of the Disclosure Schedules sets forth a true, complete and accurate list of all Permits held by the Healthcare Professionals. The Company holds, and has historically held, all material Permits and licenses required under any Healthcare Law, as required for receipt of reimbursement from any Third Party Payors, as required by any Governmental Authority, and all accreditations necessary to conduct its operations and, each of which is valid and in full force and effect. No Permit or accreditation is subject to termination as a result of the execution of this Agreement and, to the Company's Knowledge, no suspension or cancellation of any Permit is threatened. No Permit or accreditation has been lost, revoked, restricted, or materially limited, and, to the Company's Knowledge, there exists no circumstances that are reasonably likely to result in the loss, revocation, restriction, or material limitation of such Permits or accreditations. No Action has been filed, commenced or threatened in writing against the Company, Seller or any Healthcare Professional alleging any failure so to comply in any material respect with any Healthcare Law, and no Seller Party or Healthcare Professional has received any written or oral notice from any Governmental Authority or agent thereof of any alleged violation of, default under or any citation for noncompliance with any Healthcare Laws. To Seller's Knowledge, there are no facts, events, circumstances or conditions that would reasonably be expected to form the basis for any Action against or affecting the Company relating to or arising under any Healthcare Law. Except as set forth on Schedule 2.10, no Seller Party or Healthcare Professional has received any written, or, to the Seller's Knowledge, oral notice from any Governmental Authority or is aware of any pending, active or threatened Actions involving any Seller Party or any Healthcare Professional with respect to any Healthcare Laws prohibiting, governing, regulating or relating to fee-splitting, self-referrals or payment or receipt of kickbacks in return for or to induce referrals.

(b) Except as set forth on Schedule 2.10(b), at all times during the six (6) year period preceding the Closing Date.

(i) the Company, Seller and each Healthcare Professional has held: (A) the requisite provider or supplier number(s) to bill the Medicare program [and the Medicaid program] in the state or states in which such Person operates and all other Third Party Payor Programs that such Person bills as a participating or in-network provider and (B) where required to bill any Third Party Payor Programs, a National Provider Identification number issued by the National Plan & Provider Enumeration System;

(ii) neither the Company, Seller nor any of their respective members, managers, officers, employees, contractors, agents or Healthcare Professionals has received any written or oral notice from a Third Party Payor Program, Governmental Authority or agent thereof that there is any audit, claim review or other Action pending or, to the Seller's Knowledge, threatened;

(iii) all claims that have been submitted by or on behalf of the Company and each Healthcare Professional in connection with such Person's activities for the Company have been submitted in compliance in all material respects with applicable Healthcare Laws and agreements with Third Party Payor Programs, and neither Practice nor any Healthcare Professional has or has had any refund, overpayment, discount or adjustment liability under any Third Party Payor Program;

(iv) any research involving human subjects conducted by the Company or any Healthcare Professional has been conducted at all times (A) in compliance in all material respects with all applicable Healthcare Laws and (B) in compliance in all material respects with the applicable Contract with the sponsor of such research; and

(v) neither the Company nor any Healthcare Professional has any compensation or ownership relationship (present or contingent, direct or indirect) with any sponsor of clinical research.

(c) The Company has current and valid provider contracts and provider numbers with each of the Third Party Payors listed on Section 2.10(b) of the Disclosure Schedules, is in compliance with the conditions of participation of such Third Party Payors, and has received all approvals or qualifications necessary to bill and receive reimbursement from such Third Party Payors. There is not currently, and in the past six (6) years has not been, any recoupment or overpayment owed to a Third Party Payor in excess of Ten Thousand Dollars ($10,000.00).

(d) Without limiting the generality of Section 2.10(a) – (c), and except as set forth on Section 2.10(d) of the Disclosure Schedules:

(i) Neither the Company nor Durand has received any subpoenas, demands, or other written notices from any Governmental Authority investigating, inquiring into, or otherwise relating to any actual or potential violation of any Healthcare Law by the Company, Durand, or any of the Company's employees, Healthcare Professionals, independent contractors, or agents. None of the Company, Durand, or any of the Company's employees, Healthcare Professionals, independent contractors, or agents: (A) has been during the past six (6) years, or, is currently, under investigation by any Governmental Authority for a violation of any Healthcare Law, (B) has had any ongoing reporting obligations pursuant to any deferred prosecution, settlement or other similar agreement with any Governmental Authority, (C) has been or is currently the target or subject of any investigation relating to any offense related to a Healthcare Law, (D) has been or is currently a defendant in any qui tam/False Claims Act litigation; or (E) is or has been the recipient of or served with any search warrant, subpoena, civil investigation demand, contact letter or any other material inquiry related to compliance with Health Care Laws from any Governmental Authority.

(ii) Each duly licensed Healthcare Professional has been and is duly licensed or authorized, as applicable, to practice his or her profession in the State of Florida and has been in compliance with all applicable Healthcare Laws. Section 2.10(d)(ii) of the Disclosure Schedules sets forth a list of each Healthcare Professional that currently provides services to or on behalf of the Company. No Healthcare Professional has, to the Company's Knowledge, threatened to discontinue, curtail, diminish, or terminate his or her relationship with the Company. Each Healthcare Professional that currently provides any services to or on behalf of the Company (i) is duly licensed and registered, and in good standing, by the state(s) in which such Healthcare Professional is licensed to practice, including Florida, and such license(s) and registration(s) have not been suspended, revoked, or restricted in any manner, (ii) if applicable, has current controlled substances registrations issued by the state(s) in which such Healthcare Professional practices his or her profession, including Florida, and the DEA, which registrations have not been surrendered, suspended, revoked, or restricted in any manner, (iii) has not been a party or subject to (A) any malpractice suit, claim (whether or not filed in court), settlement, settlement allocation, judgment, verdict, or decree, (B) any disciplinary, peer review, or professional review investigation, proceeding, or action instituted by any licensure board, hospital, medical school, health care facility or entity, professional society or association, peer review or professional review committee or body, or Governmental Authority, (C) any criminal complaint, indictment, or criminal proceedings, (D) any legal proceeding or investigation, in each case whether administrative, civil, or criminal, relating to an allegation of filing false health care claims or violating anti-kickback or fee-splitting Laws, or engaging in other billing improprieties, (E) any allegation, or any legal proceeding or investigation, based on any allegation, of violating professional ethics or standards, or engaging in illegal, immoral, or other misconduct relating to such Healthcare Professional's practice, (F) any denial or withdrawal of an application in any state for Permits, licensure, for medical staff privileges at any hospital or other health care entity, for board certification or recertification, for state or federal controlled substances registration, or for malpractice insurance, or (G) any denial or cancellation of medical malpractice insurance, (iv) in connection with the Company and Business, has not been terminated from his or her employment for cause, and (v) in connection with the Company and Business, maintains, and has maintained at all times, valid and binding professional liability malpractice insurance in full force and effect with minimum limits of [***] per occurrence, [***] annual aggregate.

(iii) No Person has filed or, to Seller's Knowledge, has threatened to file against any Seller Party or any Healthcare Professional employed or engaged by the Company, an Action under any federal or state whistleblower statute, including the False Claims Act, 31 U.S.C. §§ 3729-3733.

(iv) No Seller Party nor, to Seller's Knowledge, any Healthcare Professional employed or engaged by the Company has ever been a party to or bound by any order, individual integrity agreement, corporate integrity agreement, monitoring agreement, deferred prosecution agreement, consent decree, settlement or similar agreement with any Governmental Authority.

(v) The Company has billing practices that are in compliance with all applicable Healthcare Laws and Third Party Payor requirements governing reimbursement, coding, and claims. All claims submitted by or on behalf of, the Company are and for the past six (6) years have been in compliance in all material respects with all applicable Laws, Contracts, and the manuals, policies and billing procedures of the applicable Third Party Payor. Other than with respect to immaterial amounts in the Ordinary Course of Business, neither the Company nor any Seller Party has billed or received any payment in excess of amounts permitted thereby that was not subsequently refunded, or made a materially false or misleading statement, claim or representation of a fact in any application for any benefit or payment from any patient, Third Party Payor, or to enroll or credential the Company with a Third Party Payor. There is no pending or, to the Company's Knowledge, threatened appeal, adjustment, challenge, audit (including written notice of an intent to audit), inquiry, or other proceeding related to claims submitted by or on behalf of the Company, other than appeals, audits, adjustments, inquiries, refunds, rebates, allowances, credits and the like in the Ordinary Course of Business. The Company has timely paid or caused to be paid all known and undisputed refunds or overpayments which have become due to any patient or third party, and neither the Company nor any Seller Party has received any written notice of any material overpayment, false claim, improper billing or recoupment from any patient or Third Party Payor. No recoupment is pending other than with respect to immaterial amounts in the Ordinary Course of Business. Neither the Company nor any Seller Party has waived any co-pays, deductibles, or other cost-sharing due from patients in breach or violation of any requirement imposed by applicable Laws, or in material breach of any requirement imposed by Contracts or the manuals, policies and billing procedures of the applicable Third Party Payor. The Company manages amounts due to patients, Third Party Payors and the corresponding credit balances in a manner consistent with industry standards and applicable unclaimed property Laws.

(vi) No Seller Party or the Company performs any operations or provides any services to patients, customers, or other third parties outside of the United States of America.

(vii) The Company has timely and accurately filed, in all material respects, all requisite reports, returns, data, and other information due on or before the Closing Date required by all Governmental Authorities that control, directly or indirectly, the Company's activities and has paid all sums due on or before the Closing Date with respect thereto.

(viii) Neither Durand, the Company, nor or any of the Company's owners, members, managers, officers, employees, independent contractors, or any Healthcare Professional who provides services on behalf of the Company is or during the past six (6) years has been debarred, sanctioned by, excluded, or suspended from participating in any Federal Healthcare Program or is currently listed on the excluded persons list maintained by the OIG, any state Medicaid exclusion list, the CMS Preclusion List, or on the "List of Parties Excluded from Federal Procurement and Nonprocurement Programs" on the website of the United States General Services Administration. The Company has confirmed that no managers, directors, officers, employees, Healthcare Professionals, or independent contractors of the Company are listed such exclusion list. No Seller Party nor the Company or, to the Company's Knowledge, any of its directors, managers, officers, or employees has engaged in any conduct which will or could be reasonably likely to result in debarment, termination, exclusion, or suspension by any Governmental Authority, and there are no proceedings pending or threatened in writing or, to the Company's Knowledge, otherwise that would be reasonably likely to result in criminal liability, debarment, termination, exclusion, or suspension of the Company by any Governmental Authority.

(vii) Neither Durand, the Company, any Person acting on behalf of the Company (including, but not limited to, the Healthcare Professionals), has, directly or indirectly, paid, given, authorized, made or offered to make, or solicited or received, any contribution, gift, bribe, rebate, payoff, influence payment, kickback, inducement, or anything else of value to any Persons or entered into any financial arrangement, regardless of form, in violation of any applicable Healthcare Law or to obtain or maintain favorable treatment in securing business in violation of any applicable Healthcare Law.

(viii) Except as set forth on Section 2.10(d)(viii) of the Disclosure Schedules, the Company has adopted and maintains commercially reasonable compliance programs designed to promote compliance with applicable Healthcare Laws and ethical standards to improve the quality and performance of operations, and to detect, prevent, and address violations of legal or ethical standards applicable to its operations, and at a minimum comply with the seven (7) elements of an effective compliance program as suggested by the OIG.

(ix) To the extent (A) the Company has been a "covered entity" as defined in 45 C.F.R. § 160.103 or (B) the Company has been subject to or covered by HIPAA as a "business associate" as defined in § 160.103 such entity has been compliant in all material respects with the requirements of HIPAA and the HITECH Act. The Company has in place plans, policies and procedures that meet, in all material respects, the requirements of HIPAA, the HITECH Act, and applicable state security and privacy laws (collectively, "***HIPAA Policies and Procedures***"). The Company has delivered to Buyer true, correct, and complete copies of all historic correspondence with the Office for Civil Rights or any other agencies or other persons that relate to HIPAA compliance and the Company. Except as set forth on Section 2.10(d)(viii) of the Disclosure Schedules, the Company has not had any security or Data Breaches, as defined in 45 C.F.R. § 164.402, or any breach compromising or otherwise involving Personal Information, nor has Company received any written claim or notice from any Governmental Authority alleging or referencing the investigation of any breach, security incident, violation of its information systems, or the improper use, disclosure, or access to any Personal Information in its possession, custody, or control. The Company has complied in all material respects, and is in material compliance, with all applicable Information Laws to which Company is bound. The Company and the Healthcare Professionals do not perform any operations or provide any services to patients, customers, or other third parties outside of the United States of America. With respect to each patient to whom the Company provides healthcare items or services, the Company furnishes a notice of privacy practices to such patient or patient's representative in compliance with HIPAA, as applicable. Each member of the Company that is a "covered entity" has entered into business associate agreements with all third parties acting as a business associate as defined in 45 C.F.R. § 160.103. The practices of the Company regarding the collection, access, maintenance, transmission, use and disclosure of individually identifiable health information in connection with the conduct and operations of the Company and the Business are and have been in compliance in all material respects with any contracts or commitments with third parties, including any business associate contracts required by the HIPAA Policies and Procedures. The Company has obtained reasonable and customary agreements and assurances from any third parties used in connection with the Business or the Company's operations, including any business associate contracts required by the HIPAA Policies and Procedures, that such third parties are in compliance in all material respects with all applicable HIPAA Policies and Procedures, to the extent applicable to such third parties' relationship with the Company. To Seller's Knowledge, all billing practices of the Company are in compliance in all material respects with HIPAA, and the Company has (i) created and maintained written policies and procedures to protect the privacy of all patient information and (ii) implemented commercially reasonable security procedures including physical and electronic safeguards, to protect all personal information stored or transmitted in electronic form.

(x) The Company has implemented and maintains privacy and security policies and procedures, including physical, administrative and technical safeguards, to protect all Personal Information received, created, accessed, stored or transmitted by the Company. The Company is, and has at all times been, in compliance in all material respects with (i) all contracts or other arrangements in effect between the Company and any customer of the Company that apply to or restrict the use, disclosure or security of Personal Information by the Company and (ii) all contracts or other arrangements between the Company and its agents or contractors that apply to or restrict the use, disclosure or secure treatment by such agents or contractors of Personal Information (such contracts or other arrangements referenced in the foregoing clauses (i) and (ii), the "Privacy Agreements"). The Company has the right pursuant to the Privacy Agreements and its privacy and security policies to use and disclose Personal Information for the purpose such information is and has been used and disclosed. Neither the execution, delivery or performance of this Agreement nor the consummation of the transactions contemplated by this Agreement, including any direct or indirect transfer of Personal Information resulting from such transactions, will violate any policies or any Privacy Agreements as such currently exist or as existed at any time during which any of the Personal Information was collected or obtained. The Company has obtained all consents or approvals, if any, required under any HIPAA Policies and Procedures and all applicable Privacy Agreements for the transfer of the Personal Information to be transferred at Closing and for the use and disclosure of that Personal Information for the continued operation of the Business. There have not been any non-permitted uses or disclosures, security incidents or breaches involving Personal Information held or collected by or on behalf of the Company. No Seller Party has notified, either voluntarily or as required by any Law, any affected individual, customer, Governmental Authority or the media of any breach or non-permitted use or disclosure of Personal Information, and no Seller Party is currently planning to conduct any such notification or investigation whether any such notification is required.

(xi) True, correct, and complete copies of all surveys, reviews, or audits of the Company (or any Healthcare Professional) that are in the Company's possession have been made available to Buyer, including written statements of deficiencies and plans of correction, conducted by or in connection with any Third Party Payor or any licensing body during the six (6) years prior to the Closing Date. Except as otherwise set forth in Section 2.10(d)(xi) of the Disclosure Schedules, during the past six (6) years, neither the Company nor Durand nor any Healthcare Professional have been the subject of any inspection, investigation, survey, audit, administrative proceeding, monitoring, or other form of review by any Governmental Authority, including a contractor thereof, Third Party Payor, professional review organization, or certifying agency based upon any alleged improper activity on the part of the Company, nor has Seller Party received any written notice of deficiency from any Governmental Authority.

