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, 2020

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-38659

BIOSIG TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware		**26-4333375**
(State or other jurisdiction of incorporation or organization)		(IRS Employer Identification No.)
54 Wilton Road, 2nd Floor **Westport, CT**	**06880**	**(203) 409-5444**
(Address of principal executive office)	(Zip Code)	(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	BSGM	The NASDAQ Capital Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act. Yes ☐ No ☒

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 (§ 229.405 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 11, 2020, there were 26,155,110 shares of registrant's common stock outstanding.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BIOSIG TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2020 (unaudited)	December 31, 2019
ASSETS		
Current assets:		
Cash	$ 15,499,734	$ 12,108,582
Inventory	800,000	577,690
Vendor deposits	100,000	-
Prepaid expenses	160,705	141,221
Total current assets	16,560,439	12,827,493
Property and equipment, net	184,582	180,368
Right-to-use assets, net	614,896	714,342
Other assets:		
Patents, net	359,785	364,536
Trademarks	1,125	1,125
Prepaid expenses, long term	18,221	27,410
Deposits	101,839	101,839
Total assets	$ 17,840,887	$ 14,217,113
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses, including $115,117 and $39,674 to related parties as of March 31, 2020 and December 31, 2019, respectively	$ 1,033,263	$ 1,488,776
Dividends payable	127,259	128,478
Lease liability, short term	423,673	412,288
Total current liabilities	1,584,195	2,029,542
Lease liability, long term	201,321	311,131
Total debt	1,785,516	2,340,673
Series C Preferred Stock, 205 and 215 shares issued and outstanding; liquidation preference of $205,000 and $215,000 as of March 31, 2020 and December 31, 2019, respectively	205,000	215,000
Commitments and contingencies (Note 11)	-	-
Equity:		
Preferred stock, $0.001 par value, authorized 1,000,000 shares, designated 200 shares of Series A, 600 shares of Series B, 4,200 shares of Series C, 1,400 shares of Series D, 1,000 shares of Series E Preferred Stock; 205 and 215 Series C shares outstanding as of March 31, 2020 and December 31, 2019, respectively	-	-
Common stock, $0.001 par value, authorized 200,000,000 shares, 26,010,318 and 23,323,087 issued and outstanding as of March 31, 2020 and December 31, 2019, respectively	26,010	23,323
Additional paid in capital	131,339,541	115,910,058
Accumulated deficit	(116,122,329)	(104,786,769)
Total stockholders' equity attributable to BioSig Technologies, Inc	15,243,222	11,146,612
Non-controlling interest	607,149	514,828
Total equity	15,850,371	11,661,440
Total liabilities and equity	$ 17,840,887	$ 14,217,113

See the accompanying notes to the unaudited condensed consolidated financial statements

BIOSIG TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended March 31, 2020	2019
Operating expenses:		
Research and development	$ 4,926,714	$ 1,488,839
General and administrative	7,855,220	4,378,897
Depreciation and amortization	21,015	7,935
Total operating expenses	12,802,949	5,875,671
Loss from operations	(12,802,949)	(5,875,671)
Other income (expense):		
Interest income, net	39,576	6,123
Gain on disposal of assets	-	-
Loss before income taxes	(12,763,373)	(5,869,548)
Income taxes (benefit)	-	-
Net loss	(12,763,373)	(5,869,548)
Preferred stock dividend	(4,618)	(10,541)
Net loss attributable to common stockholders	(12,767,991)	(5,880,089)
Non-controlling interest	1,427,813	-
NET LOSS ATTRIBUTABLE TO BIOSIG TECHNOLOGIES, INC.	$ (11,340,178)	$ (5,880,089)
Net loss per common share, basic and diluted	$ (0.46)	$ (0.33)
Weighted average number of common shares outstanding, basic and diluted	24,389,249	17,848,238

See the accompanying notes to the unaudited condensed consolidated financial statements

BIOSIG TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2020

	Common stock		Additional Paid in	Accumulated	Non-controlling	
	Shares	Amount	Capital	Deficit	Interest	Total
Balance, December 31, 2019	23,323,087	$ 23,323	$ 115,910,058	$ (104,786,769)	$ 514,828	$ 11,661,440
Sale of common stock	2,500,000	2,500	9,049,831	-	-	9,052,331
Common stock issued upon conversion of Series C Preferred Stock at $3.75 per share	2,667	3	9,997	-	-	10,000
Common stock issued settlement of Series C Preferred Stock accrued dividends at $5.39 per share	1,083	1	5,836	-	-	5,837
Common stock issued upon cashless exercise of warrants	10,574	11	(11)	-	-	-
Common stock issued upon cashless exercise of options	11,141	11	(11)	-	-	-
Common stock issued upon exercise of warrants at an average of $3.75 per share	80,432	80	301,540	-	-	301,620
Fair value of subsidiary shares issued to acquire research and development from Trek Therapeutics, PBC	-	-	2,439,139	-	735,411	3,174,550
Stock based compensation	81,334	81	3,627,780	-	784,723	4,412,584
Preferred stock dividend	-	-	(4,618)	-	-	(4,618)
Net loss	-	-	-	(11,335,560)	(1,427,813)	(12,763,373)
Balance, March 31, 2020 *(unaudited)*	26,010,318	$ 26,010	$ 131,339,541	$ (116,122,329)	$ 607,149	$ 15,850,371

See the accompanying notes to the audited condensed consolidated financial statements

BIOSIG TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2019

	Common stock Shares	Common stock Amount	Additional Paid in Capital	Common stock Subscription	Accumulated Deficit	Total
Balance, December 31, 2018	16,868,783	$ 16,869	$ 74,039,341	$ -	$ (70,731,941)	$ 3,324,269
Common stock issued for services	560,000	560	2,332,640	-	-	2,333,200
Sale of common stock	2,155,127	2,155	8,617,123	-	-	8,619,278
Common stock issued upon exercise of warrants at an average of $3.86 per share	298,319	298	1,150,482	-	-	1,150,780
Common stock issued upon cashless exercise of warrants	104,424	105	(105)	-	-	-
Warrant subscription exercise received	-	-	-	309,000	-	309,000
Stock based compensation	23,332	23	336,792	-	-	336,815
Preferred stock dividend	-	-	(10,541)	-	-	(10,541)
Net loss	-	-	-	-	(5,869,548)	(5,869,548)
Balance, March 31, 2019 *(unaudited)*	20,009,985	$ 20,010	$ 86,465,732	$ 309,000	$ (76,601,489)	$ 10,193,253

See the accompanying notes to the audited condensed consolidated financial statements

BIOSIG TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended March 31, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (12,763,373)	$ (5,869,548)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	21,015	7,935
Equity based compensation	4,412,584	2,670,015
Fair value of subsidiary stock issued to acquire research and development from Trek Therapeutics, PBC	3,174,550	
Changes in operating assets and liabilities:		
Inventory	(222,310)	-
Vendor deposits	(100,000)	-
Prepaid expenses	(10,295)	21,865
Accounts payable and accrued expenses	(455,513)	(354,272)
Lease liability, net	1,021	1,404
Net cash used in operating activities	(5,942,321)	(3,522,601)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments of patent costs	-	(58,327)
Payment of trademark costs	-	(275)
Purchase of property and equipment	(20,478)	(14,422)
Net cash used in investing activity	(20,478)	(73,024)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock	9,052,331	8,619,278
Proceeds from exercise of warrants	301,620	1,459,780
Net cash provided by financing activities	9,353,951	10,079,058
Net increase in cash and cash equivalents	3,391,152	6,483,433
Cash and cash equivalents, beginning of the period	12,108,582	4,450,160
Cash and cash equivalents, end of the period	$ 15,499,734	$ 10,933,593
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -
Noncash investing and financing activities:		
Common stock issued upon conversion of Series C Preferred Stock and accrued dividends	$ 15,837	$ -
Dividend payable on preferred stock charged to additional paid in capital	$ 4,618	$ 10,541
Right-to-use assets and lease liability recorded upon adoption of ASC 842	$ -	$ 422,215

See the accompanying notes to the unaudited consolidated financial statements

BIOSIG TECHNOLOGIES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020
(unaudited)

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

BioSig Technologies, Inc. was initially incorporated on February 24, 2009 under the laws of the State of Nevada and subsequently re-incorporated in the state of Delaware in 2011. The company is principally devoted to improving the quality of cardiac recordings obtained during EP studies and catheter ablation procedures. The company has not generated any revenue to date and consequently its operations are subject to all risks inherent in the establishment of a new business enterprise.

On November 7, 2018, the company formed ViralClear Pharmaceuticals, Inc. ("ViralClear") under the laws of the State of Delaware formerly under the name of NeuroClear Technologies, Inc. for the purpose to pursue additional applications of the PURE EP™ signal processing technology outside of electrophysiology and subsequently in 2020, which was repurposed to bring a broad-spectrum anti-viral agent against the COVID-19 virus to market (see below). In 2019, the company sold 896,690 shares of its common stock for net proceeds of $5,011,310 to fund initial operations. As of December 31, 2019, the company had a majority interest in ViralClear of 87.8%.

On March 30, 2020, ViralClear amended its Certificate of Incorporation to change its name to ViralClear Pharmaceuticals, Inc. from NeuroClear Technologies, Inc.

On March 24, 2020, ViralClear entered into an asset purchase agreement (the "Asset Purchase Agreement") with Trek Therapeutics, PBC ("Trek"). Pursuant to the Asset Purchase Agreement, Trek sold to ViralClear all right, title and interest of Trek and its affiliates to certain assets (the "Purchased Assets"). As consideration for the Purchased Assets, ViralClear agreed to pay Trek in upfront and milestone payments a combination of cash, shares of ViralClear's common stock, which common stock may equal up to 10% of ViralClear's outstanding equity, and sublicense fees in the event ViralClear sublicenses the Purchased Assets. On March 30, 2020, pursuant to the Asset Purchase Agreement, ViralClear paid $350,000 cash and issued 634,910 shares of ViralClear' s common stock valued at $3,174,550 to Trek. As of March 31, 2020, the Company had a majority interest in ViralClear of 80.9%

The unaudited condensed consolidated financial statements include the accounts of BioSig Technologies, Inc. and its majority owned subsidiary, ViralClear Pharmaceuticals, Inc. to as the "Company" or "BioSig".

The unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

The condensed consolidated balance sheet as of December 31, 2019 has been derived from audited financial statements.

Operating results for the three months ended March 31, 2020 are not necessarily indicative of results that may be expected for the year ending December 31, 2020. These unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2019 filed with the Company's Form 10-K with the Securities and Exchange Commission on March 13, 2020.

NOTE 2 – MANAGEMENT'S LIQUIDITY PLANS

The BioSig Technologies, Inc.'s primary efforts are principally devoted to improving the quality of cardiac recordings obtained during ablation of atrial fibrillation (AF) and ventricular tachycardia (VT) and ViralClear's efforts are devoted to developing broad-spectrum, anti-viral candidate acquired from Trek. The Company has experienced net losses and negative cash flows from operations since inception and expects these conditions to continue for the foreseeable future. Further, the Company has not generated revenues and there is no assurance that the Company will be able to generate cash flow to fund operations. In addition, there can be no assurance that the Company's ongoing research and development will be successfully completed or that any product will be approved or commercially viable.

BIOSIG TECHNOLOGIES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020
(unaudited)

At March 31, 2020, the Company had working capital of approximately $15.0 million. During the three months ended March 31, 2020, the Company raised approximately $9.1 million, net of expenses, through the sale of common stock and $0.3 million from the exercise of warrants.

In addition, subsequent to March 31, 2020, the Company has received approximately $6,500,000 from the sale of ViralClear common stock and $229,000 from the exercise of previously issued warrants.