(xii) There are no known claims, and have been no known claims during the past six (6) years, under any professional liability malpractice insurance that has not been properly filed by the Company or by a Healthcare Professional.

(xiii) The Company and each Healthcare Professional is and at all times has been in material compliance with any and all applicable Laws and guidance issued by a state licensing board regarding the supervision of and delegation to Healthcare Professionals related to the professional services rendered through the Company. All Healthcare Professionals are, and have at all times been, rendering professional services within the scope of their professional Permits.

(xiv) All patient and customer records (in all forms and media, including all information contained on Company computers) are true, correct and complete in all material respects and are prepared and maintained in compliance in all material respects with all applicable Laws. All of the professional services performed by the Company and the Company's employees and independent contractors have been provided in a materially competent manner, consistent with applicable professional standards, including all quality standards for medical care prescribed by the regulations, policies, and guidance of the applicable state medical licensing authority.

(xv) The Company has never received any written or, to the Company's Knowledge, verbal, notice from the FDA or any other Governmental Authority responsible for oversight or enforcement of any products or services sold by the Company, nor have products or services sold by the Company been recalled or ordered removed from the market. Neither the Company, nor the Company's respective direct and indirect owners, officers, managers, directors, employees or, to the Knowledge of Company, independent contractors made an untrue statement of a material fact or a fraudulent statement to the FDA or any other Governmental Authority responsible for enforcement or oversight with respect to products or services sold by the Company, or failed to disclose a material fact required to be disclosed to the FDA or such other Governmental Authority that, at the time such disclosure was made, would reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991), or for any other Governmental Authority to invoke a similar policy.

(xvi) Schedule 2.10(xv) of the Disclosure Schedules sets forth, for the calendar years ended December 31, 2023, December 31, 2024, and through the Closing Date, a list of the top ten (10) Third Party Payors (by revenues generated from such Third Party Payors) of the Company. No Seller Party has received any indication from any Third Party Payor to the effect that, and no Seller Party has any reason to believe that, such Third Party Payor will stop, materially decrease the rate of or materially change the terms (whether relating to payment, price or otherwise) with respect to payment or coverage of any items and services provided by the Company (whether as a result of the consummation of the transactions contemplated hereby or otherwise). The Seller Parties have made available to Buyer true, correct and complete copies of all material correspondence between the Company and each Third Party Payor relating to any future changes in reimbursement rates or threatened termination, investigations or audits between the Company and such Third Party Payor within the last twelve (12) months. The Seller Parties have made available to Buyer true, correct and complete copies of all material correspondence between the Company and each such Third Party Payor during the periods set forth above.

2.11. Employees.

(a) Section 2.11(a) of the Disclosure Schedules contains a complete list of the names of all Persons who are employees or independent contractors of the Company as of Effective Date specifying (i) with respect to each hourly employee, the title and rate of hourly pay, (ii) with respect to each salaried employee, the title, rate of salary and commission or bonus structure and (iii) with respect to each independent contractor, a description of the services performed and the compensation arrangement; and (iv) with respect to each such Person (A) the date of hire or engagement, (B) a list of all agreements affecting such Person's employment or engagement, including a description of any additional compensation arrangements not covered in clauses (i) through (iii), (C) if an employee, (1) whether the employee is classified as exempt or non-exempt under any of the following: the Fair Labor Standards Act and any other applicable wage and hour Law and (2) whether or not such employee is absent for any reason such as lay-off, leave of absence or workers' compensation and, if so, the date such absence began and the anticipated date of return. All such Persons are employed in Florida.

(b) The Company has been for the last six (6) years, and is currently, in compliance in all material respects with all applicable Laws respecting labor relations, employment and employment practices, terms and conditions of employment and wages and hours. There is no complaint pending or, to the Company's Knowledge, threatened in writing against the Company before any Governmental Authority, and, to the Company's Knowledge, there exists no basis for any such complaint; no present or former employee of the Company has provided written notice to the Company of or, to the Company's Knowledge, threatened to file any claim against the Company on account of or for (A) overtime pay, (B) wages or salary, (C) vacation time or pay in lieu of vacation time off or (D) any violation of any Law relating to wages or work hours, and, in each case, to the Company's Knowledge, there exists no basis for any such claim; and no Person has given written notice to the Company of or, to the Company's Knowledge, threatened to file any claim against the Company under or arising out of any Laws relating to employer-employee relationships, labor relations, employee entitlements, discrimination in employment or employment practices, immigration or plant closings, and, to the Company's Knowledge, there exists no basis for any such claim.

(c) In accordance with applicable Law, each Person performing services for the Company is, and has been during the ten (10) year period prior to the Closing Date, (i) properly classified as an employee or independent contractor, (ii) if an employee, properly classified as an exempt or non-exempt employee under the Fair Labor Standards Act or other applicable wage and hour Law, (iii) paid all wages (including any required minimum wages, overtime pay and waiting time penalties), benefits and other compensation for all services performed by such Person and (iv) if a U.S. employee, completed all proper employment verification and authorization documentation, including proper maintenance of such documentation during employment and post-termination, as required by Law. To the Company's Knowledge, each Person performing services for the Company is authorized to work in the country in which the Person performs such services and for the entity by which they are employed.

(d) The Company is not subject to any collective bargaining agreement, labor contract or similar agreement with any labor union, trade union, works counsel or other employee representative, and the Company is not involved or, to the Company's Knowledge, threatened with any organizing efforts, labor dispute, arbitration, lawsuit or administrative proceeding relating to labor matters involving the employees of the Company. No employee, independent contractor, manager, or officer of the Company has provided written notice to the Company that such Person intends to terminate his, her or its employment or engagement with the Company.

2.12. Benefit Plans.

(a) Section 2.12(a) of the Disclosure Schedules lists each Benefit Plan. For purposes of this Agreement, "***Benefit Plan***" means each severance, bonus, deferred compensation, defined benefit, pension, equity-based, welfare, employee health, cafeteria and other salary reduction plans; profit sharing arrangements; Section 401(k) of the Code and similar defined contribution retirement plans; and each other material agreement or fringe benefit plan that the Company maintains, sponsors, contributes to or provides benefits under or through to its current or former employees, officers, managers and directors. The Company has made available to Buyer the material terms of any Benefit Plan.

(b) Neither the Company nor any trade or business (whether or not incorporated) that is part of the same controlled group, or under common control with, or part of an affiliated service group that includes the Company within the meaning of Section 414(b), (c), (m) or (o) of the Code (its "***ERISA Affiliates***"), sponsors, maintains, contributes to is required to contribute to or has sponsored, maintained, contributed to or been required to contribute to (i) any employee benefit plan subject to Title IV of the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***") or Section 412 of the Code or (ii) any "multiemployer plan" as defined in Section 3(37) of ERISA. Neither the Company nor any of its ERISA Affiliates has ever maintained, sponsored, contributed to, or had an obligation to maintain, sponsor or contribute to, or has any liability under or with respect to a "multiple employer welfare arrangement" as defined in Section 3(40) of ERISA.

(c) Except as set forth on Section 2.12(c) of the Disclosure Schedules, neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement (either alone or together with any other event) will entitle any employee, officer, manager or director of the Company to any material payment or benefit under any Benefit Plan, including any material bonus, retention, severance, retirement or job security payment or benefit. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will result in any excess parachute payment (within the meaning of Section 280G of the Code) under any Benefit Plan or cause the acceleration of vesting in, or the time of payment of, any material benefits under any Benefit Plan or materially increase any amount payable under any Benefit Plan. The Company has no obligation to gross-up, indemnify or otherwise reimburse any current or former employee for any Tax incurred by such employee, including under Section 4999 of the Code, or any interest or penalty related thereto.

(d) Each Benefit Plan, and any award thereunder, that is or forms part of a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code is in documentary compliance with, and the Company has complied in practice and operation with, all applicable requirements of Section 409A of the Code. The Company has no obligation to gross-up, indemnify or otherwise reimburse any current or former employee for any Tax incurred by such employee, including under Section 409A of the Code, or any interest or penalty related thereto.

2.13. Contracts.

(a) The Company has listed (or in the case of oral contracts, have described) in Section 2.13(a) of the Disclosure Schedules all Contracts to which it is a party or bound, including each Contract (i) involving the performance of services, delivery of goods or materials, or payments by or to the Company in excess of Ten Thousand Dollars ($10,000) in any twelve (12) month period, (ii) affecting the ownership, lease, or use of any real or personal property (including leases), (iii) containing covenants that in any way purport to restrict the right of the Company (or any other Person for the Company's benefit) to engage in any business activity, compete with any Person, or enter into (or solicit) a business relationship with any Person, or (iv) that is otherwise material to the conduct of the Company's business.

(b) Section 2.13(b) of the Disclosure Schedules sets forth a list of all Contracts between the Company or any Seller Party, on the one hand, and any Third Party Payor or Federal Healthcare Program, on the other hand (collectively, the "***Payor Agreements***"). No Payor Agreement is currently, or, to the Company's Knowledge is expected to be, subject to cancellation or any other material modification by the other party thereto or is subject to, or to the Company's Knowledge is expected to be, subject to any penalty, right of set off, or other charge by the other party thereto for late performance or delivery.

(c) (i) each of the Contracts is in full force and effect, subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' rights generally or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or law) (ii) neither the Company nor any other party is in material breach (subject to all cure periods) of or material default under any such Contract, (iii) no facts or circumstances exist that with the passage of time or the giving of notice, or both, would constitute an event of material default by the Company or, to the Company's Knowledge, any other party with respect to any such Contract, (iv) the Company has obtained all necessary consents and authorizations, if any, required under the Contracts in the event of a change in control or ownership of the Company, and (v) the Company has not given to, or received from, any other Person any notice or other communication (whether oral or written) regarding any actual, alleged, or potential breach of any Contract or any intention to modify, cancel, terminate or not renew any Contract. A correct and complete copy of each Contract has been provided to Buyer in the online data room established for this transaction (the "***Data Room***").

2.14. Real Property. The Company does not own any real property. Section 2.14 of the Disclosure Schedules sets forth a correct and complete list of all real property leased by the Company, including the street address and the identity of the applicable lessor ("***Leased Real Property***"). The Company has valid leasehold estates or, as the case may be, valid leasehold interests, in all Leased Real Property, free and clear of all Liens. Except as set forth on Section 2.14 of the Disclosure Schedules, the Company has not granted any Person the right to use or occupy any portion of any parcel of Leased Real Property or received notice of any claim of any Person to the contrary. A correct and complete copy of each lease for the Leased Real Property (each, a "***Lease***") has been provided to Buyer in the Data Room.

2.15. Intellectual Property. Section 2.15 of the Disclosure Schedules sets forth a complete and correct listing of (i) all Intellectual Property owned by the Company; (ii) all Contracts under which the Company is licensed or otherwise uses or is permitted to use any Intellectual Property (other than shrink-wrap licenses of computer software with a total annual cost of less than Ten Thousand Dollars ($10,000)); and (iii) all Contracts under which the Company licenses or otherwise permits any third party to use any Intellectual Property owned by the Company (collectively, the "***Company IP***"). The Company IP represents all of the Intellectual Property necessary for the use in or operation of the Business. The Company (a) has good, exclusive and valid title to all of the Company IP, free and clear of all Liens and any claims of third parties, or (b) has been granted sufficient rights pursuant to a written Contract set forth in Section 2.15 of the Disclosure Schedules in and to any Intellectual Property owned by a third party, in each case that is necessary to conduct the Business as it has been conducted or is currently conducted. The Company has not and does not infringe, violate or misappropriate the Intellectual Property rights of any third party, and, to the Company's Knowledge, no Person has or is infringing upon, violating or misappropriating any Intellectual Property owned by the Company. Nothing in this Agreement will affect or impede the rights of Buyer following the Closing with respect to the Company IP, nor will the continuing obligations under the Company IP Contracts change after Closing.

2.16. Affiliate Transactions. Except as set forth on Section 2.16 of the Disclosure Schedules, no officer, member, manager, direct or indirect equityholder (including the Seller Parties) or Affiliate of the Company is a party to any Lease or any other Contract (other than employment agreements) or has any interest in any asset or property owned or used by the Company; in each case, other than (a) claims or rights to indemnification or exculpation for an officer, member, manager or equityholder of the Company pursuant to the organizational documents of the Company in effect as of the date of this Agreement, (b) claims or rights to wages or benefits for an officer, director, manager or employee of the Company pursuant to any Benefit Plan of the Company in effect as of the date of this Agreement and (c) claims or rights as a customer of the Company.

2.17. Insurance. Section 2.17 of the Disclosure Schedules contains a correct and complete list and brief description (including (i) the name of the insurer and policy number, (ii) the period of coverage, (iii) the scope of insurance and amount of coverage, and (iv) a description of any retroactive premium adjustments or other loss-sharing arrangements) of each insurance policy owned by, or maintained for the benefit of, the Company (the "***Insurance Policies***"). The Company is not in default under any such insurance policy. All premiums due have been paid on such Insurance Policies, and the Company has not received any written notice of cancellation of any such Insurance Policy or written notice with respect to any refusal of coverage thereunder. Except as set forth on Section 2.17 of the Disclosure Schedules, (i) during the past two (2) years, the Company has not been refused any insurance by, nor has coverage been limited by, any insurance carrier with which the Company has carried insurance or any other insurance carrier to which the Company has applied for insurance, and (ii) during the past year, no claim has been made or is currently pending by the Company or any other Person under the Company's insurance policies. The Insurance Policies are legal, binding, enforceable, and in full force and effect. The Company is not, nor to the Company's Knowledge, is any other party to any insurance policy, is in material default under any such insurance policy. All premiums due have been paid on such Insurance Policies, and the Company has not received any written notice of cancellation of any such Insurance Policy or written notice with respect to any refusal of coverage thereunder.

2.18. Environmental Conditions. The Company (a) is and for the last six (6) years has been in material compliance with all Environmental Laws, (b) has not received any written notice from any Governmental Authority regarding any alleged violation of any Environmental Laws, or any Liabilities arising under any Environmental Law, (c) has obtained, and is in material compliance with, all Permits required under Environmental Laws to conduct the Business as currently conducted and (d) is not subject to any pending Environmental Claims and, to the Company's Knowledge, is not subject to any threatened Environmental Claim against the Company or any Person whose liability the Company has retained or assumed either contractually or by operation of Law. The representations and warranties set forth in this Section 2.18 are the Seller's sole and exclusive representations and warranties regarding Environmental Laws and Permits.

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[7] NTD: The Naples Offices is owned by Dura Properties, LLC, which is owned [***]% by [***]. An assessment of the rent must be performed for FMV purposes.

2.19. COVID-19 Matters.

(a) No counterparty to any of the Company's Contracts (i) is subject to any order related to the Coronavirus Pandemic imposing significant restrictions on such Person's ability to perform under such Contract, or (ii) has declared or filed for bankruptcy. The Company has not (A) accelerated, terminated or materially modified any Contract as a result of COVID-19, (B) experienced any material business interruptions or Liabilities arising out of or related to COVID-19, (C) made any claims on existing Insurance Policies, including business interruption insurance, as a result of COVID-19, (D) issued or received any force majeure notices to excuse non-performance thereunder, due to the Coronavirus Pandemic, or (E) decreased or deferred compensation payable to any director, officer, employee or independent contractor (including the terms and conditions of any compensation reductions or deferrals) or entered into any reduction in force or furloughing or termination of employees in connection with the Coronavirus Pandemic (including the date of any termination or furlough).