At March 31, 2020, the Company had cash of approximately $15.5 million, which together with approximately $6.5 million of net proceeds from the sale of ViralClear's common stock and $0.3 million from option and warrant exercises subsequent to March 31, 2020 (see above and Note 16), constitutes sufficient funds for the Company to meet its research and development and other funding requirements for at least the next 12 months.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of these unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the recoverability and useful lives of long-lived assets, the fair value of long-term operating leases, patent capitalization, the fair value of the Company's stock, stock-based compensation, fair values relating to warrant and other derivative liabilities and the valuation allowance related to deferred tax assets. Actual results may differ from these estimates.

Fair Value of Financial Instruments

Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10") requires disclosure of the fair value of certain financial instruments. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments. All other significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Company follows Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10") and Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10"), which permits entities to choose to measure many financial instruments and certain other items at fair value.

Concentrations of Credit Risk

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash and cash equivalents. The Company places its cash and temporary cash investments with credit quality institutions. At times, such amounts may be in excess of the FDIC insurance limit. At March 31, 2020 and 2019, deposits in excess of FDIC limits were $14,999,734 and $11,608,582, respectively.

Inventory

The inventory is comprised of finished goods available for sale and are stated at the lower of cost or net realizable value using the first-in, first-out method of valuation. The inventory at March 31, 2020 and December 31, 2019 were $800,000 and $577,690, respectively.

BIOSIG TECHNOLOGIES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020
(unaudited)

Prepaid Expenses and vendor deposits

Prepaid expenses and vendor deposits are comprised of prepaid insurance and operating expense and other prepayments.

Research and development costs

The Company accounts for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and developments costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. The Company incurred research and development expenses of $4,926,714 and $1,488,839 for the three months ended March 31, 2020 and 2019, respectively.

Net Income (loss) Per Common Share

The Company computes earnings (loss) per share under Accounting Standards Codification subtopic 260-10, Earnings Per Share ("ASC 260-10"). Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share, if presented, would include the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into common stock using the "treasury stock" and/or "if converted" methods as applicable.

The computation of basic and diluted loss per share as of March 31, 2020 and 2019 excludes potentially dilutive securities when their inclusion would be anti-dilutive, or if their exercise prices were greater than the average market price of the common stock during the period.

Potentially dilutive securities excluded from the computation of basic and diluted net income (loss) per share are as follows:

	March 31, 2020	March 31, 2019
Series C convertible preferred stock	81,465	190,572
Options to purchase common stock	3,828,896	3,940,828
Warrants to purchase common stock	1,963,030	3,987,088
Totals	5,873,391	8,118,488

Stock Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award as measured on the grant date. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period.

As of March 31, 2020, BioSig Technologies, Inc. had options to purchase 3,828,896 shares of common stock outstanding, of which options to purchase 2,730,112 shares of common stock were vested.

As of December 31, 2019, there were BioSig Technologies, Inc. options to purchase 3,980,804 shares of common stock outstanding, of which options to purchase 2,874,017 shares of common stock were vested.

BIOSIG TECHNOLOGIES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020
(unaudited)

Income Taxes

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

Patents, net

The Company capitalizes certain initial asset costs in connection with patent applications including registration, documentation and other professional fees associated with the application. Patent costs incurred prior to the Company's U.S. Food and Drug Administration ("FDA") 510 (k) application on March 28, 2018 were charged to research and development expense as incurred. Commencing upon first in-man trials on February 18 and 19, 2019, capitalized costs are amortized to expense using the straight-line method over the lesser of the legal patent term or the estimated life of the product of 20 years. During the three months ended March 31, 2020, the Company recorded amortization of $4,751 to current period operations.

Segment information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions how to allocate resources and assess performance. The information disclosed herein represents all of the material financial information related to the Company's principal operating segments. (See Note 12 – Segment Reporting).

Recent Accounting Pronouncements

There were various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's financial position, results of operations or cash flows.

Subsequent Events

The Company evaluates events that have occurred after the balance sheet date but before the consolidated financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the unaudited condensed consolidated financial statements, except as disclosed.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment as of March 31, 2020 and December 31, 2019 is summarized as follows:

	March 31, 2020	December 31, 2019
Computer equipment	$ 169,290	$ 155,126
Furniture and fixtures	74,517	71,463
Manufacturing equipment	32,358	29,098
Less accumulated depreciation	(91,583)	(75,319)
Property and equipment, net	$ 184,582	$ 180,368

Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 5 years. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings.

Depreciation expense was $16,264 and $5,209 for three months ended March 31, 2020 and 2019, respectively.

NOTE 5 – RIGHT TO USE ASSETS AND LEASE LIABILITY

Operating leases:

On May 22, 2018, the Company entered into a fifth lease amendment agreement, whereby the Company agreed to extend the lease for the original office space and expand with additional space in Los Angeles, California, commencing June 14, 2018 and expiring on June 30, 2021 at an initial rate of $14,731 per month with escalating payments. In connection with the lease, the Company is obligated to lease parking spaces at an aggregate approximate cost of $1,070 per month. The Company has an option to extend the lease for an additional 3-year (option) term.

On April 12, 2019, the Company entered into a sublease agreement whereby the Company leased approximately 4,343 square feet of office space in Westport, Connecticut commencing May 1, 2019 and expiring on October 31, 2021 at an initial rate of $18,277 per month, inclusive of a fixed utility charge, with escalating payments. In connection with the lease the Company paid a security deposit of $68,764, of which $34,382 represents the last two months of the term. There is no option to extend the lease past its initial term.

On October 1, 2019, the Company entered into a lease agreement whereby the Company leased approximately 1,400 square feet of office space in Rochester Minnesota commencing November 1, 2019 and expiring on October 31, 2021 at an initial rate of $3,411 per month with escalating payments. The lease agreement includes an option to extend the lease for two additional periods of two years each past its initial term.

On August 14, 2019, the Company entered into a lease agreement whereby the Company leased storage space in the same building as our Los Angeles, California facilities, commencing September 1, 2019, and expiring on June 30, 2021, at an initial rate of $235 per month with escalating payments. In connection with the lease, the Company paid a security deposit of $250. There is no option to extend the lease past its initial term.

At lease commencement dates, the Company estimated the lease liability and the right of use assets at present value using the Company's estimated incremental borrowing rate of 8% and determined their initial present values, at inception, of $1,084,715.

Right to use assets is summarized below:

	March 31, 2020	December 31, 2019
Los Angeles, CA., Suite 740	$ 218,875	$ 218,875
Los Angeles, CA., Suite 745	277,592	277,592
Los Angeles, CA, Storage	4,960	4,960
Westport, CT, 54 Wilton Rd	506,276	506,276
Rochester, MN, 14 4th Street	77,012	77,012
Subtotal	1,084,715	1,084,715
Less accumulated depreciation	(469,819)	(370,373)
Right to use assets, net	$ 614,896	$ 714,342

BIOSIG TECHNOLOGIES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020
(unaudited)

During the three months ended March 31, 2020 and 2019, the Company recorded $119,408 and $60,127 as lease expense to current period operations.

Lease liability is summarized below:

	March 31, 2020	December 31, 2019
Los Angeles, CA., Suite 740	$ 99,779	$ 118,009
Los Angeles, CA., Suite 745	126,752	149,910
Los Angeles, CA, Storage	3,484	4,111
Westport, CT, 54 Wilton Rd	333,177	380,708
Rochester, MN, 14 4th Street	61,802	70,681
Total lease liability	624,994	723,419
Less: short term portion	(423,673)	(412,288)
Long term portion	$ 201,321	$ 311,131

Maturity analysis under these lease agreements are as follows:

Year ended December 31, 2020	$ 342,884
Year ended December 31, 2021	321,386
Total	664,270
Less: Present value discount	(39,276)
Lease liability	$ 624,994

Lease expense for the three months ended March 31, 2020 and 2019 was comprised of the following:

	March 31, 2020	March 31, 2019
Operating lease expense	$ 113,262	$ 46,451
Short-term lease expense	5,655	13,238
Variable lease expense	491	438
Total	$ 119,408	$ 60,127

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at March 31, 2020 and December 31, 2019 consist of the following:

	March 31, 2020	December 31, 2019
Accrued accounting and legal	$ 368,123	$ 118,783
Accrued reimbursements and travel	26,695	58,566
Accrued consulting	101,353	170,284
Accrued research and development expenses	246,939	230,035
Accrued product purchases	-	346,206
Accrued marketing	-	11,181
Accrued office and other	26,519	17,885
Accrued payroll	250,301	522,503
Accrued settlement related to arbitration	13,333	13,333
	$ 1,033,263	$ 1,488,776

BIOSIG TECHNOLOGIES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020
(unaudited)

NOTE 7 – SERIES C 9% CONVERTIBLE PREFERRED STOCK

Series C 9% Convertible Preferred Stock

On January 9, 2013, the Board of Directors authorized the issuance of up to 4,200 shares of 9% Series C Convertible Preferred Stock (the "Series C Preferred Stock").

The Series C Preferred Stock is entitled to preference over holders of junior stock upon liquidation in the amount of $1,000 plus any accrued and unpaid dividends; entitled to dividends as a preference to holders of junior stock at a rate of 9% per annum of the stated value of $1,000 per share, payable quarterly beginning on September 30, 2013 and are cumulative. The holders of the Series C Preferred Stock vote together with the holders of our common stock on an as-converted basis but may not vote the Series C Preferred Stock in excess of the beneficial ownership limitation of the Series C Preferred Stock. The beneficial ownership limitation is 4.99% of our then outstanding shares of common stock following such conversion or exercise, which may be increased to up to 9.99% of our then outstanding shares of common stock following such conversion or exercise upon the request of an individual holder. The beneficial ownership limitation is determined on an individual holder basis, such that the as-converted number of shares of one holder is not included in the shares outstanding when calculating the limitation for a different holder.

2020 conversions:

In January 2020, the Company issued 3,750 shares of its common stock in exchange for 10 shares of the Company's Series C Preferred Stock and accrued dividends.

Series C Preferred Stock issued and outstanding totaled 205 and 215 as of March 31, 2020 and December 31, 2019, respectively. As of March 31, 2020, and December 31, 2019, the Company has accrued $127,259 and $128,478 dividends payable on the Series C Preferred Stock.

NOTE 8 – STOCKHOLDER EQUITY

Preferred stock

The Company is authorized to issue 1,000,000 shares of $0.001 par value preferred stock. As of March 31, 2020, and December 31, 2019, the Company has authorized 200 shares of Series A preferred stock, 600 shares of Series B preferred stock, 4,200 shares of Series C Preferred Stock, 1,400 shares of Series D Preferred Stock and 1,000 shares of Series E Preferred Stock. As of March 31, 2020, and December 31, 2019, there were no outstanding shares of Series A, Series B, Series D and Series E preferred stock.

Common stock

The Company is authorized to issue 200,000,000 shares of $0.001 par value common stock. As of March 31, 2020, 2019, and December 31, 2019, the Company had 26,010,318 and 23,323,087 shares issued and outstanding, respectively.

During the three months ended March 31, 2020, the Company issued an aggregate of 81,334 shares of its common stock for vested restricted stock units as stock-based compensation.

During the three months ended March 31, 2020, the Company entered into securities purchase agreements with investors pursuant to which the Company issued 2,500,000 shares of common stock for aggregate proceeds of $9,052,331, net of $947,669 in expenses

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During the three months ended March 31, 2020, the Company issued 80,432 shares of common stock in exchange for proceeds of $301,620 from the exercise of warrants.

During the three months ended March 31, 2020, the Company issued 10,574 shares of common stock in exchange for the exercise of 32,360 cashless exercises of warrants.

During the three months ended March 31, 2020, the Company issued 11,141 shares of common stock in exchange for the exercise of 309,630 cashless exercises of options.

NOTE 9 – OPTIONS, RESTRICTED STOCK UNITS AND WARRANTS

BioSig Technologies, Inc.