(b) The Company has been at all times and is currently in compliance with all applicable Laws respecting COVID-19 protections, including by not limited to: (i) all Laws relating to provision of paid or unpaid family, sick or emergency leave; (ii) all Occupational Health and Safety Administration and state and local health and safety agency rules and regulations; and (iii) all state or local stay at home, shelter in place or other emergency executive orders or ordinances.

(c) Reserved.

(d) Section 2.19(d) of the Disclosure Schedules sets forth all loans received by the Company under the CARES Act, including any Paycheck Protection Program loans. The Company has provided to Buyer true, correct and complete copies of all material documents received by the Company with respect to the PPP Loan. Except as set forth on Section 2.19(d) of the Disclosure Schedules, the Company was, at all times, in compliance in all material respects with the terms of the PPP Loan, including the applicable requirements governing the Company's application for the PPP Loan and all such related certifications were true and correct. Except as set forth on Section 2.19(d) of the Disclosure Schedules, the Company was, at all times, in compliance in all material respects with all requirements for the PPP Loan to allow the PPP Loan to be forgiven in full, and the PPP Loan was forgiven in full. Except as set forth on Section 2.19(d) of the Disclosure Schedules, the Company has used all of the proceeds of the PPP Loan only for the purposes permitted under the applicable Laws promulgated under the CARES Act or other rulemaking with respect to the PPP Loan.

(e) Section 2.19(e) of the Disclosure Schedules sets forth all Provider Relief Funds received by the Company (the "***PRF Payments***"). The Company has submitted all attestation documentation, if any, required with respect to receipt and retention of the PRF Payments, and has compiled in all material respects with all applicable Laws promulgated with respect to the PRF Payments. Other than the PRF Payments that have already been received by the Company, the Company has not applied for any additional Provider Relief Funds.

(f) Except as set forth on Section 2.19(f) of the Disclosure Schedules, other than the PPP Loan and the PRF Payments, the Company has not received any other loans, grants, or funding from any government programs or any other third Person as a result of or in connection with the Coronavirus Pandemic.

2.20. Cybersecurity and Privacy. Neither the Seller Parties, nor, to the Company's Knowledge, any vendor or partner of the Seller or the Company that has handled or had access to any Company Data or Business Systems, has experienced a Data Breach since January 1, 2018. Neither the Seller nor the Company has received any claim or notice from any Person that a Data Breach may have occurred or is being investigated. The Seller and the Company has collected, stored, retained, maintained, transferred, destroyed and otherwise used all Company Data, and protects the security and integrity of its Company Data, Business Systems and financial transactions, in each case, in compliance in all material respects with all Privacy and Security Requirements. The Company has not received any claim or notice from any Person alleging that the Company is not in compliance with any Privacy and Security Requirement. The Company does not collect or transmit, and has not collected or transmitted, any Personal Information outside of the United States that would subject the Company to any international Information Laws. The Company contractually imposes obligations on all of its vendors and partners that handle or have access to Company Data or Business Systems to implement and maintain commercially reasonable safeguards to protect such Company Data or Business Systems. The Company (a) has implemented and maintains commercially reasonable administrative, technical, and physical safeguards, including the adoption, implementation, and maintenance of a written information security program, incident response plan, vendor management policy, and disaster recovery and business continuity plan, in each case, designed to ensure the protection of Company Data, Business Systems and financial transactions against loss, interruption of use, destruction, damage, and unauthorized access, use, acquisition, and disclosure; (b) installs software security patches and other fixes to identified material information security vulnerabilities; and (c) maintains commercially reasonable cybersecurity insurance in coverage types and amounts reasonably sufficient to withstand and remediate a Data Breach. Neither the execution, delivery, or performance of this Agreement, nor the consummation of any of the transactions contemplated hereunder, will violate any Privacy and Security Requirement, or require the consent of or notice to any Person with respect to the use or transfer of such Person's data.

2.21. Bank Accounts. Section 2.21 of the Disclosure Schedules sets forth (a) a true, correct, and complete list of the names and locations of all banks, trust companies, securities brokers, and other financial institutions at which the Company has an account or safe deposit box or maintains a banking, custodial, trading, or other similar relationship, and (b) an accurate description of each such account, box, and relationship, indicating in each case the account number and the names of the respective officers, employees, agents, or other similar representatives of the Company having signatory power with respect thereto.

2.22. Brokers and Finders. Except as set forth on Section 2.22 of the Disclosure Schedules, there are no claims for investment banking fees, brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated hereby based on any arrangement or agreement made by or on behalf of the Company, the Seller or any of its Affiliates.

2.23. Investment Matters. Seller is acquiring the Rollover Equity for its own account with the present intention of holding the Rollover Equity for investment purposes and not with a view to or for sale in connection with any public distribution of such securities in violation of any federal or state securities Laws. The Seller is an "accredited investor" within the meaning of Securities and Exchange Commission Rule 501 of Regulation D, as presently in effect, and has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of its investment in the Rollover Equity, the Seller is capable of bearing the economic risks of such investment, including a complete loss of its investment in the Rollover Equity. Seller acknowledges that the Rollover Equity has not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), or any state securities Law and understand and agree that it may not sell or dispose of any of the Rollover Equity except pursuant to a registered offering in compliance with, or in a transaction exempt from, the registration requirements of the Securities Act and any other applicable federal, state or foreign securities Laws.

2.24. No Further Representations. Except for the representations and warranties made by Seller and Owners in this Article 2 (as qualified by the Disclosure Schedules), neither the Seller Parties nor any other Person makes or has made any express or implied representations or warranty with respect to the Company or Seller or the respective business, operations, assets, liabilities or conditions (financial or otherwise) of Company or Seller, and the Seller Parties hereby disclaim any such other representations or warranty to Buyer or any other person with respect thereto.

3. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to the Seller, as of the Effective Date and as of the Closing Date, as follows:

3.1. Organization. Buyer is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization. Buyer has full power and authority to carry on its business as now conducted and to own, lease or operate its properties and assets as now owned, leased or operated. Buyer is qualified or licensed to do business and is in good standing in each jurisdiction in which the ownership, use, licensing, or leasing of its assets and properties, or the conduct or nature of its business, makes such qualification, licensing, or admission necessary, except where the failure to so qualify would not have a Material Adverse Effect.

3.2. Authorization. Buyer has full power and authority to enter into this Agreement and the other Transaction Documents to which is it is a party, to perform its obligations hereunder and thereunder, and to carry out the transactions contemplated hereunder and thereunder. The execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized and approved by all necessary corporate action. This Agreement, when executed, and assuming valid execution and delivery by the Seller Parties, will constitute a legal, valid and binding obligation of Buyer enforceable against them in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' rights generally or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or law).

3.3. No Violation. The execution and delivery of this Agreement and the other Transaction Documents by Buyer does not, and the consummation of the transactions contemplated hereby will not, (a) violate any provision of the organizational documents of Buyer, (b) will not, violate or result in any right of termination or acceleration under any provision of any material contract of Buyer, or (c) violate any material Law, Permit, order, arbitration award, judgment, writ, injunction, decree, statute, rule or regulation applicable to Buyer.

3.4. Consents. No consent, approval, authorization, order, designation or declaration of any court or regulatory authority or governmental body is required to be obtained by Buyer for the consummation of the actions described in this Agreement or the other Transaction Documents.

3.5. Brokers and Finders. There are no claims for investment banking fees, brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated hereby based on any arrangement or agreement made by or on behalf of Buyer or its Affiliates.

3.6. Solvency. After giving effect to the transactions contemplated by this Agreement and by executing, delivering or performing its obligations under this Agreement or other document to which it is a party or by taking any action with respect thereto, Buyer does not believe that it will be insolvent, as that term is used and defined in 11 United States Code Section 101(32).

3.7. Sufficiency of Funds. As of the Closing Date, Buyer has available to it cash and other sources of immediately available funds sufficient to pay the considerations owed in connection herewith and all other cash amounts payable pursuant to this Agreement.

4. INDEMNIFICATION

4.1. Survival. Except as otherwise stated herein, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is eighteen (18) months following the Closing Date; provided that,

(a) there shall be no limitations on the period during which a claim may be made for Losses incurred or sustained by any of the Indemnitees as a result of fraud, willful misconduct, intentional misrepresentation, losses arising from third-party claims asserted by Governmental Authorities or third party-payors, and/or breaches or inaccuracies of the representations and warranties in Sections 2.1 (Organization), 2.2 (Ownership), 2.3 (Authorization; No Violation); 2.5 (Title and Condition of Assets), 2.16 (Affiliate Transactions), 2.22 (Brokers and Finders), 3.1 (Organization), 3.2 (Authorization) and 3.5 (Brokers and Finders) (collectively, (the "***Fundamental Reps***");

(b) the representations and warranties in Sections 2.9 (Compliance with Laws) and 2.10 (Healthcare Regulatory Compliance) shall survive in each case the Closing and remain in effect until the date that is six (6) years following the Closing Date.

(c) the representations and warranties in Section 2.7 (Taxes) shall survive the Closing and remain in full force and effect until the expiration of the applicable statutes of limitations plus sixty (60) days;

(d) For purposes of clarity, all of the covenants or other agreements of the Parties hereto set forth in this Agreement shall survive the Closing Date in accordance with their respective terms or, if no such term is specified, indefinitely.

Notwithstanding anything to the contrary in this Section 4.1, (i) if a Claim Notice given in accordance with Section 4.4 on or prior to the last day of the applicable survival period of a representation, warranty, covenant or other agreement asserts a breach of or inaccuracy in such representation or warranty or a breach of such covenant or other agreement, such representation, warranty, covenant or other agreement shall survive and remain in effect with respect to the claim asserted in such Claim Notice until such claim has been finally resolved, with all statutory or common law statutes of limitations or other time-based defenses applicable to such claim being tolled until such final resolution, and (ii) nothing in this Section 4.1 will impair or otherwise limit any Party's right to bring or maintain any Action based upon fraud, willful misconduct, intentional misrepresentation, losses arising from third-party claims asserted by Governmental Authorities or Third Party Payors, and/or breaches or inaccuracies of a Fundamental Rep.

(e) Indemnification by Seller Indemnitors. The Seller (individually, the "***Seller Indemnitor***") hereby agree to defend, indemnify and hold harmless Buyer, the Company following the Closing, and their respective Affiliates, officers, managers and agents and their respective successors and permitted assigns (the "***Buyer Indemnitees***") from and against and shall pay to and reimburse the Buyer Indemnitees for losses, Liabilities, costs and expenses (including, without limitation, interest, penalties, and the reasonable fees, disbursements and expenses of attorneys, accountants and other advisors) (collectively, "***Losses***"), directly or indirectly relating to, resulting from, arising out of or incidental to:

(i) any inaccuracy in any representation or breach of any warranty set forth in Section 2 hereof or in any certificate delivered pursuant hereto;

(ii) any breach or non-fulfillment of any covenant, agreement or other obligation by or of the Seller Parties contained herein or in any certificate delivered pursuant hereto;

(iii) all Indebtedness, Indebtedness-Like Items, and all Transaction Expenses (in each case, to the extent not taken into account in calculating the Purchase Price);

(iv) any Liabilities with respect to a PPP Loan(s) that may exist and any other loan from, or Liability of Company to the SBA or any other Person under a Coronavirus Relief Program;

(v) (i) Taxes (or the non-payment thereof) imposed on, with respect to, or payable by (A) Seller regardless of the taxable period to which such Taxes relate and regardless of whether the possibility of the assertion or assessment of any such Tax liability shall have been disclosed to Buyer at or prior to the Closing; (B) the Company for any Pre-Closing Tax Period and Pre-Closing Straddle Period (determined, in the case of any Straddle Period, in accordance with Section 6.5(d)), including any Taxes resulting from the reduction or disallowance of any "employee retention credits" claimed pursuant to Section 2301 of the CARES Act and subsequent related guidance in any Pre-Closing Tax Period or Pre-Closing Straddle Period; (C) any member of an affiliated, consolidated, combined or unitary group of which the Company (or any predecessor of thereof) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar Law; and (D) any Person (other than the Company) imposed on or payable by the Company or any Buyer Party as a transferee or successor, by Contract or pursuant to any Law or other obligation which Taxes relate to an event or transaction occurring on or before the Closing Date; (ii) Transfer Taxes payable by Seller pursuant to Section 6.5(b); (iii) Taxes payable by any Buyer Indemnitees in taxable periods (or portions thereof) occurring after the Closing Date arising from the forgiveness of all or any portion of any PPP Loan, including as a result of any disallowed Tax deductions in such periods attributable to expenses of any Buyer Indemnitees that would have been deductible but for the forgiveness of such loan pursuant to applicable Law; (iv) Taxes arising from any adjustments pursuant to Section 481(a) of the Code resulting from a change in method of accounting in any Pre-Closing Tax Period or Pre-Closing Straddle Period; and (v) reasonable out-of-pocket costs or expenses incurred in defending any audit, investigation, inquiry, or other proceeding (whether administrative or judicial) initiated by a Governmental Authority with respect to any Tax or Tax Return of the Company relating to any Pre-Closing Tax Period or Pre-Closing Straddle Period or any other Tax that if paid would be referenced in clauses (i)-(iv) (whether or not such proceeding results in any indemnification obligation for Taxes pursuant to this Agreement);

(vi) any claims by or Liabilities with respect to any employee of Company relating to such employee's employment or termination of employment on or prior to the Closing Date by the Company, including any and all group insurance claims, worker's compensation claims or Liabilities arising out of or relating to any accidents, illness or other events which occurred on or prior to the Closing Date; and

(vii) any of the matters set forth in Annex E.

4.2. Indemnification by Buyer. Buyer shall defend, indemnify and hold harmless the Seller, his heirs, successors and assigns (other than, in each case, the Company), members, managers, officers, and agents and their respective successors and permitted assigns (the "***Seller Indemnitees***") and shall pay and reimburse the Seller Indemnitees for, from and against any Losses directly or indirectly relating to, resulting from, arising out of or incidental to:

(a) any inaccuracy in any representation or breach of any warranty set forth in Section 3 hereof or in any certificate delivered pursuant hereto; or

(b) any breach or non-fulfillment of any covenant, agreement or other obligation by or of Buyer contained herein or in any certificate delivered pursuant hereto.

4.3. Claims. If any Buyer Indemnitee or Seller Indemnitee (each a "Indemnifying Party"), as the case may be, claim to be entitled to any indemnification provided for under Section 4 (the "Indemnified Party"), the Indemnified Party must notify the Indemnifying Party in writing of such claim promptly after receipt by the Indemnified Party of knowledge of such claim ("***Claim Notice***"), and the Indemnified Party shall deliver to the Indemnifying Party, within thirty (30) days after receipt by the Indemnified Party, copies, of all notices relating to the Claim Notice. Such Claim Notice shall contain, with respect to each claim, such facts and information as are then reasonably available, the estimated amount of Losses, if reasonably practicable, and the basis for indemnification hereunder; provided, however, that the failure to give a Claim Notice shall not relieve the Indemnifying Party of its indemnification obligations hereunder, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure or is otherwise materially prejudiced by such failure (and then only to the extent of such prejudice). If the Indemnified Party and the Indemnifying Party agree in writing to the validity of a claim set forth in a Claim Notice and the amount of Losses associated therewith, or if the Indemnifying Party does not notify the Indemnified Party of its objection to the validity of a claim set forth in a Claim Notice or the amount of Losses associated therewith as set forth in such Claim Notice within thirty (30) days after the Indemnified Party's delivery of such Claim Notice, then the validity of such claim and the amount of such Losses will be deemed final and undisputed, and, no later than five (5) Business Days thereafter, subject to Section 4.9, Section 4.11 and the other provisions of this Section 4, the Indemnifying Party shall pay to the Indemnified Party, by wire transfer of immediately available funds in accordance with a certificate executed by the Indemnified Party and delivered to the Indemnifying Party, certifying the wire instructions for the account to which such payment should be made, the amount of such Losses. If the Indemnifying Party notifies the Indemnified Party of its objection to the validity of a claim set forth in a Claim Notice or the amount of Losses associated therewith as set forth in such Claim Notice within thirty (30) days after the Indemnified Party's delivery of such Claim Notice and the Indemnified Party and the Indemnifying Party are not able to agree in writing to the validity of such claim or the amount of such Losses, either party may bring an Action to resolve such dispute in accordance with Section 8.9. A "Final Determination" of a claim will be deemed to have been made if, in each case, under the terms and limitations of this Section 4 (i) the Indemnified Party(ies) and the Indemnifying Party(ies) agree in writing as to the amount of such claim to which the Indemnified Party(ies) is entitled, or (ii) a final Order of a court of competent jurisdiction (the time for appeal having expired and no appeal having been taken) is issued or entered into specifying the amount of such claim to which the Indemnified Party(ies) is entitled.