2012 Equity Incentive Plan

On October 19, 2012, the Board of Directors of BioSig Technologies, Inc. approved the 2012 Equity Incentive Plan ("the "Plan") and terminated the Long-Term Incentive Plan (the "2011 Plan"). The Plan provides for the issuance of options, stock appreciation rights, restricted stock and restricted stock units to purchase up to 9,474,450 (as amended) shares of the Company's common stock to officers, directors, employees and consultants of the Company (as amended). Under the terms of the Plan the Company may issue Incentive Stock Options as defined by the Internal Revenue Code to employees of the Company only and nonstatutory options. The Board of Directors of the Company or a committee thereof administers the Plan and determines the exercise price, vesting and expiration period of the grants under the Plan.

However, the exercise price of an Incentive Stock Option should not be less than 110% of fair value of the common stock at the date of the grant for a 10% or more stockholder and 100% of fair value for a grantee who is not 10% stockholder. The fair value of the common stock is determined based on the quoted market price or in absence of such quoted market price, by the administrator in good faith.

Additionally, the vesting period of the grants under the Plan will be determined by the administrator, in its sole discretion, with an expiration period of not more than ten years. There are 1,444,718 shares remaining available for future issuance of awards under the terms of the Plan.

Options

During the three months ended March 31, 2020, the Company granted an aggregate of 210,000 options to officers, directors and key consultants.

The following table presents information related to stock options at March 31, 2020:

Options Outstanding			Options Exercisable
Exercise Price	Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
$ 2.51-5.00	1,666,695	7.6	1,231,699
5.01-7.500	1,856,230	5.8	1,329,943
7.51-10.00	305,971	7.4	168,470
	3,828,896	6.7	2,730,112

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A summary of the stock option activity and related information for the Plan for the three months ended March 31, 2020 is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2020	3,980,804	$ 5.58	6.3	$ 3,130,791
Grants	210,000	4.01	10.0	$ -
Exercised	(309,630)	$ 5.23	0.00	
Forfeited/expired	(52,278)	$ 6.49		
Outstanding at March 31, 2020	3,828,896	$ 5.54	6.72	$ 389,031
Exercisable at March 31, 2020	2,730,112	$ 5.66	5.40	$ 268,481

The aggregate intrinsic value in the preceding tables represents the total pretax intrinsic value, based on options with an exercise price less than the stock price of BioSig Technologies, Inc. of $4.19 as of March 31, 2020, which would have been received by the option holders had those option holders exercised their options as of that date.

Option valuation models require the input of highly subjective assumptions. The fair value of stock-based payment awards was estimated using the Black-Scholes option model with a volatility figure derived using the BioSig Technologies, Inc.'s own historical stock prices. The Company accounts for the expected life of options based on the contractual life of options for non-employees.

For employees, the Company accounts for the expected life of options in accordance with the "simplified" method, which is used for "plain-vanilla" options, as defined in the accounting standards codification. The risk-free interest rate was determined from the implied yields of U.S. Treasury zero-coupon bonds with a remaining life consistent with the expected term of the options. The fair value of stock-based payment awards during the three months ended March 31, 2020 was estimated using the Black-Scholes pricing model.

On January 10, 2020, BioSig Technologies, Inc. granted 60,000 options to purchase the company stock in connection with the services rendered at the exercise price of $6.00 per share for a term of ten years with quarterly vesting beginning March 31, 2020 for three years.

On March 24, 2020, BioSig Technologies, Inc. granted 100,000 options to purchase the company stock in connection with the services rendered at the exercise price of $2.96 per share for a term of ten years with 25,000 vesting immediately and 75,000 quarterly vesting beginning June 30, 2020 for three years.

On March 31, 2020, BioSig Technologies, Inc. granted 50,000 options to purchase the company stock in connection with the services rendered at the exercise price of $3.73 per share for a term of ten years with vesting quarterly vesting beginning June 30, 2020 for three years.

The following assumptions were used in determining the fair value of options during the three months ended March 31, 2020:

Risk-free interest rate	0.55% - 1.83%
Dividend yield	0%
Stock price volatility	86.51% to 90.42%
Expected life	6 – 10 years
Weighted average grant date fair value	$ 3.73

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The fair value of all options vesting during the three months ended March 31, 2020 and 2019 of $623,693 and $193,234, respectively, was charged to current period operations. Unrecognized compensation expense of $4,671,893 at March 31, 2020 will be expensed in future periods.

Warrants

The following table summarizes information with respect to outstanding warrants to purchase common stock of BioSig Technologies, Inc. at March 31, 2020:

Exercise Price	Number Outstanding	Expiration Date
$ 3.75	461,325	April 2020 to January 2021
$ 4.375	602,272	April 2021 to May 2021
$ 4.80	125,000	February 2025
$ 6.16	568,910	November 2027
$ 6.85	205,523	July 2021 to August 2021
	1,963,030	

On February 25, 2020, BioSig Technologies, Inc. issued warrants to purchase 125,000 shares of its common stock at $4.80 per share, expiring on February 21, 2025, for placement agent services in connection with the sale of the company's common stock.

A summary of the warrant activity for the three months ended March 31, 2020 is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2020	2,744,718	$ 5.40	2.2	$ 3,410,763
Grants	125,000	4.80	5.0	
Exercised	(112,792)	$ 3.83		
Expired	(793,896)	$ 6.45	-	-
Outstanding at March 31, 2020	1,963,030	$ 5.03	3.1	$ 202,983
Vested and expected to vest at March 31, 2020	1,963,030	$ 5.03	3.1	$ 202,983
Exercisable at March 31, 2020	1,963,030	$ 5.03	3.1	$ 202,983

The aggregate intrinsic value in the preceding tables represents the total pretax intrinsic value, based on options with an exercise price less than the company's stock price of $4.19 of March 31, 2020, which would have been received by the option holders had those option holders exercised their options as of that date.