4.4. Indemnification of Third-Party Claims.

(a) If a claim is made by any Person other than the Buyer Parties or Seller Parties, or their respective successors, assigns, or Affiliates (a "***Third-Party Claim***"), the indemnifying party will be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof with counsel selected by the indemnifying party, provided such counsel is not reasonably objected to by the indemnified party. Should the indemnifying party elect to assume the defense of such a Third-Party Claim, the indemnifying party shall be deemed to have acknowledged the indemnification obligation (if such Third-Party Claim were valid) and the indemnifying party will not be liable to the indemnified party for any legal expenses incurred by the indemnified party in connection with the defense thereof subsequent to the indemnifying party's assumption of the defense. If the indemnifying party elects to assume the defense of such a Third-Party Claim, the indemnified party will cooperate in good faith with the indemnifying party in connection with such defense.

(b) If the indemnifying party assumes the defense of a Third-Party Claim, then in no event will the indemnified party admit any liability with respect to, or settle, compromise, or discharge, any Third-Party Claim without the indemnifying party's prior written consent (not to be unreasonably withheld).

(c) In the event the indemnifying party shall assume the defense of any Third-Party Claim, the indemnified party shall be entitled to participate in, but not control, the defense with its own counsel at its own expense. If the indemnifying party does not assume the defense of any such Third-Party Claim, the indemnified party may defend the claim in a manner as it may deem appropriate, provided that the indemnified party shall not be entitled to settle or otherwise dispose of any such Third-Party Claim without the indemnifying party's prior written consent (not to be unreasonably withheld).

(d) Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third-Party Claim. The applicable party shall from time to time apprise the other party of the status of any Third-Party Claim for which it has assumed the defense and shall furnish the other party with such documents and information filed or delivered in connection with such claim, liability or expense as the other party may reasonably request.

4.5. Calculation of Losses.

(a) Nothing in this Agreement in any way restricts or limits the general obligation under applicable Law of an indemnified party to use commercially reasonable efforts to mitigate any Loss that it may suffer or incur by reason of the breach by an indemnified party of any representation, warranty, covenant or obligation of such indemnified party under this Agreement.

(b) The amount of any Losses for which indemnification is provided under Section 4.1(d) or Section (vii) shall be net of (i) any amounts actually recovered by the indemnified party pursuant to any indemnification by or indemnification agreement with any non-Affiliate third party and (ii) any insurance proceeds actually received by the indemnified party as an offset against such Losses, in each case with respect to the foregoing clauses (i) and (ii), less any costs, expenses, deductibles, premiums or Taxes incurred in connection therewith. The indemnified party shall use commercially reasonable efforts to pursue recovery under applicable insurance policies (which, for the avoidance of doubt, shall not require the indemnified party to commence or pursue a proceeding in connection therewith). Notwithstanding the foregoing, nothing in this Section 4.5 shall be construed or interpreted as a guarantee of any level or amount of insurance recovery with respect to any Losses hereunder or as a requirement to obtain or maintain any insurance or to make any claim for insurance as a condition to any indemnification hereunder. In the event that the application of this Section 4.5 to any Losses following the time that an indemnification payment has been made by an indemnifying party pursuant to Section 4.1(d) or Section (vii) with respect to such Losses would result in such indemnification payment being greater than the amount of Losses for which indemnification is provided under Section 4.1(d) or Section (vii), as applicable, the indemnified party shall promptly remit the excess payment to the indemnifying party.

(c) Notwithstanding anything contained elsewhere in this Agreement, the amount of any Losses subject to indemnification under this Section 4.5 shall not include any amount that was specifically taken into account in determining the amount of the Adjustment Amount.

4.6. Materiality Qualifications. Each of the representations and warranties that contains any "material" or similar materiality qualifications shall be read as though such qualifications were not contained therein for the purposes of determining the amount of Losses for a breach or inaccuracy to which an indemnified party may be entitled to under this Section 4.

4.7. Investigation. Notwithstanding anything to the contrary in this Agreement, (i) no investigation by the Parties' or their respective Affiliates or representatives shall affect the representations and warranties of either Party under this Agreement or contained in any document, certificate or other writing furnished or to be furnished to a Party in connection with the transactions contemplated hereby, and (ii) such representations and warranties shall not be affected or deemed waived by reason of the fact that a Party or its respective Affiliates or representatives knew or should have known that any of the same is or might be inaccurate in any respect.

4.8. Tax Treatment of Indemnity Payments. Any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price, unless otherwise required by applicable Tax Law.

4.9. Order and Manner of Payment. Subject to the applicable limitations and exceptions set forth in this Section 4, any amounts due by the Seller Indemnitor pursuant to Section 4.1(d) will be paid as follows: (a) first, to the extent that any portion of the Indemnity Escrow Amount remains on deposit in the escrow account, through payment from the Indemnity Escrow Amount pursuant to the terms of the Escrow Agreement and (b) second, to the extent the Indemnity Escrow Amount is insufficient to satisfy such indemnifiable Loss, from the Seller Indemnitor, in immediately available cash. If Seller Indemnitor fails to satisfy such indemnifiable Losses in cash within thirty (30) calendar days after a claim for such indemnifiable Losses (the "***Unpaid Losses Amount***"), then Buyer may recover such amounts due by the Seller Indemnitor, as follows in the following order: (i) a set off against any amount owed to Seller, by Buyer, Parent or Company under this Agreement, including any amounts due to Seller arising from the Fiscal Quarter Post-Closing Reconciliation, (or any employment entered into by Seller in connection with the transactions contemplated herein, including but not limited to, compensation or bonuses to be paid by Buyer, Parent or Company), or (ii) set off against any distribution by Buyer in respect of the Rollover Equity, if any, held by Seller (or other securities granted by Buyer or a Buyer Affiliate or exchanged by another Person), or (iii) set off against the Contingent Consideration Payment (or portion thereof) (if any), unless otherwise prohibited by Applicable Law, or (iv) by means of forfeiture (or, at the direction of Buyer, transfer), on the books of Buyer (which forfeiture or transfer the Seller hereby authorizes Buyer to make), of the Rollover Equity with an aggregate value (based on the Rollover Equity Value as of the date hereof), up to the Unpaid Losses Amount. The Seller Parties agree that, upon such forfeiture or transfer of Rollover Equity in accordance with this Section 4.9, the Seller shall automatically forfeit all rights, title and interest in and with respect to such Rollover Equity without any further action by the appliable Seller Parties or Buyer and Parent or Parent's designee (as applicable) shall thereupon be deemed the owner of such Rollover Equity for all purposes. Notwithstanding the foregoing, if a claim for Losses payable by Seller has not been satisfied by Seller within ten (10) days of the date when any such indemnification payment finally became due and payable pursuant to a Final Determination, each Buyer Indemnitee shall have the right to demand from Seller satisfaction of such Losses through, at the election of such Buyer Indemnitee in such Buyer Indemnitee's sole discretion, any of the means (or any combination thereof) set forth in this Section 4.9 The Escrow Amount, Rollover Equity and other recourse as identified in Section 4.9 shall not be the sole or exclusive relief afforded under this Agreement or otherwise to a Buyer Indemnitee for Losses.

4.10. Exclusive Remedy. From and after the Closing Date, except as otherwise provided in this Agreement, the Parties hereto agree that except for (a) fraud, willful misconduct or intentional misrepresentation, (b) losses arising from third-party claims asserted by Governmental Authorities or third party payors and (c) the rights of the Parties hereto to seek specific performance of covenants or an injunction to prevent a violation thereof, the rights and remedies of the Parties hereto under this Section 4 shall be the sole and exclusive rights and remedies of the Parties with respect to any matters arising out of this Agreement resulting from or relating to any misrepresentation, breach of warranty or failure to perform any covenant or agreement contained in this Agreement.

4.11. Limitations. The following provisions shall apply to limit the Parties' ability to recover for indemnifiable Losses pursuant to this Article 4:

(a) No Party shall be liable for any Losses unless and until the aggregate amount of all such Losses exceeds [***] (the "Tipping Basket"), after which such Losses shall be recoverable back to the first dollar. The Basket shall not apply to Seller Indemnitor Losses: (i), based upon, arising out of, with respect to or by reason of, any inaccuracy in or breach of any representation or warranty by in Section 2.7 (Taxes), and (ii) based upon, whether directly or indirectly, relating to, resulting from, arising out of or incidental to, Losses under Section 4.1(e)(v) (Taxes).

(b) The aggregate amount of all Losses for which the Seller Parties and/or Buyer shall be liable pursuant to this Section 4 shall not exceed [***] ("Indemnity Cap").

(c) Notwithstanding the foregoing, the limitations set forth in Sections 1.1(a) and 4.11(b) shall not apply to Losses: (i) based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any representation or warranty in a Fundamental Representation, or (ii) resulting from fraud or willful misrepresentation with respect to any breach of any representation or warranty contained herein, or (iii) based upon, arising out of, with respect to or by reason of, Losses arising from Third-Party Claims asserted by Governmental Authorities or third party-payors.

4.12. Escrow Matters. No later than the fifth (5th) business day following the eighteen (18) month anniversary of the Closing Date, Buyer and Seller shall execute a joint written instruction directing the Escrow Agent to release to Seller (by wire transfer of immediately available funds) the balance of the Indemnity Escrow Amount then remaining (together with all interest and other income earned the thereon), if any, less an amount equal to the aggregate dollar amount of claims for Losses in respect of claims made by the Buyer Indemnitees through such eighteen (18) month anniversary, pursuant to, and in accordance with ,the terms and conditions of this Section 4 that are then outstanding, unresolved and for which no Final Determination has been obtained pursuant to Section 4.3 (collectively, "Pending Claims").

5. RESTRICTIVE COVENANTS

5.1. Non-Competition; Non-Solicitation; Non-Disparagement.

(a) As a material inducement to Buyer to enter into this Agreement, in consideration of the compensation payable hereunder, and for other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, as well as in recognition of the fact that the value of the Company, including the goodwill, would be diminished substantially if the Seller, his heirs, personal representatives, successors and assigns (each a "***Restricted Party***" and collectively, the "***Restricted Parties***") were to engage in any business or activities in competition with the Business, the Company or Buyer, each Restricted Party covenants and agrees that, except as required in the performance of the duties set forth in this Agreement, any Transaction Document or another written agreement with Buyer, each Restricted Party will not, directly or indirectly:

(i) during [***] period immediately following the Closing (the "***Non-Compete Restricted Period***"), own, manage, operate, control or participate in any manner in the ownership, management, operation or control of, or serve as a partner, member, employee, principal, agent, consultant or otherwise contract with, or have any financial interest in, or aid or assist any other Person that operates a clinic, corporation, partnership, management services organization, proprietorship, independent practice association, firm, entity or association that engages in or derives any economic benefit from, or is preparing to engage in or derive any economic benefit from providing the same as, similar to, or competitive with, the Business and all other clinical and non-clinical services and activities that Company is providing or engaging in as of the Closing Date (a "***Competitor***"), leasing any assets to, managing, operating, extending credit to, or otherwise participating in a Competitor, anywhere within a [***] (*)-mile radius, around any existing location of Company or any Affiliate of Buyer or an Affiliated Practice (as defined in the Operating Agreement), or any existing location of Buyer or any Affiliate thereof for which Buyer and/or Durand provides or provided services (collectively, the "***Restricted Area***"). Durand hereby acknowledges that the Buyer and its Affiliates' businesses has been conducted or is presently proposed to be conducted throughout the Restricted Area and that the geographic restrictions set forth above are reasonable and necessary to protect the goodwill of the Buyer and its Affiliates' businesses.;

(ii) during the [***] period immediately following the Closing (the "***Non-Solicit Restricted Period***" and together with the Non-Compete Restricted Period, the "***Restricted Periods***"), cause, solicit, induce or encourage any actual, prospective or former client, customer, supplier, independent contractor, licensor or licensee of the Company or Buyer, or any other Person who then has, or at any time during the then preceding five (5) years had, a business relationship with the Company, the Buyer or the Business, to terminate or modify any such Person's relationship with the Company, the Buyer or the Business in a manner that is adverse to the Company, the Buyer or the Business.

(iii) during the Non-Solicit Restricted Period, engage, hire, solicit or encourage any current or former employee or independent contractor of the Company or Buyer to curtail or terminate such Person's affiliation or employment, or take any action that results, or might reasonably be expected to have the same result;

(b) Notwithstanding anything to the contrary in this Section 5.1, the Restricted Parties may (i) own up to a one percent (1%) interest in a Competitor or Person that owns and/or operates a Competitor that is publicly traded on a national stock market or exchange; (ii) own an interest in or provide services, either directly or indirectly through an Affiliate, to Buyer or the Company; or (iii) provide services for charitable organizations, serve on the board of charitable organizations and otherwise perform charitable work such as pro bono care and medical missions, in each case as set forth on Schedule 5.1(b).

(c) Except as required by Law, each Party hereby agrees that such Party will not, directly or indirectly, disparage or portray in a negative light, any other Party to this Agreement or any of their current or former directors, owners, members, managers, officers, employees, independent contractors, or Affiliates, with respect to such Person's business reputation as it relates to the business activities conducted by such Party, whether in public or private.

5.2. Blue Pencil. If any court of competent jurisdiction shall at any time deem any particular restrictive covenant contained in Section 5.1 too lengthy or the territory too extensive, the other provisions of Section 5.1 shall nevertheless stand, the Restricted Periods herein shall be deemed to be the longest periods permissible by law under the circumstances and the Restricted Area described in Section 5.1 shall be deemed to comprise the largest territory permissible by law under the circumstances. The court in each case shall be empowered to reduce the Restricted Periods and/or Restricted Area to permissible duration or size.

5.3. Remedies. Each Restricted Party acknowledges and agrees that the covenants set forth in Section 5.1 are reasonable and necessary for the protection of the Company post-Closing and Buyer's interests, that irreparable injury will result from such Restricted Party's breach of any of the terms of said restrictive covenants, and that in the event of actual or threatened breach of any such restrictive covenants, Buyer will have no adequate remedy at law. Each Restricted Party accordingly agrees that in the event of any actual or threatened breach of any of the covenants set forth in Section 5.1, Buyer shall be entitled to specific performance or immediate temporary injunctive and other equitable relief, without bond and without the necessity of showing actual monetary damages, subject to hearing as soon thereafter as possible. Nothing contained herein shall be construed as prohibiting Buyer from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of any damages that it is able to prove. The Parties hereto also agree that the existence of any claim or cause of action by any Restricted Party against Buyer or any of its respective Affiliates, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement of the restrictive covenants set forth in Section 5.1, but shall be litigated separately.

6. COVENANTS

6.1. Further Assurances; Governmental Consents.

(a) Following the Closing, each Party will execute and deliver such further certificates, agreements and other documents and take such other actions as the other Party may reasonably request or as may be necessary or appropriate to consummate or implement the transactions contemplated by the Transaction Documents; provided, however, that no Party shall be required to execute an amendment to any Transaction Document or to waive any of its rights thereunder.