Restricted Stock

The following table summarizes the restricted stock activity for the three months ended March 31, 2020:

Restricted shares issued as of January 1, 2020	262,668
Granted	-
Vested	(81,334)
Vested restricted shares as of March 31, 2020	-
Unvested restricted shares as of March 31, 2020	181,334

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Stock based compensation expense related to restricted stock grants was $401,478 and $143,581 for the three months ended March 31, 2020 and 2019, respectively. As of March 31, 2020, the stock-based compensation relating to restricted stock of $616,505 remains unamortized.

ViralClear Pharmaceuticals, Inc.

2019 Long-Term Incentive Plan

On September 24, 2019, ViralClear's Board of Directors approved the 2019 Long-Term Incentive Plan (the "ViralClear Plan"), subject to ViralClear's stockholders. The Plan provides for the issuance of options, stock appreciation rights, restricted stock and restricted stock units to purchase up to 1,750,000 shares of ViralClear's common stock to officers, directors, employees and consultants of the ViralClear. Under the terms of the Plan, ViralClear may issue Incentive Stock Options as defined by the Internal Revenue Code to employees of ViralClear only and nonstatutory options. The Board of Directors of ViralClear or a committee thereof administers the Plan and determines the exercise price, vesting and expiration period of the grants under the Plan.

However, the exercise price of an Incentive Stock Option should not be less than 110% of fair market value of the common stock at the date of the grant for a 10% or more stockholder and 100% of fair market value for a grantee who is not 10% stockholder. The fair market value of the common stock is determined based on the quoted market price or in absence of such quoted market price, by the administrator in good faith.

Additionally, the vesting period of the grants under the ViralClear Plan will be determined by the administrator, in its sole discretion, with an expiration period of not more than ten years.

ViralClear Options

The following table presents information related to stock options at March 31, 2020:

	Options Outstanding			Options Exercisable
	Exercise Price	Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
$	5.00	575,000	9.5	575,000

Warrants (ViralClear)

The following table presents information related to warrants (ViralClear) at March 31, 2020:

	Exercise Price	Number Outstanding	Expiration Date
$	5.00	473,772	November 2027

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A summary of the warrant activity for the three months ended March 31, 2020 is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2020	473,772	$ 5.00	7.9	$ -
Grants	-			
Exercised	-			
Expired	-			
Outstanding at March 31, 2020	473,772	$ 5.00	7.6	$ -
Vested and expected to vest at March 31, 2020	473,772	$ 5.00	7.6	$ -
Exercisable at March 31, 2020	473,772	$ 5.00	7.6	$ -

Restricted stock units (ViralClear)

On March 25, 2020, the Company granted an aggregate of 338,000 restricted stock units to two ViralClear board members for services vesting immediately.

On March 30, 2020, the Company granted an aggregate of 960,000 restricted stock units to ViralClear board members and employees for services with 320,000 vesting immediately, and 640,000 vesting upon ViralClear meeting certain milestones.

The following table summarizes the restricted stock activity for the three months ended March 31, 2020:

Restricted shares issued as of January 1, 2020	40,000
Granted	1,298,000
Vested	-
Vested restricted shares as of March 31, 2020	658,000
Unvested restricted shares as of March 31, 2020	680,000

Stock based compensation expense related to restricted stock unit grants of ViralClear was $3,387,413 and $0 for the three months ended March 31, 2020 and 2019, respectively. As of March 31, 2020, the stock-based compensation relating to restricted stock of $3,063,988 remains unamortized.

NOTE 10 – NON-CONTROLLING INTEREST

On November 7, 2018, the Company formed ViralClear Pharmaceuticals, Inc., a Delaware Corporation, formerly known as NeuroClear Technologies, Inc. for the purpose to pursue additional applications of the PURE EP™ signal processing technology outside of electrophysiology and subsequently in 2020, which was repurposed to bring a broad-spectrum anti-viral agent against the COVID-19 virus to market (see below).

In 2019, ViralClear sold 896,690 shares of its common stock for net proceeds of $5,011,310 to fund initial operations. At December 31, 2019, the Company had a majority interest in ViralClear of 87.8%.

On March 24, 2020, ViralClear entered into an Asset Purchase Agreement with Trek Therapeutics, PBC. Pursuant to the Asset Purchase Agreement, Trek sold to ViralClear all right, title and interest of Trek and its affiliates to certain assets. As consideration for the Purchased Assets, ViralClear agreed to pay Trek in upfront and milestone payments a combination of cash, shares of ViralClear's common stock, which common stock may equal up to 10% of the Company's outstanding equity, and sublicense fees in the event ViralClear sublicenses the Purchased Assets. On March 30, 2020, pursuant to the Asset Purchase Agreement, ViralClear paid an upfront payment $350,000 and issued 634,910 shares of ViralClear's common stock valued at $3,174,550 to Trek. As of March 31, 2020, the Company had a majority interest in ViralClear of 80.9%.

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A reconciliation of the ViralClear Pharmaceuticals, Inc. non-controlling loss attributable to the Company:

Net loss attributable to the non-controlling interest for the three months ended March 31, 2020:

Net loss	$	(7,621,328)
Average Non-controlling interest percentage of profit/losses		18.73%
Net loss attributable to the non-controlling interest	$	(1,427,813)

ViralClear was a wholly owned subsidiary of the Company until August 2019.

The following table summarizes the changes in non-controlling interest for the three months ended March 31, 2020:

Balance, January 1, 2020	$	514,828
Allocation of equity to non-controlling interest due to equity-based compensation issued		1,520,134
Net loss attributable to non-controlling interest		(1,427,813)
Balance, March 31, 2020	$	607,149

NOTE 11 — COMMITMENTS AND CONTINGENCIES

Trek Therapeutics, PBC

In connection with the asset purchase agreement with Trek Therapeutics, PBC, ViralClear is obligated to pay to Trek upon the receipt of United States Food and Drug Administration ("FDA") granting ViralClear approval to manufacture and market COVID-19 antiviral containing compounds, as defined, on a commercial basis in the United States a sum of $500,000 and 2.5% of the issued and outstanding shares of ViralClear's common stock at the occurrence of the milestone event.

In addition, in the event of sublicensing, sale, transfer, assignment or similar transaction, ViralClear is obligated to pay to Trek 10% of the consideration received.