(b) Following the Closing, the Parties hereto shall proceed to prepare and file with the appropriate Governmental Authorities any requests for approval or waiver, if any, that are required from Governmental Authorities in connection with the transactions contemplated hereby, and the Parties hereto shall diligently and expeditiously prosecute and cooperate fully in the prosecution of such requests for approval or waiver and all proceedings necessary to secure such approvals and waivers.

(c) From, and after the Closing, Seller understands and acknowledges that neither he, nor any of his successors, assigns, heirs, administrators and legal representatives, shall, directly or indirectly, use any corporate names or trademarks based on the term "Dura Medical" or any similar terms to identify such Person , without the prior written consent of Buyer, except such prior written consent shall not be necessary in connection with Seller's clinical and administrative services performed pursuant to Seller's employment as of the Closing on behalf of the Company; it being the intent of the Parties that from and after the Closing, Buyer will have the sole right as against the Seller and all other Persons to conduct business under such name as it relates to the operation of the Clinics as of the Closing and thereafter.

6.2. Release. Effective as of the Closing, each Restricted Party (personally and as an officer, member, manager, director and/or employee of the Company or any of its Affiliates), on such Restricted Party's own behalf and on behalf of Restricted Party's Affiliates, successors, assigns, heirs, administrators and legal representatives (each, a "***Closing Releasor***"), hereby completely and irrevocably releases, waives and discharges, and shall be forever precluded from asserting, any and all claims, obligations, suits, damages, demands, debts, rights, causes of action and Liabilities, of any kind or nature, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, whether or not hidden or concealed, then existing in law, equity or otherwise, that such Releasor has, had or may have against the Company and its agents and representatives that are based in whole or in part on any act, omission, transaction or other occurrence taking place on or prior to the Closing Date, other than (a) any rights to which such Seller is entitled under any Transaction Document; (b) any claim for indemnification from Buyer under Section 4; or (c) other than in connection with any claim for indemnification by any Buyer Indemnitee under Section 4 (but subject to the terms and conditions of Section 4.4(b)), any rights that such Restricted Party may have to any insurance, indemnification or reimbursement from the Company under the Company's organizational documents or insurance policies. In making this waiver, each Releasor acknowledges that such Releasor may hereafter discover facts in addition to or different from those which such Releasor now believes to be true with respect to the subject matter released herein, but agrees that such Releasor has taken that possibility into account in reaching this Agreement and as to which such Releasor expressly assumes the risk.

6.3. Confidentiality. Each Restricted Party shall, and shall cause its respective Affiliates and representatives to, treat as confidential and not disclose or use for the benefit of any Person or business (other than for the Business, the Company or the business of Buyer) any and all Confidential Information about the Business, the Company or Buyer, except to the extent that such information is (a) generally available or known to the public other than as a result of the impermissible disclosure by the Seller or its respective representatives, (b) independently developed by the receiving party following the Closing without use of or reference to any Confidential Information, (c) obtained following the Closing from a third party not under any obligation not to disclose such information or (d) reasonably necessary in order for the Seller or its respective Affiliates to litigate any claim against Buyer pursuant to any Transaction Document; provided, however, that such Restricted Party may disclose Confidential Information to its respective representatives in connection with the transactions contemplated by the Transaction Documents so long as such representatives are directed by the Seller to hold such Confidential Information in confidence, and such Restricted Party shall be responsible for any breach of the confidentiality provisions of this Section 6.3 by such representatives. If, after the Closing, such Restricted Party or any of its respective representatives are, on the advice of counsel, legally required to disclose any Confidential Information, such Restricted Party shall, to the extent permitted by applicable Law, (x) promptly notify Buyer to permit Buyer to seek a protective order, or take other appropriate action and (y) cooperate as reasonably requested by Buyer in Buyer's efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded such Confidential Information. If, after the Closing and in the absence of a protective order, any Restricted Party or any of its respective representatives are, on the advice of counsel, compelled as a matter of law to disclose Confidential Information to a third party, such Restricted Party and its respective representatives may disclose to the third party compelling disclosure only the part of such Confidential Information which counsel advises is legally required to be disclosed; provided, however, that, prior to any such disclosure, such Restricted Party and its respective representatives will, to the extent permitted by applicable Law, advise and consult with Buyer and its counsel as to such disclosure and the nature and wording of such disclosure.

6.4. Publicity. As of the Effective Date, Buyer shall be permitted to issue a public announcement or statement with respect to this Agreement or the transactions contemplated hereby; provided, however, Buyer shall provide Durand with an advance written copy of such announcement or statement for his comment, which Buyer shall consider but not be obligated to incorporate. Furthermore, Buyer shall be allowed to disclose the terms of this Agreement and the transactions contemplated hereby (a) to authorized representatives and employees of Buyer or its Affiliates, (b) to its and its Affiliates' current or prospective investors, lenders, or partners in connection with fundraising activities or fund performance reporting, (c) to any of Buyer's Affiliates, accountants, attorneys, financing sources, or other agents, or any other Person to whom Buyer or its Affiliates discloses such information in the ordinary course of business, and (d) following the Closing to any bona fide prospective purchaser of the equity or assets of Buyer or its Affiliates; provided that in the case of disclosures made pursuant to the immediately foregoing clauses (a) through (d), the recipient is informed of the confidential nature of such information. Buyer shall also be allowed to issue general press releases in the ordinary course of business.

6.5. Tax Matters.

(a) Intended Tax Treatment; Purchase Price Allocation. The Parties agree, for U.S. federal (and applicable state and local) Income Tax purposes, the transactions contemplated by this Agreement are intended to be treated as follows: (i) Buyer's purchase of the Purchased Interests in exchange for the Cash Consideration (including any Liabilities assumed and any other items treated as taxable consideration for Tax purposes) (the "***Allocable Consideration***") is intended to be treated as a taxable purchase by Buyer and sale by Seller of an undivided interest in a portion of the assets of the Company (attributable to the Purchased Interests), provided that, for purposes of this Agreement, any accounts receivable of the Company to be acquired by Buyer is intended to be treated as attributable to the Purchased Interests and acquired by purchase pursuant to this clause (i), (ii) Seller's contribution of the Contributed Interests to Buyer in exchange for the Rollover Equity shall be treated as a contribution by Seller of an undivided interest in a portion of the assets of the Company (attributable to the Contributed Interests) with a total value equal to the Rollover Equity Value in a Tax-deferred transaction qualifying under Section 721(a) of the Code (the "***Intended Tax Treatment***"). The Parties agree to allocate the Allocable Consideration among the assets of the Company (attributable to the Purchased Interests) in accordance with the methodology set forth on Annex F, which is consistent with Section 1060 of the Code and the Treasury Regulations promulgated thereunder (the "***Allocation Methodology***"). Within one hundred twenty (120) days after the final determination of the Purchase Price, as adjusted pursuant to Section 1.2, Buyer shall provide to Seller a draft allocation schedule in accordance with the preceding sentence (the "***Allocation Schedule***"), which shall be consistent with the Allocation Methodology. The Seller shall review the Allocation Schedule prepared by Buyer and shall provide any comments to Buyer within twenty (20) days of receipt thereof. The Parties shall work in good faith to resolve any disagreements regarding the Allocation Schedule. In the event the Parties are unable to resolve any dispute with respect to such comments within ten (10) days after Buyer's receipt of Seller's timely comments, the Parties shall refer the matter to the Independent Expert to resolve the matter in accordance with Section 1.2(d), *mutatis mutandis*, and the Independent Expert's determination shall be binding upon the Parties. The Parties agree to file all federal, state, and local Tax Returns in accordance with the Allocation Schedule (as finally determined) and the Intended Tax Treatment. No Party shall take or permit others to take on its behalf any position, whether in connection with a Tax audit, a Tax Return or otherwise, that is inconsistent with the Allocation Schedule (as finally determined) or the Intended Tax Treatment unless required to do so pursuant to a final "determination" within the meaning of Section 1313(a) or other applicable Law.

(b) Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, and other such Taxes, and all conveyance fees, recording charges, and other fees and charges (including any penalties and interest) incurred in connection with consummation of the transactions contemplated by this Agreement (the "***Transfer Taxes***") shall be paid by the Seller Parties when due. Buyer and Seller, agree to cooperate with the other Party in the filing of any Tax Returns with respect to the Transfer Taxes, including promptly supplying any information in its possession that is reasonably necessary to complete such returns.

(c) Tax Returns.

(i) The Seller, at its cost and expense, shall prepare or cause to be prepared and timely file or cause to be timely filed all Income Tax Returns required to be filed by the Company for all Pre-Closing Tax Periods regardless of when they are to be filed. Such Tax Returns shall be prepared in a manner consistent with the past practices of the Company except as required by applicable Law. The Seller shall deliver or cause to be delivered a true, correct, and complete copy of each such Income Tax Return to Buyer at least thirty (30) days prior to the date on which such Income Tax Return is required to be filed (taking into consideration applicable extensions) for Buyer's review, comment, and approval.

(ii) Buyer, at the Seller's expense, shall prepare, or cause to be prepared by Seller and reviewed by Buyer, and timely file, or cause to be timely filed by Seller, all Non-Income Tax Returns required to be filed for the Company for all Pre-Closing Tax Periods regardless of when they are to be filed, as elected and instructed by Buyer in its sole and absolute discretion. Buyer, at Company's expense, shall prepare or cause to be prepared and timely file or cause to be timely filed all Tax Returns required to be filed for the Company for a Straddle Period.

(d) Tax Pro-ration. To the extent permitted or required by Law or administrative practice, the taxable year of the Company shall be treated as closing on (and including) the Closing Date. In the case of any taxable period that includes but does not end on the Closing Date (each, a "***Straddle Period***"), (A) the amount of any sales or use Tax, value-added Tax, employment Tax, withholding Tax, and any Tax based on or measured by income, profits, or receipts, in each case, imposed upon or payable by or with respect to the Company for any Pre-Closing Straddle Period shall be determined based on an interim closing of the books of the Company as of the end of the Closing Date, and (B) the amount of any Taxes other than a sales or use Tax, value-added Tax, employment Tax, withholding Tax, or Tax based on or measured by income, profits, or receipts imposed upon or payable by or with respect to the Company for any Pre-Closing Straddle Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on and including the Closing Date and the denominator of which is the total number of days in such Straddle Period. Seller shall be responsible for such Taxes for the Pre-Closing Straddle Period and Buyer shall be responsible for such Taxes for the period beginning after the Closing Date.

(e) Tax Contest Provisions. Each of Buyer, on one hand, and the Seller, on the other hand, shall promptly notify the other in writing upon receipt (including receipt by Affiliates of Buyer or any Seller Party) of any written notice of any pending or threatened federal, state, local, or foreign proceeding that might reasonably be expected to affect the Tax liabilities of any Seller Party, or any Buyer Party (a "***Tax Proceeding***") with respect to any Pre-Closing Tax Period or any Straddle Period. With respect to a Tax Proceeding that pertains to an Income Tax Return for a Pre-Closing Tax Period, the Seller shall control such Tax Proceeding and shall employ counsel of its choice at the expense of the Seller; provided, however, (i) Buyer and its representatives shall be permitted, at Buyer's expense, to be present at, and participate in, any such Tax Proceeding at the expense of the Seller, and (ii) Seller shall not settle or otherwise resolve such Tax Proceeding without the consent of Buyer (such consent not to be unreasonably withheld, conditioned or delayed). With respect to a Tax Proceeding that pertains to a Pre-Closing Tax Period (other than with respect to an Income Tax Return) or Straddle Period, Buyer shall have the sole right to control any such Tax Proceeding, and to employ counsel of its choice; provided, however, the Seller and its representatives shall be permitted, at the Seller's expense, to be present at, and participate in, any such Tax Proceeding. Notwithstanding any provision of this Agreement to the contrary, to the extent that a provision of this Section 6.5(e) directly conflicts with any provision of Section 4, this Section 6.5(e) shall govern.

(f) Tax Cooperation. The Parties hereto shall cooperate, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns pursuant to Section 6.5(b) and Section 6.5(c) and any Tax Proceeding. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information that are reasonably relevant to any such Tax Proceeding and making employees reasonably available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Seller agrees to retain all material books and records with respect to Tax matters pertinent to the Company relating to Pre-Closing Tax Periods and Pre-Closing Straddle Periods until the expiration of the statute of limitations (and, to the extent notified by Buyer, any extensions thereof) applicable thereto and to abide by all record retention agreements entered into with any taxing authority. Further, the Seller agrees to give Buyer reasonable written notice prior to transferring, destroying, or discarding any such books and records and, upon the reasonable request of Buyer, shall allow Buyer (at the sole cost and expense of Buyer) to make copies of such books and records.

(g) Tax Sharing Agreements. All Tax-sharing agreements or similar agreements with respect to or involving the Company shall be terminated as of the Closing Date, and, after the Closing Date, the Company shall not be bound thereby or have any liability thereunder.

6.6. Insurance Matters. Prior to or on the Closing Date, the Seller, as a Closing Indebtedness, shall cause the Company, at the Company's expense, to obtain "tail" insurance (the "***Tail Policies***") for each of its professional liability insurance coverages (the "***Subject Policies***") to insure the Company against Liabilities relating to all periods prior to the Closing. Such Tail Policies shall (a) have coverage levels equal to the Subject Policies insuring the Company immediately prior to the Closing, (b) be for the longest tail period offered by the Company's insurers, and (c) name Buyer as an additional insured.

7. TERMINATION

7.1. Termination by Agreement. This Agreement may be terminated at any time by the mutual written agreement of Seller and Buyer.

7.2. Termination Upon Notice. This Agreement may be terminated, without liability to any Party, by written notice to such other Parties, in accordance with the following:

(a) By Buyer, at any time prior to the Closing as a result of (A) any fraud or material misrepresentation by Seller; (B) the discovery of a Material Adverse Effect as to Seller, the Company or the Company's assets and equity interests that in Buyer's reasonable discretion cannot be adequately cured or corrected; (C) Buyer not being satisfied with its Due Diligence review during the Interim Period; or (D) a material breach of this Agreement by Seller which is not or cannot be remedied by Seller to the reasonable satisfaction of Buyer within sixty (60) days of receipt by Seller from Buyer of notice thereof describing such breach in reasonable detail;

(b) By Buyer, in the event of the filing by Seller of a voluntary petition in bankruptcy or for reorganization under any bankruptcy Law, or a petition for the appointment of a receiver for all or any substantial portion of the property of any such Party, or any voluntary or involuntary steps to dissolve or suspend the corporate powers of any such Party unless such steps to dissolve or suspend are promptly removed;

(c) By Buyer upon the issuance of a final non-appealable decision denying AHCA Approval;

(d) By Buyer if the Closing Conditions set forth at Section 1.6(a), and the covenants at Section 1.7 have not been satisfied to Buyer's satisfaction, and/or if material third party consents, approvals, notices and filings required from third parties relating to this Agreement or the Transaction Documents or any of the other transactions contemplated hereby have not been obtained;

(e) By Seller Parties, at any time prior to the Closing as a result of (A) any fraud or material misrepresentation by Buyer; (B) a material breach of this Agreement by Buyer which is not or cannot be remedied by Buyer to the reasonable satisfaction of Seller Parties within sixty (60) days of receipt by Buyer from Seller Parties of notice thereof describing such breach in reasonable detail, (C) Buyer unilaterally, without prior written agreement of Seller, reduces the purchase price of [***], which consists of the Cash Consideration and Rollover Equity Value, or (D) Seller, in his reasonable discretion, does not approve the terms of the Operating Agreement; or

(f) By Seller Parties, in the event of the filing by Buyer of a voluntary petition in bankruptcy or for reorganization under any bankruptcy Law, or a petition for the appointment of a receiver for all or any substantial portion of the property of any such Party, or any voluntary or involuntary steps to dissolve or suspend the corporate powers of any such Party unless such steps to dissolve or suspend are promptly removed.

7.3. Effects of Termination. In the event of the termination of this Agreement pursuant to Section 7 hereof, written notice thereof shall forthwith be given by the terminating Party to the non-terminating Party, and this Agreement shall terminate and the contemplated transactions shall be abandoned without further action by any Party. If this Agreement is terminated pursuant to Section 7 hereof:

(a) each Party shall redeliver all documents, work papers and other materials of the other Parties relating to the contemplated transactions, whether obtained before or after the execution hereof, to the Party furnishing the same or, upon prior written notice to such Party, shall destroy all such documents, work papers and other materials and deliver notice to the Party seeking destruction of such documents that such destruction has been completed, and all confidential information received by any Party with respect to the other Parties shall be treated in accordance with the terms of the Non-Disclosure and Confidentiality Agreement entered into among the Parties and Section 6.3 hereof; and

(b) there shall be no Liability hereunder on the part of the Parties or any of their respective directors, officers, employees, Affiliates, agents or Representatives, except that the Seller shall have liability to the Buyer if the basis of termination is a willful, material breach by Seller, of one or more of the provisions of this Agreement, and except that the obligations provided for in this Section 7.3, Section 6.3 and Section 8 hereof and in the Confidentiality Agreement shall survive any such termination.

8. MISCELLANEOUS

8.1. Expenses. Except as otherwise expressly provided in this Agreement, all fees and expenses incurred by the Seller Parties, including, without limitation, legal fees and expenses, in connection with this Agreement and the transactions contemplated hereby will be borne by the Seller Parties and all fees and expenses incurred by Buyer, including, without limitation, legal fees and expenses in connection with this Agreement and the transactions contemplated hereby will be borne by Buyer.

8.2. Parties in Interest; No Third-Party Beneficiaries. All the terms and provisions of this Agreement shall be binding upon, shall inure solely to the benefit of and shall be enforceable by the respective heirs, successors, assigns and legal or personal representatives of the Parties hereto. Except as otherwise specifically contemplated herein, including the Buyer Indemnitees and Seller Indemnitees pursuant to Section 4, this Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever.

8.3. Waiver. At any time, the Parties hereto may, pursuant to an instrument in writing executed and delivered by Buyer and Seller (a) extend the time for, or waive in whole or in part, the performance of any obligation under this Agreement, (b) waive any inaccuracy in any representation or warranty contained in this Agreement or (c) waive any compliance with any covenant or agreement contained in this Agreement. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any breach of any covenant or agreement hereunder shall be deemed a waiver of a preceding or subsequent breach of the same or any other covenant or agreement.

8.4. Assignment. No Party hereto is permitted to assign its rights, or delegate its obligations, under this Agreement without the prior written consent of Buyer and Seller, and any attempted assignment without such consent shall be void, except that Buyer may (i) assign any or all of its rights, and delegate any or all of its obligations, under this Agreement to any purchaser of all or substantially all of the assets of Buyer, (ii) assign any or all of its rights under this Agreement to any lender to Buyer or any of its Affiliates as security for indebtedness to such lender and (iii) assign any or all of its rights, and delegate any or all of its obligations, under this Agreement to one or more of its Affiliates, provided that Buyer shall remain liable for the full and timely performance of all of Buyer's obligations hereunder following any assignment.

8.5. Entire Agreement; Amendment; Severability. This Agreement, including the Annexes, Exhibits and Schedules (which form an integral part hereof and are incorporated herein by reference), and the Transaction Documents contain the entire understanding of the Parties hereto with respect to the subject matter contained herein and therein. This Agreement and the Transaction Documents supersede all prior agreements and understandings, whether written or oral, between the Parties hereto with respect to the subject matter contained herein and therein. This Agreement may not be amended, or any term or condition waived, except pursuant to an instrument in writing executed and delivered by Buyer and Seller. The invalidity of any term or terms of this Agreement shall not affect any other term of this Agreement, which shall remain in full force and effect.

8.6. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered (postage prepaid, return receipt requested, by nationally recognized overnight courier service or by electronic transmission) to the addresses set forth on the signature page hereto (with copy to, in respect of Buyer and Parent, to Epstein, Becker and Green, P.C., One Gateway Center, Newark, NJ 07102, Attention: Lisa Gora, and in respect of Seller, [●] or to such other address as any Party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

8.7. Section and Other Headings; Construction. The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the context requires. The language used in the Agreement shall be construed, in all cases, according to its fair meaning, and not for or against any Party. The Parties hereto acknowledge that each Party has reviewed this Agreement and that rules of construction to the effect that any ambiguities are to be resolved against the drafting party will not be available in the interpretation of this Agreement.

8.8. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by PDF, facsimile or other electronic imaging means shall be effective as an original.

8.9. Applicable Law; Submission to Jurisdiction; Waiver of Jury Trial; Specific Performance.

(a) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to its conflict of laws rules.

(b) SUBJECT TO THE PROVISIONS OF SECTION 1.2(d) AND SECTION 6.5(c) (WHICH SHALL GOVERN ANY DISPUTE THEREUNDER BUT THE PROCEDURAL COVENANTS CONTAINED THEREIN OR RESOLUTION THEREOF MAY BE ENFORCED PURSUANT TO THIS SECTION 8.9(b)), ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY SHALL BE BROUGHT EXCLUSIVELY IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE, OR, IN THE EVENT THAT THE CHANCERY COURT DECLINES TO ACCEPT JURISDICTION OVER A PARTICULAR MATTER, ANY STATE OR FEDERAL COURT LOCATED WITHIN THE STATE OF DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT.

(c) EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

(d) The Parties hereto agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the Parties hereto do not perform their obligations under the provisions of this Agreement in accordance with its specified terms or otherwise breach such provisions. The Parties hereto acknowledge and agree that (i) the Parties hereto shall be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, and (ii) the right of specific enforcement is an integral part of the transactions contemplated by this Agreement and without that right, the Parties hereto would not have entered into this Agreement. The Parties hereto agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to law or inequitable for any reason, and not to assert that a remedy of monetary damages would provide an adequate remedy or that the Parties hereto otherwise have an adequate remedy at law. The Parties hereto acknowledge and agree that any Party hereto seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 8.9 shall not be required to provide any bond or other security in connection with any such order or injunction.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Membership Interest Purchase and Contribution Agreement as of the date first above written.

BUYER:

HTX MANAGEMENT COMPANY, LLC

By: _____
Name:Jonathan Javitt
Title: Co-CEO
Address:

_____
_____
_____

PARENT:

HOPE THERAPEUTICS, INC.

By: _____
Name:Jonathan Javitt
Title: Co-CEO
Address:

_____
_____
_____

DURAND:

_____
Stephen Durand, CRNA, APRN
Address:

_____
_____
_____

COMPANY:

DURA MEDICAL, LLC

_____
By: Stephen Durand, CRNA, APRN
Its: Sole Member
Address:

_____
_____
_____

ANNEX A

Definitions

As used in this Agreement, the following terms shall have the meanings set forth below:

"***Accounting Principles***" has the meaning as set forth in the Section 1.2(b).

"***Adjustment Amount***" has the meaning as set forth in the Section 1.2(e).

"***Adjustment Escrow Amount***" means [***].

"***Affiliate***" means any entity that is directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, "control" of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise and, in any event and without limitation of the previous sentence, any Person owning more than fifty percent (50%) or more of the voting securities of another Person shall be deemed to control that Person.

"***Agreement***" has the meaning set forth in the recitals.

"***AHCA***" has the meaning set forth in the preamble.

"***AHCA Application***" has the meaning as set forth in Section 1.6(a).

"***AHCA Approval***" has the meaning as set forth in Section 1.6(a).

"***Allocable Consideration***" has the meaning set forth in the Section 6.5(a).

"***Allocation Methodology***" has the meaning set forth in the Section 6.5(a).

"***Allocation Schedule***" has the meaning set forth in the Section 6.5(a).

"***Base Balance Sheet***" has the meaning set forth in the Section 2.4(a).

"***Balance Sheet Date***" has the meaning set forth in the Section 2.4(b).

"***Benefit Plan***" has the meaning set forth in the Section 2.12(a).

"***Business***" has the meaning set forth in the recitals.

"**Buye*r Indemnitees***" has the meaning set forth in the Section 4.1.

"***Buyer Party***" has the meaning set forth in the preamble.

"***Buyer Parties***" has the meaning set forth in the preamble.

"***Business Systems***" means all information technology and computer systems and networks (including computer software, websites, servers, systems, interfaces, networks, platforms, peripherals, devices, information technology and telecommunication hardware and other equipment) that relate to the transmission, storage, maintenance, organization, presentation, protection, generation, processing or analysis of data and information, including Company Data (whether or not in electronic format), and that are owned, leased or otherwise used by or for the benefit of the Company.

"***Cash***" means, as of the time of determination, all cash, cash equivalents, securities, liquid instruments and cash security deposits, plus any deposits in transit but not yet credited, excluding (a) any cash held in escrow, trust, deposited with a third party or otherwise restricted in use or access, including any cash held on behalf of any employee of the Company, and (b) the face amount of any checks written and not yet cleared or pending electronic transfers not yet credited, determined in accordance with the Accounting Principles; provided, however that "Cash" will be reduced to the extent that any cash of the Company is used or transferred on the Closing Date (i) to pay any dividends, distributions or other amounts to Durand, (ii) to pay any Indebtedness, Indebtedness-Like Items or Liabilities that would have constituted Indebtedness or Indebtedness-Like items had such Liabilities not been paid prior to the Closing, (iii) to pay any Transaction Expenses or (iv) otherwise to pay for items outside of the Ordinary Course of Business.

"***Cash Consideration***" has the meaning set forth in the Section 1.1(a).

"***Contingent Consideration Payment Amount***" has the meaning set forth in Section 1.3(a).

"***Claim Notice***" has the meaning set forth in the Section 4.3.

"***Clinic***" has the meaning set forth in the preamble.

"***Closing***" has the meaning set forth in the Section 1.5.

"***Closing Balance Sheet***" has the meaning set forth in the Section 1.2(a).

"***Closing Cash***" means the aggregate amount of all Cash of the Company as of the Closing Date.

"***Closing Date***" has the meaning set forth in the Section 1.5.

"***Closing Date Payment***" has the meaning set forth in the Section 1.1(c)(i).

"***Closing Indebtedness***" means the Indebtedness and Indebtedness-Like Items as of the Closing.

"***Closing Releasor***" has the meaning as set forth in Section 6.2.

"***Closing Statement***" has the meaning set forth in the Section 1.2(c).

"***CMS***" means the Centers for Medicare and Medicaid Services.

"***Code***" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"***Company***" has the meaning set forth in the preamble.

"***Company Data***" means, individually or collectively, (a) Confidential Information of the Company, (b) Personal Information or (c) User Data.

"***Company IP***" has the meaning set forth in the Section 2.15.

"***Company's Knowledge***" means the knowledge of Durand. For purposes of this Agreement, any individual shall be deemed to have knowledge of a particular fact or other matter if (a) such individual is actually aware of such fact or other matter or (b) a prudent individual would be expected to discover or otherwise become aware of such fact or other matter after reasonable investigation.

"***Company Privacy Policy***" means each external or internal, past or present privacy policy of the Company, including any policy relating to: (i) the privacy of users of any Company Website; (ii) the collection, storage, disclosure, or transfer of any User Data or Personal Information; or (iii) the treatment of any employee information.

"***Company Website***" means any public or private website owned, maintained or operated at any time by or on behalf of the Company.

"***Competitor***" has the meaning as set forth in Section 5.1(i).

"***Conditions Precedent to Closing***" has the meaning set forth in the Section 1.6.

"***Confidential Information***" means all confidential and proprietary information, in any form or medium, that relates (A) to an individual or entity, including the business, products, financial position or condition, services or research or development of such person; or (B) to the respective suppliers and vendors, distributors, referral sources, customers, third-party payors, patients, independent contractors or other business relations of such person; provided, that Confidential Information shall not include any information: (x) in the public domain prior to the furnishing of such documents or information hereby through no fault of the furnishing party; or (y) later acquired by a Party from another source if, to the knowledge of such Party after reasonable inquiry, such source is not under an obligation to another party to keep such documents and information confidential.

"***Contingent Consideration EBITDA***" means the actual twelve-months EBITDA of the Company during the applicable Contingent Consideration Measurement Period.

"***Contingent Consideration EBITDA Baseline***" for the First Year shall mean the Contingent Consideration EBITDA of the Company for the twelve-month period immediately preceding September 30, 2024, and ending on September 30, 2024, with respect to the Second Year Contingent Consideration EBITDA Baseline and the Third Year Contingent Consideration EBITDA Baseline, these shall be based on formulas as determined by Buyer in its sole discretion, in consultation with Seller.

"***Contingent Consideration Objection***" has the meaning as set forth in Section 1.3(c).

"***Contingent Consideration Objection Deadline***" has the meaning as set forth in Section 1.3(c).

"***Contingent Consideration Payment***" has the meaning set forth in the Section 1.3(a)(i).

"***Contingent Consideration Payment Amount***" has the meaning set forth in the Section 1.3.

"***Contingent Consideration Measuring Period***" means, with respect to the First Contingent Consideration Payment, the twelve-month period beginning on the Closing Date and concluding on the one-year anniversary of the Closing Date; with respect to the Second Contingent Consideration Payment, the twelve-month period beginning on the one-year anniversary of the Closing Date and concluding on the two-year anniversary of the Closing Date; and with respect to the Third Contingent Consideration Payment, the twelve-month period beginning on the second-year anniversary of the Closing Date and concluding on the three -year anniversary of the Closing Date.

"***Contingent Consideration Statement***" has the meaning as set forth in Section 1.3(b).

"***Contracts***" means the current contracts and agreements in effect relating to the operation of the Company, including, without limitation, all agreements (including agreements between applicable licensed Professionals) with any Governmental Authority, Federal Healthcare Programs, Third Party Payor, referral sources, Third-Party Payors, accountable healthcare organizations, clinically integrated networks and other similar provider or payor networks, or healthcare provider or facility provided that "***Contracts***" shall exclude Benefit Plans.

"***Contributed Interests***" has the meaning set forth in the recitals.

"***Coronavirus Pandemic***" means as declared by the World Health Organization on March 11, 2020, the 2020 Coronavirus Pandemic caused by COVID-19.

"***Coronavirus Policies***" has the meaning set forth in the Section 2.4(a).

"***Coronavirus Relief Programs***" shall mean the Paycheck Protection Program (pursuant to the CARES Act), the CMS Accelerated and Advance Payment Program, the CARES Act Provider Relief Fund administered by the Department of Health and Human Services, or similar funds from federal, state and local Governmental Authority relief programs established in response to the Coronavirus Pandemic.

"***COVID-19 Control Measure***" means any pandemic, travel ban or restriction, quarantine, sequester, "shelter in place", "stay at home", social distancing, work restriction, business suspension, shut down or closure, resource allocation or similar Law, Order, policy, advice or recommendation by any Governmental Authority relating to COVID-19/the Coronavirus Pandemic.

"***COVID-19***" means severe acute respiratory syndrome coronavirus (SARS-CoV-2) also known as the novel coronavirus, and the disease caused thereby, COVID-19.

"***Current Assets***" means the aggregate amount, as of 12:01 a.m. Eastern Time on the Closing Date, of the current assets of the Company (other than any cash and cash equivalents and assets relating to Taxes), determined in accordance with the [Accounting Principles].

"***Current Liabilities***" means the aggregate amount, as of 12:01 a.m. Easter Time on the Closing Date, of the current Liabilities of the Company (other than any Indebtedness, Indebtedness-Like Items and Transaction Expenses), determined in accordance with the [Accounting Principles].