As part of the acquired assets, ViralClear received an assignment and licensing rights agreement from Trek with a third-party vendor regarding certain formulas and compounds usage. The agreement calls for milestone payments upon initiation of a phase 2 and phase 3 clinical trials, marketing authorization (as defined) in any first and second country of $1 million, $5 million, $10 million and $5 million, respectively, in addition to 5% royalty payments.

COVID-19

On March 11, 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus (COVID-19) outbreak, which has led to a global health emergency. The public-health impact of the outbreak is currently unknown and rapidly evolving, and the related health crisis could adversely affect the global economy, resulting in delaying to our commercialization objectives of the PURE EP systems.

NOTE 12 — SEGMENT REPORTING

In accordance with ASC 280-10, the Company reports segment information based on the "management" approach. The management approach designates the internal reporting used by management for making decisions and assessing performance as the source of the Company's reportable segments. The Company has two reportable segments: BioSig Technologies, Inc. (parent) and ViralClear Pharmaceuticals, Inc.

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Information concerning the operations of the Company's reportable segments is as follows:

Summary Statement of Operations for the three months ended March 31, 2020:

	BioSig Technologies, Inc	ViralClear Pharmaceuticals, Inc.	Total
Operating expenses:			
Research and development	$ 1,327,003	$ 3,599,711	$ 4,926,714
General and administrative	3,819,438	4,035,782	7,855,220
Depreciation and amortization	21,015	-	21,015
Total operating expenses	5,167,456	7,635,493	12,802,949
Loss from Operations	(5,167,456)	(7,635,493)	(12,802,949)
Other income:			
Interest income	25,411	14,165	39,576
Net loss	(5,142,045)	(7,621,328)	(12,763,373)
Preferred stock dividend	(4,618)	-	(4,618)
Net loss attributable to common stockholder	(5,146,663)	(7,621,328)	(12,767,991)
Non-controlling interest	-	1,427,813	1,427,813
Net loss attributable to BioSig Technologies, Inc.	$ (5,146,663)	$ (6,193,515)	$ (11,340,178)

NOTE 13 – RELATED PARTY TRANSACTIONS

At March 31, 2020 and December 31, 2019, the Company had reimbursable travel, compensation and other related expenses due related parties of $115,117 and $39,674, respectively.

On November 1, 2017, in connection with Mr. Filler joining the Company's Board of Directors, the Company entered into a Master Services Agreement (the "Agreement") with 3LP Advisors LLC (d/b/a Sherpa Technology Group) ("Sherpa") and an initial statement of work (the "SOW"), pursuant to which Sherpa will develop, execute and expand the Company's intellectual property strategy over the course of the next approximately 18 months by evaluating the business and technology landscape in which the Company operates, and charting and executing a strategy of patent filing and licensing. In connection with the SOW, the Company will pay Sherpa fee of (i) $200,000 in cash, of which $25,000 will be paid on January 1, 2018, with the remainder to be paid upon completion of certain objectives, and (ii) a ten-year option to purchase up to 120,000 of the Company's common stock at an exercise of $3.75 per share of common stock, of which 60,000 options vest immediately and 60,000 options were performance conditioned and subsequently vested. Mr. Filler is the general counsel and partner of Sherpa.

During the three months ended March 31, 2020 and 2019, the Company paid Sherpa $75,000 and $75,000 as patent costs, consulting fees and expense reimbursements, respectively. As of March 31, 2020, and December 31, 2029, there was an unpaid balance of $25,000 and $27,623, respectively.

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On March 30, 2020, the Company's subsidiary, ViralClear entered into an engagement agreement with Weild & Co, a FINRA-registered broker-dealer controlled by a member of the Company's board of directors to act as ViralClear's non-exclusive agent to provide investment banking and financial advisory services to assist ViralClear in a potential financing transaction for an initial term of 9 months.

In connection with the engagement agreement, ViralClear agreed to pay Weild & Co a 5% cash and a 5% warrant or other securities of the aggregate subscriptions placed by Weild & Co. No costs have been incurred as of the date of this filing.

As described in Notes 1 and 10 above, on March 24, 2020, ViralClear entered into an asset purchase agreement with Trek Therapeutics, PBC. Pursuant to the Asset Purchase Agreement, Trek sold to ViralClear all right, title and interest of Trek and its affiliates to certain assets. As consideration for the Purchased Assets, ViralClear agreed to pay Trek in upfront and milestone payments a combination of cash, shares of ViralClear's common stock. Trek is a company controlled by a member of the Company's board of directors.

NOTE 14 – FAIR VALUE MEASUREMENT

The Company adopted the provisions of Accounting Standards Codification subtopic 825-10, Financial Instruments ("ASC 825-10"). ASC 825-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes three levels of inputs that may be used to measure fair value:

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

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

All items required to be recorded or measured on a recurring basis are based upon level 3 inputs.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

The carrying value of the Company's cash and cash equivalents, accounts payable and other current assets and liabilities approximate fair value because of their short-term maturity.

As of March 31, 2020, and December 31,2019, the Company did not have any items that would be classified as level 1, 2 or 3 disclosures.

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As of March 31, 2020, and December 31, 2019, the Company did not have any derivative instruments that were designated as hedges.

There were no derivative and warrant liability as of March 31, 2020 and December 31, 2019.

NOTE 15 – SUBSEQUENT EVENTS

Equity transactions by BioSig Technologies, Inc.:

In April 2020, BioSig Technologies, Inc. issued 41,100 shares of its common stock in exchange for 100 shares of its Series C Preferred Stock and accrued dividends.

In April 2020, BioSig Technologies, Inc. issued 48,654 shares of its common stock in exchange for aggregate proceeds of $183,703 from the exercise of warrants.

In May 2020, BioSig Technologies, Inc. issued 12,000 shares of its common stock in exchange for proceeds of $45,000 from the exercise of warrants.