"***Data Breach***" means (a) any loss of, damage to, or unauthorized access to, acquisition of, use of or disclosure of, any Company Data, (b) any damage to, or unauthorized access to or use of, any Business Systems, (c) any other security incident involving Company Data or Business Systems, or (d) a business email compromise incident or similar incident involving a transfer of funds to an unauthorized party.

"***Data Protection Policies***" means all policies and procedures regarding data security, privacy, data transfer or the use of Company Data, including all Company Privacy Policies.

"***Disclosure Schedules***" has the meaning as set forth in Section 1.7(a).

"***Durand***" has the meaning set forth in the preamble.

"***Data Room***" has the meaning set forth in Section 2.13(b).

"***Effective Date***" has the meaning set forth in the preamble.

"***Environmental Claim***" means any claim, action, cause of action or written notice alleging potential liability arising out of or resulting from circumstances forming the basis of any violation of any Environmental Law.

"***Environmental Law***" means applicable federal, state or local Laws relating to pollution or protection of the environment, public health or worker safety or health or the release or threatened release of Hazardous Materials or otherwise relating to the presence, use, storage, generation, handling, production, transportation, treatment, disposal, distribution, labeling, testing, processing, discharge, control or clean-up of any Hazardous Materials.

"***Equity Interests***" has the meaning as set forth in Section 2.2(a).

"***ERISA***" has the meaning set forth in the Section 2.12(b).

"***ERISA Affiliates***" has the meaning set forth in the Section 2.12(b).

"***Escrow Agent***" means [●][8].

"***Escrow Agreement***" means the Escrow Agreement in a form reasonably satisfactory to Buyer, Seller and the Escrow Agent.

"***Escrow Amount***" has the meaning as defined in Section 1.1(c)(i).

"***Estimated Closing Cash***" has the meaning set forth in the Section 1.2(a).

"***Estimated Closing Indebtedness***" has the meaning set forth in the Section 1.2(a).

"***Estimated Net Working Capital Adjustment***" has the meaning set forth in the Section 1.2(a).

"***Estimated Transaction Expenses***" has the meaning set forth in the Section 1.2(a).

"***FDA***" means the United States Food and Drug Administration.

"***Federal Healthcare Program***" has the meaning set forth in 42 U.S.C. § 1320a-7b(f), including Medicare, state Medicaid programs, state CHIP programs, TRICARE and similar or successor programs with or for the benefit of any Governmental Authority.

"***First Year Final Contingency Consideration EBITDA***" means the actual EBITDA (as determined by Buyer) of the Company during the twelve-month period beginning on the Closing Date and concluding on the one-year anniversary of the Closing Date, unless Seller's employment with the Buyer is terminated with Good Reason by Seller or without Cause by the Buyer (as such terms are defined in Seller's Director Employment Agreement with Buyer), in which case this calculation shall begin on the Closing Date and concludes on the Seller's effective date of resignation or termination, as applicable, and is subject to the calculation adjustment set forth at Section 1.3(a)(ii)(1)(d) - (e).

"***First Year Contingent Consideration EBITDA Baseline***" means the EBITDA of the Company for the twelve-month period immediately preceding September 30, 2024, and ending on September 30, 2024.

[8] NTD: To be determined by Buyer

"***First Year Contingency Consideration EBITDA Target***" means First Year Contingent Consideration EBITDA Baseline, plus [***].

"***First Year Maximum Contingency Consideration Payment***" means payment of an amount equal to a value of [***], payable per the terms of Section 1.3(e).

"***First Year Contingency Consideration Payment***" means consideration equal to a value of **up to** [***], based on a combination of cash and the issuance of Class A Units in the Buyer, subject to Section 1.3(e), which payment, if any, is subject to a minimum of zero and a maximum of [***].

"***Final Contingent Consideration EBITDA***" means, the Final Contingency Consideration EBITDA as applicable to each respective Contingent Consideration Measuring Period, i.e., the First Year Final Contingency Consideration EBITDA, the Second Year Final Contingency Consideration EBITDA, and the Third Year Final Contingency Consideration EBITDA.

"***Financial Statements***" has the meaning set forth in the Section 2.4(a).

"***Flow of Funds Spreadsheet***" means the Flow of Funds Spreadsheet attached hereto as Annex F.

"***Fort Myers Office***" has the meaning set forth in the recitals.

"***GAAP***" means generally accepted accounting principles in the United States of America, as amended from time to time, applied consistently.

"***Governmental Authority***" means any United States or foreign federal, state, provincial, regional, local, or municipal legislative, executive, or judicial department, commission, board bureau, agency, office, tribunal, court, or other instrumentality, governmental or quasi-governmental.

"***Hazardous Materials***" means all pollutants, petroleum or any fraction thereof, contaminants or toxic or hazardous substances, wastes or materials (including toxic mold or asbestos).

"***Health Information Privacy Laws***" means HIPAA, 42 C.F.R Part 2, the Genetic Information Nondiscrimination Act of 2008 ("***GINA***"), and any others Laws relating to (a) access, collection, use, storage, sharing, distribution, transfer, disclosure, destruction, disposal or other processing of Protected Health Information (as defined by HIPAA), health information, medical information, substance use disorder patient identifying information, health insurance information, or other types of information similar to the foregoing or (b) privacy, confidentiality, availability, integrity, security, data protection or security breach notification requirements with respect to such information and applicable to and legally binding upon the Company.

"***Healthcare Laws***" means any and all Laws of any Governmental Authority pertaining to healthcare regulatory matters applicable to the Company or Healthcare Professional or to payment for any items or services rendered, provided, or furnished by either the Company or Healthcare Professional and/or through the Business, including but not limited to the following: (a) 42 U.S.C. § 1320a-7b and the regulations promulgated thereunder (the "***Anti-Kickback Law***"); (b) 42 U.S.C. § 1395nn and the regulations promulgated thereunder (the "***Stark Law***"); (c) state anti-kickback and physician self-referral laws, (d) HIPAA; (e) the Civil and Criminal False Claims Acts, 31 U.S.C. §§ 3729–3733 et seq. (collectively, the "***False Claims Act***"), the Federal Criminal False Claims Act (18 U.S.C. § 287), the False Statements Relating to Health Care Matters law (18 U.S.C. § 1035), or any regulations promulgated pursuant to such statutes, or similar state or local statutes or regulations; (f) Laws pertaining to any Federal Healthcare Program; (g) 21 U.S.C. § 301 et. seq. (the "***Federal Food, Drug, and Cosmetic Act***") and any other Law regulating controlled substances, pharmaceuticals or drugs; (h) quality, safety certification, and applicable accreditation requirements; (i) the billing, coding, or submission of claims or collection of accounts receivable or refund of overpayments; (j) Information Laws; (k) any other Law or regulation of any Governmental Authority regulating kickbacks, claims processing, medical record documentation requirements, advertising, marketing, promotional activities, the hiring of employees, or acquisition of services or products from those who have been excluded from Federal Healthcare Programs, licensure, accreditation, or any other aspect of the provision of healthcare products and services; (l) any and all legally binding statutes, rules, regulations, position statements, guidance, coverage determinations, and declaratory statements issued by any Governmental Authority; (m) the Civil Money Penalty Provisions, 42 U.S.C. § 1320a-7a; (n) the Health Care Fraud Statute, 18 U.S.C. § 1347; (o) the Permits and any applicable requirements and Laws related to maintaining such Permits; (p) fee-splitting and the corporate practice of medicine restrictions; and (q) each of (a) through (p) as amended from time to time.

"***Healthcare Professional***" means any physician, physician assistant, nurse practitioner, nurse, advanced practice registered nurse, certified registered nurse anesthetist, technician, licensed clinical social work, licensed marriage and family therapist, licensed professional counselor and other individual who holds or is required to hold a Permit from any board or other Governmental Authority relating to the provision of professional services employed or engaged by the Company.

"***HIPAA***" means, collectively, the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, the privacy standards adopted by the United States Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160 and 164, subparts A and E, the security standards adopted by the United States Department of Health and Human Services, as they may be amended from time to time, 45 C.F.R. parts 160, 162, and 164, subpart C and D, as amended by the Health Information Technology for Economic and Clinical Health Act, Division A, Title XIII of Pub. L. 111-5, as codified at 42 U.S.C. Sections 1320d through d-9, and its implementing regulations, and any other applicable Laws of any Governmental Authority regulating, governing or relating to the privacy and/or security of patient protected health information or personally identifiable information, including the Gramm-Leach-Bliley Act, state health information privacy and security Laws, state Data Breach notification Laws, and state consumer protection Laws.

"***HIPAA Policies and Procedures***" has the meaning set forth in Section 2.10(d).

"***Income Tax***" means any federal, state, local or foreign Tax measured or imposed on net income, including any interest, penalty, or addition thereto, whether disputed or not.

"***Income Tax Return***" means any Tax Return relating to Income Taxes, including any schedule or attachment thereto.

"***Indebtedness***" means all obligations or other Liabilities of the Company, without duplication: (a) for borrowed money (whether or not evidenced by bonds, debentures, notes or other similar instruments or debt securities), (b) in respect of letters of credit, bankers' acceptances or other similar instruments or reimbursement obligations with respect thereto, (c) to pay the deferred purchase price of any asset, property or right, other than trade accounts payable to third parties in connection with the Company that remain unpaid and are not delinquent as of the Closing Date and that arose in the Ordinary Course of Business consistent with past practice, but including earn-outs, payments under non-compete agreements and seller notes, (d) under leases that are characterized as capital leases in accordance with GAAP, (e) under an interest rate, currency or other swap, cap, floor or collar agreement, hedge agreement, forward contract or other similar instrument or agreement or foreign currency hedge, exchange, purchase or similar instrument or agreement (including any termination or breakage fees), (f) created or arising under any conditional sale or other title retention agreement, (g) secured by Liens on the property of the Company, (h) guaranteed, directly or indirectly, by the Company, (i) under any mortgage, deed of trust, indenture, security agreement or other agreement securing any of the foregoing obligations, (j) the amount of any past due (as determined per the terms of the applicable invoices) balances with respect to any accounts payable of the Company, (k) any refunds or other amounts owed by the Company to any patients, Federal Healthcare Program or Third Party Payors of the Company for periods prior to the Closing or related to deposits received by the Company prior to the Closing for services to be performed following the Closing, (l) obligations for any payments received in connection with the Coronavirus Aid, Relief, and Economic Security Act (the "***CARES Act***"), including any amounts that have not been repaid or forgiven under the SBA Paycheck Protection Loans, any amounts that have not been repaid from participation in the CMS Accelerated and Advance Payment Program, and any amounts required to be repaid or returned under the PRF Payments, (m) obligations for any deferred compensation or rental payment, (n) for any unpaid Income Taxes for any Pre-Closing Tax Period or Pre-Closing Straddle Period (not otherwise taken into account directly by Seller on a Tax Return of Seller), and (o) all principal, interest, premiums, penalties, breakage fees, costs and expenses, whether accrued or otherwise, with respect to obligations or other Liabilities of the types described in clauses (a) through (n) above.

"***Indebtedness-Like Items***" means, without duplication, (a) the aggregate amount, as of immediately prior to the Closing, of all credits, refunds and overpayments owed by the Company to patients or Payors, (b) any payroll or other employment Taxes deferred by the Company under any Coronavirus Relief Programs, (c) amounts attributable to construction projects for the Company that are in process for any of the Company office locations as of the Closing, and (d) any cost of Tail Policies obtained for a Healthcare Professional prior to, or as of, the Closing.

"***Indemnity Escrow Amount***" means [***].

"***Independent Expert***" means [***]

"***Information Laws***" means all applicable Laws concerning the collection, use, disclosure, transfer, storage, protection, maintenance, transmission, encryption, access to or privacy or security of, Personal Information, including, where applicable, HIPAA, the Gramm-Leach-Bliley Act, state data/systems breach notification Laws, state Social Security number protection Laws, the Federal Trade Commission Act, state health information privacy and security Laws, state consumer protection Laws, and Laws relating to marketing to, communicating with or collecting payments from natural persons.

"***Intellectual Property***" means all domestic and foreign intellectual property and proprietary rights, including all (i) patents, patent applications and statutory invention registrations, (ii) trademarks, service marks, domain names, social media identifiers, handles, tags, trade dress, design rights, logos, trade names, corporate names and other identifiers of source or goodwill, including registrations and applications for registration thereof and including the goodwill of the business symbolized thereby or associated therewith, (iii) copyrights, and copyrightable works and works of authorship, including copyrights in computer software, promotional materials and any websites, and registrations and applications for registration thereof, (iv) Confidential Information and (v) the right to sue and collect damages for past infringements or dilution with respect to any of the foregoing.

"***Intended Tax Treatment***" has the meaning set forth in the Section 6.5(a).

"***Interim Period***" has the meaning as set forth in Section 1.7.

"***Judgment***" means any judgment, order, writ, injunction, ruling, decision, award, or decree of a Governmental Authority.

"***Key Employee***" means all employee and independent contractors of the Company employed or engaged by the Company as of the Effective Date and employed or engaged prior to the Closing, as selected and determined in Buyer's sole and absolute discretion.

"***Laws***" has the meaning set forth in the Section 2.9.

"***Lease***" has the meaning set forth in Section 2.14.

"***Leased Real Property***" has the meaning set forth in Section 2.14.

"***Liabilities***" means any debt, claim, obligation or liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether matured or unmatured, whether liquidated or unliquidated and whether due or to become due), including those arising under any Law or Contract and including any liability for Taxes.

"***Lien***" means any security interest, pledge, bailment, mortgage, hypothecation, deed of trust, conditional sales and title retention agreement (including any lease in the nature thereof), charge, restriction, right of first refusal, encumbrance or other similar arrangement or interest in real or personal property, whether now or hereafter owned, operated or leased.

"***Losses***" means all Liabilities, losses, costs, damages, Taxes, claim, demand, action, causes of action, deficiency, fine, penalties or expense, whether or not arising out of Third Party Claims (including interest, penalties, reasonable attorneys' fees and expenses and reasonable amounts paid in investigation, litigation, defense or settlement of any of the foregoing); provided, however, that, in each case except in connection with fraud or damages associated with a Third Party laims or as required to be paid to a third party, "Losses" shall not include any punitive, consequential, or special damages.

"***Material Adverse Effect***" means, with respect to the Company, its assets, and equity interests, any effect, event, occurrence, development, or change (each, an "***Effect***") that, when considered individually or in the aggregate with all other such Effects, has had or would reasonably be expected to have a material adverse effect on (A) the business, assets, liabilities, properties, operations or results of operations, or condition (financial or otherwise) of Company, individually or in the aggregate, or (B) the ability of Company to consummate timely the transactions contemplated under this Agreement; provided, however, a Material Adverse Effect shall not include any Effect (in each case, that does not affect the Company disproportionately to the rest of the industry in which the Company operates) caused by (a) terrorism or war (whether or not declared), (b) general market, political or economic conditions, (c) conditions generally affecting the industries in which the Company operates, (d) financial, banking or securities markets in general, including any disruption thereof, (e) any change in Laws or GAAP or interpretations thereof that apply to the Company's business, including the adoption of any new Law, or (f) any epidemics, pandemics, disease outbreaks, or other public health emergencies, including the COVID-19 Pandemic. Notwithstanding the foregoing, the effect of any event, occurrence, fact, condition or change referred to in clauses (d) or (e) above shall be taken into account in determining whether a Material Adverse Effect exists or could reasonably be expected to exist to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on Company compared to other participants in the industries in which Company conducts business.

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9 During due diligence, to determine whether new employment agreements/contractor agreements, or appropriate amendments of such agreements, will be entered into in connection with the Closing. Each clinical professional provider of the Company is to be identified as a Key Employee, unless otherwise determined during due diligence

"***Maximum Contingent Consideration Payment Amount***" means [***].

"***Membership Units***" has the meaning set forth in the recitals.

"***Naples Office***" has the meaning set forth in the recitals.

"***Net Working Capital***" means an amount (which may be negative, positive, or zero) without duplication, equal to the Current Assets of the Company, less the Current Liabilities of the Company, in each case, in accordance with GAAP.

"***Net Working Capital Adjustment***" means an amount (which may be negative, positive, or zero) equal to (i) in the event Non-Cash Net Working Capital exceeds Target Non-Cash Net Working Capital, the amount of such excess; (ii) in the event Target Non-Cash Net Working Capital exceeds Non-Cash Net Working Capital, the amount of such excess (expressed as a negative number); and (iii) $0.00, in the event neither of the foregoing clauses (i) or (ii) is applicable.

"***Net Revenue***" means total collections of the Company, less refunds and credits, all as calculated in accordance with GAAP.

"***Non-Cash Net Working Capita***l" is equal to Current Assets of the Company, less the Current Liabilities of the Company, less the Cash.

"***Non-Compete Restricted Parties***" has the meaning as set forth in Section 5.1(i).

"***Non-Income Tax Return***" means any Tax Return relating solely to Taxes other than Income Taxes and, for the avoidance of doubt, shall not mean or include any Income Tax Return.

"***Non-Solicit Restricted Period***" has the meaning as set forth in Section 5.1(ii).

"***Notice of Objection***" has the meaning as set forth in Section 1.2(c).

"***Objection Period***" has the meaning as set forth in Section 1.2(c).

"***OIG***" means the Office of Inspector General of the U.S. Department of Health and Human Services.

"***Ordinary Course of Business***" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency); provided, that in no event will any act or omission of any Relevant Entity in response to COVID-19 or COVID-19 Control Measures be considered ordinary course of business consistent with past custom and practice.

"***Operating Agreement***" means the Amended and Restated Limited Liability Company Operating Agreement of Buyer, dated as of [●], as may be amended.

"***Parent***" has the meaning set forth in the preamble.

"***Party***" has the meaning set forth in the preamble.

"***Parties***" has the meaning set forth in the preamble.

"***Payor Agreements***" has the meaning set forth in Section 2.13(b).

"***Permit***" means all licenses, permits, franchises, approvals, authorizations, accreditations, certificates, consents, identification numbers, exemptions, variances, or orders of, or filings with, any Governmental Authority that are necessary for the operation of Seller or the Business or for a Healthcare Professional to hold in order to render services on behalf of the Company.

"***Permitted Liens***" has the meaning set forth in Section 2.5.

"***Person***" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity or a Governmental Authority.

"***Personal Information***" means (a) "personally identifiable information," "personal information" or "protected health information," as such terms, or similar terms in purpose or effect, may be defined under any Laws relating to data use, transfer, privacy or security, or (b) any other information that, whether on its own or together with any other information, relates to or could be used to identify, contact or locate any individual, or any computer or other device used by such individual, and that is protected under any Laws relating to data use, transfer, privacy or security.

"***PPP Loan***" means that certain Paycheck Protection Program loan as disclosed on the Disclosure Schedules.

"***PRF Payments***" has the meaning set forth in the Section 2.19(e).

"***Pre-Closing Certificate***" has the meaning set forth in the Section 1.2(a).

"***Pre-Closing Straddle Period***" means the portion of a Straddle Period that ends on and including the Closing Date.

"***Pre-Closing Tax Period***" means any taxable period that ends on or before the Closing Date.

"***Premises***" has the meaning set forth in the recitals.

"***Privacy and Security Requirements***" means (a) all applicable Information Laws, (b) all Contracts to which the Company is a party or otherwise bound relating to the use, transfer, privacy or security of Company Data, Business Systems or financial transactions, (c) all applicable industry security standards (including, to the extent applicable, the Payment Card Industry Data Security Standard, as amended from time to time) relating to the security or integrity of Company Data, Business Systems or financial transactions, and (d) the Data Protection Policies.

"***Provider Relief Funds***" means any payments requested, applied for, or received, or proceeds of such payments used, prior to the Closing Date that are intended to compensate the Company or Healthcare Professionals for costs incurred or revenue lost as a result of the COVID-19 response, including without limitation where such payments are derived from programs established or funded, directly or indirectly, by or through the CARES Act, including but not limited to payments requested, applied for, or received, or proceeds of such payments used, through the Public Health and Social Services Emergency Fund ("***PHSSEF***") and through state and local programs funded through federal appropriations under the Coronavirus Relief Fund defined under the CARES Act Title V Section 601, the CMS Accelerated and Advance Payment Program, the Coronavirus Preparedness and Response Supplemental Appropriations Act (P.L. 116-123), the Families First Coronavirus Response Act (P.L. 116-127), the Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139), and any other federal legislation making appropriations for the COVID-19 response and related activities and any other payments requested, applied for, or received, or proceeds of such payments used, through programs funded directly or indirectly by other federal agencies, including, but not limited to, FEMA, or state and local agencies, including but not limited to the state Medicaid program, or through subsequent Congressional appropriations.

"***Purchased Interests***" has the meaning set forth in the recitals.

"***Purchase Price***" has the meaning set forth in the Section 1.1(a).

"***Seller Indemnitor***" has the meaning set forth in the Section 4.1.

"***Releasors***" has the meaning as set forth in Section 1.8.

"***Released Parties***" has the meaning as set forth in Section 1.8.

"***Released Claims***" has the meaning as set forth in Section 1.8.

"***Resolution Period***" has the meaning set forth in Section 1.2(d)(j).

"***Restricted Area***" has the meaning as set forth in Section 5.1(i).

"***Restricted Party***" has the meaning as set forth in Section 5.1.

"***Restricted Parties***" has the meaning as set forth in Section 5.1.

"***Restricted Periods***" has the meaning as set forth in Section 5.1(ii).

"***Rollover Equity***" has the meaning set forth in the recitals.

"***Rollover Equity Value***" has the meaning set forth in Section 1.1(a).

"***Second Year Final Contingency Consideration EBITDA***" means the actual EBITDA (as determined by Buyer) of the Company during the twelve-month period beginning on the one-year anniversary of the Closing Date and concluding on the two-year anniversary of the Closing Date, unless Seller's employment with the Buyer is terminated with Good Reason by Seller or without Cause by the Buyer (as such terms are defined in Seller's Director Employment Agreement with Buyer), in which case this calculation shall begin on the one – year anniversary of the Closing Date and concludes on the Seller's effective date of resignation or termination, as applicable, and is subject to the calculation adjustment set forth at Section 1.3(a)(ii)(1)(d) - (e).

"***Second Year Contingent Consideration EBITDA Baseline***" means a formula and timeframe as determined by Buyer in its sole discretion, in consultation with Seller, after the Closing Date.

"***Second Year Contingency Consideration EBITDA Target***" means a formula as determined by Buyer in its sole discretion, in consultation with Seller, after the Closing Date.

"***Second Year Maximum Contingency Consideration Payment***" means payment of an amount equal to a value of [***], payable per the terms of Section 1.3(e).

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10 Formula to be determined by Buyer. Business principals have discussed that the earnings multiple/target for the 2nd year will be considered by HTX and discussed with Stephen Durand after the completion of the process of the First Year Contingent Consideration Payment.

"***Second Year Contingency Consideration Payment***" means consideration equal to a value of **up to** [***], based on a combination of cash and the issuance of Class A Units in the Buyer, subject to Section 1.3(e), which payment is capped at [***].

"***Securities Act***" means the Securities Act of 1933, as amended.

"***Seller***" has the meaning set forth in the preamble.

"***Seller Party***" has the meaning set forth in the preamble.

"***Seller Parties***" has the meaning set forth in the preamble.

"***Straddle Period***" has the meaning set forth in the Section 6.5(d).

"***Subject Policies***" has the meaning set forth in the Section 6.6.

"***Tail Policies***" has the meaning set forth in the Section 6.6.

"***Target Non-Cash Net Working Capital***" means [***].

"***Tax***" or "***Taxes***" means (a) any and all federal, state, county, local, municipal, foreign, and other taxes, fees, assessments, duties, or charges of any kind whatsoever, including all corporate franchise, income, sales, use, ad valorem, receipts, value added, profits, license, withholding, payroll, employment, excise, premium, property, customs, net worth, capital gains, transfer, stamp, documentary, social security, environmental, alternative minimum, occupation, recapture, and other taxes, and including obligations under applicable escheat or unclaimed property Laws, together with any interest, penalty, or additional amounts imposed with respect of the foregoing, whether disputed or not, (b) any liability for the payment of any amounts of the type described in clause (a) as a result of being a member of, or a successor of, an affiliated, combined, consolidated, or unitary group for any taxable period, and (c) any liability for the payment of any amounts of the type described in clause (a) or (b) as a result of being a transferee of or successor to any Person (whether by merger, conversion, or otherwise), or as a result of any legal or contractual obligation (express or implied) to pay such amounts to or on behalf of another Person or to indemnify any Person with respect to such amounts.

"***Tax Proceeding***" has the meaning set forth in the Section 6.5(e).

"***Tax Return***" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes filed with or required to be filed with any Governmental Authority, including any schedule or attachment thereto, and including any amendment thereof.

"***Third-Party Payors***" means any State or local healthcare payors, including those administered by the Florida Department of Health, county, local or municipal government, school, or school district, any health maintenance organization, preferred provider organization, other prepaid plan, or healthcare service plan, including Medicare, Medicaid, TRICARE, workers compensation and any other federal or state health care programs, as well as Blue Cross and/or Blue Shield, managed care plans, any other private insurance program or administered self-funded employer or union plans.

"***Transaction Expenses***" means (a) all unpaid fees, costs and expenses incurred by the Seller Parties in connection the negotiation, documentation and consummation of the transactions contemplated by this Agreement, including all fees, expenses, disbursements and other similar amounts paid to attorneys, financial advisors or accountants, (b) any closing or other transaction fees payable by the Seller Parties as a result of the transactions contemplated under this Agreement, including to any broker, finder or other professional advisors in connection with the transactions contemplated by this Agreement and (c) any payment in respect of severance, change of control payments, equity option payments, stay bonuses, retention bonuses, transaction bonuses, and other bonuses and similar Liabilities that is created, accelerated, accrues or becomes payable by the Company, including any Taxes of the Company (or any gross-up for Taxes of any Person) payable or triggered in respect of any such payment, whether pursuant to an individual agreement, a Company Plan or otherwise, and (b) any other payment, expense or fee that is created, accelerated, accrues or becomes payable by the Company to any Governmental Authority or other Person under any Law or Contract, including in connection with the making of any filings, the giving of any notices or the obtaining of any consents, authorizations or approvals, in the case of each of (a) and (b), as a result of, or in connection with the execution and delivery of this Agreement or any Transaction Document or the consummation of the transaction contemplated hereby.

"***Transfer Tax***" has the meaning set forth in the Section 6.5(b).

"***Third Year Final Contingency Consideration EBITDA***" means the actual EBITDA (as determined by Buyer) of the Company during the twelve-month period beginning on the second-year anniversary of the Closing Date and concluding on the three -year anniversary of the Closing Date, unless Seller's employment with the Buyer is terminated with Good Reason by Seller or without Cause by the Buyer (as such terms are defined in Seller's Director Employment Agreement with Buyer), in which case this calculation shall begin on the second– year anniversary of the Closing Date and concludes on the Seller's effective date of resignation or termination, as applicable, and is subject to the calculation adjustment set forth at Section 1.3(a)(ii)(1)(d) - (e).

"***Third Year Contingent Consideration EBITDA Baseline***" means a formula and timeframe as determined by Buyer in its sole discretion, in consultation with Seller, after the Closing Date.

"***Third Year Contingency Consideration EBITDA Target***" means a formula as determined by Buyer in its sole discretion, in consultation with Seller, after the Closing Date.

"***Third Year Maximum Contingency Consideration Payment***" means payment of an amount equal to a value [***], payable as set forth at Section 1.3(e).

"***Third Year Contingency Consideration Payment***" means consideration equal to a value of **up to** [***], based on a combination of cash and the issuance of Class A Units in the Buyer, subject to Section 1.3(e), which payment is capped at [***].

"***Third-Party Claim***" has the meaning set forth in the Section 4.4.

"***Transaction Documents***" has the meaning as set forth in Section 1.4.

"***Treasury Regulations***" means the Treasury Regulations promulgated under the Code, as such Treasury Regulations may be amended and in effect from time to time.

"***User Data***" means any data or information collected by or on behalf of the Company from users of any Company Website.

"***Units***" means the membership units of Buyer as defined in the Operating Agreement of Buyer.

"***Unpaid Losses Amount***" has the meaning set forth in the Section 4.9.

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11 Business principals have discussed that the earnings multiple/target for the 3rd year will be considered by HTX and discussed with Stephen Durand after the completion of the process of the Second Year Contingent Consideration Payment.

ANNEX B

Estimated Closing Indebtedness

ANNEX C

Accounting Principles

GAAP

ANNEX D

Contingent Consideration Payment Sample Calculation

ANNEX E

Indemnity Matters

ANNEX F

Allocation Methodology

The Allocable Consideration shall be allocated amongst the assets of the Company (attributable to the Purchased Interests) as set forth below.

Asset Class	Allocation of Allocable Consideration
Class I (e.g., cash, demand deposits, etc.)	[●]
Class II (e.g., marketable stock, government securities, etc.)	[●]
Class III (e.g., accounts receivables, mortgages, etc.)	[●]
Class IV (e.g., inventory, etc.)	[●]
Class V (e.g., assets other than Class I, II, III, IV, VI, or VII assets)	[●]
Class VI (e.g., Section 197 intangibles, other than goodwill and going concern value)	[●]
Class VII (goodwill and going concern value)	[●]

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12 The specific assets to be included in each designated "class" will be determined in accordance with Treasury Regulations Section 1.338-6(b).

13 With respect to any allocation of Allocable Consideration to the restrictive covenants included in the Transaction Documents, each party agrees that (i) such allocation is for Tax purposes only and shall not affect the enforceability of such covenants, which the parties intend to be enforceable in accordance with the terms thereof, and (ii) such allocation shall not be an indication of the damages to which the Buyer Indemnitees would be entitled in the event of a breach of any of such restrictive covenants.

ANNEX F

Flow of Funds Spreadsheet

[To be Prepared by Buyer]

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jonathan Javitt, Interim Chief Executive Officer of NRx Pharmaceuticals, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NRx Pharmaceuticals, Inc. (the "Registrant");

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 Quarterly 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 Quarterly Report;

4. The Registrant's other certifying officer 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 is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

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

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

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

5. The Registrant's other certifying officer 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 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 [15], 2025

/s/ Jonathan Javitt
Jonathan Javitt
Chairman and Interim Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE ACTING CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Abrams, Chief Financial Officer of NRx Pharmaceuticals, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NRx Pharmaceuticals, Inc. (the "Registrant");

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 Quarterly 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 Quarterly Report;

4. The Registrant's other certifying officer 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 is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

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

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

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

5. The Registrant's other certifying officer 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 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 [15], 2025

/s/ Michael Abrams
Michael Abrams
Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
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 filing of the Quarterly Report on Form 10-Q for the three months ended March 31, 2025 (the "Report") by NRx Pharmaceuticals, Inc. (the "Registrant"), I, Jonathan Javitt, as Interim Chief Executive Officer of the Registrant hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

Date: May [15], 2025

/s/ Jonathan Javitt
Jonathan Javitt
Chairman and Interim Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request

Exhibit 32.2

CERTIFICATION OF THE ACTING CHIEF FINANCIAL OFFICER
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 filing of the Quarterly Report on Form 10-Q for the three months ended March 31, 2025 (the "Report") by NRx Pharmaceuticals, Inc. (the "Registrant"), I, Michael Abrams, as Chief Financial Officer of the Registrant hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

Date: May [15], 2025

/s/ Michael Abrams
Michael Abrams
Chief Financial Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.