On April 14, 2020, the Company granted an aggregate of 625,000 options to purchase shares of BioSig Technologies, Inc.'s common stock to directors and an employee. The options are exercisable at $4.66 per share for ten years and fully vested and exercisable at the date of grant. On April 14, 2020, BioSig Technologies, Inc. granted an aggregate of 90,000 options to purchase shares of its common stock to employees. The options are exercisable at $4.66 per share for ten years and vest quarterly over three years.

On April 22, 2020, BioSig Technologies, Inc. issued 15,038 shares of its common stock to a consultant for services rendered valued at $108,274.

On May 5, 2020, BioSig Technologies, Inc. issued 3,000 shares of its common stock for vested restricted stock units.

On May 6, 2020, BioSig Technologies, Inc. issued 25,000 shares of its common stock in exchange for proceeds of $74,000 from the exercise of options.

ViralClear Pharmaceuticals, Inc.:

On April 8, 2020, ViralClear entered into a know-how license agreement (the "Agreement") with Mayo Foundation for Medical Education and Research ("Mayo"). The Agreement grants to ViralClear (i) an exclusive worldwide license, with the right to sublicense, within the field of anti-viral agents to target COVID-19 (the "Field") to certain patent rights for the development and commercialization of products, methods, and processes for public use and benefit (the "Licensed Products") and (ii) a non-exclusive worldwide license, with the right to sublicense, within the Field, to use the know-how of Mayo that is necessary to develop the Licensed Products. The Agreement will expire upon the later of either (a) the expiration of the licensed patent rights or (b) the 7th anniversary of the date of the first commercial sale of a Licensed Product, unless earlier terminated by Mayo for ViralClear's failure to cure a material breach of the Agreement, ViralClear's or a sublicensee's commencement of any action or proceedings against Mayo or its affiliates other than for an uncured material breach of the Agreement by Mayo, or insolvency ViralClear.

In connection with the Agreement, ViralClear issued to Mayo 259,959 shares of ViralClear's common stock, par value $0.001 per share. ViralClear also agreed to make earned royalty payments to Mayo in connection with ViralClear's sales of the Licensed Products along with certain milestone payments.

On April 21, 2020, ViralClear granted 100,000 options to purchase shares of its common stock to a director. The options are exercisable at $5.00 per share for ten years vest quarterly over three years.

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On April 29, 2020, ViralClear granted an aggregate of 1,278,999 options to purchase shares of its common stock to directors and officers of the company. The options are exercisable at $5.00 per share for ten years and fully vested and exercisable at the date of grant.

On May 5, 2020, ViralClear granted 120,174 options to purchase shares of its common stock to a director. The options are exercisable at $5.00 for ten years vesting in 4 substantially equal installments on each of the three, six, nine and twelve month anniversaries of the date of grant.

From April 10, 2020 through May 11, 2020, ViralClear entered into securities purchase agreements with certain accredited investors pursuant to which ViralClear received common stock subscriptions for the purchase of 650,850 shares of its common stock for aggregate cash proceeds of $6,507,830, net of $670 in expenses.

On May 6, 2020, ViralClear granted 120,374 options to purchase shares of its common stock to a director. The options are exercisable at $5.00 for ten years vesting in 4 substantially equal installments on each of the three, six, nine- and twelve-month anniversaries of the date of grant.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations includes a number of forward-looking statements that reflect Management's current views with respect to future events and financial performance. You can identify these statements by forward-looking words such as "may," "will," "expect," "anticipate," "believe," "estimate" and "continue," or similar words. Those statements include statements regarding the intent, belief or current expectations of us and members of our management team as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements.

Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the Securities and Exchange Commission. Important factors currently known to Management could cause actual results to differ materially from those in forward-looking statements. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results over time. We believe that our assumptions are based upon reasonable data derived from and known about our business and operations. No assurances are made that actual results of operations or the results of our future activities will not differ materially from our assumptions. Factors that could cause differences include, but are not limited to, expected market demand for our products, fluctuations in pricing for materials, and competition.

Business Overview

BioSig Technologies, Inc.

We are a commercial stage medical device company that is commercializing a proprietary biomedical signal processing technology platform to extract information from physiologic signals. Our initial emphasis is on providing intracardiac signal information to electrophysiologists during electrophysiology ("EP") studies and cardiac catheter ablation procedures for atrial fibrillation ("AF") and ventricular tachycardia ("VT"). Cardiac catheter ablation is a procedure that involves delivery of energy through the tip of a catheter that scars or destroys heart tissue in order to correct heart rhythm disturbances. In August 2018, we received 510(k) clearance from the U.S. Food and Drug Administration (the "FDA") to market our PURE (Precise Uninterrupted Real-time evaluation of Electrograms) EP System.

The PURE EP™ System is a proprietary signal acquisition and processing technology. The device is a computerized system intended for acquiring, digitizing, amplifying, filtering, measuring and calculating, displaying, recording and storing of electrocardiographic and intracardiac signals for patients undergoing EP procedures in an EP laboratory under the supervision of licensed healthcare practitioners who are responsible for interpreting the data. The device aims to minimize noise and artifacts from cardiac recordings and acquire high-fidelity cardiac signals. Improving fidelity of acquired cardiac signals may potentially increase the diagnostic value of these signals, thereby possibly improving accuracy and efficiency of the EP studies and related procedures.

Our initial focus is on improving intracardiac signal acquisition and enhancing diagnostic information for catheter ablation procedures for complex and potentially life-threatening arrhythmias like AF, the most common cardiac arrhythmia, and VT, an arrhythmia evidenced by a fast heart rhythm originating from the lower chambers of the heart.

We believe that the PURE EP System and its advanced signal processing tools may contribute to improvements in patient outcomes in connection with catheter ablation due to the following advantages over the EP recording systems currently available on the market:

- acquisition of raw cardiac signals enabled by proprietary system architecture;
- preserved signal fidelity;
- user interface optimized for enhanced visualization; and
- very low noise, maximum frequency bandwidth and wide dynamic range

We believe that these features may allow physicians to better determine precise ablation targets, strategy and end point of procedures with the objective of reducing the need for multiple procedures. The PURE EP System is intended to operate in conjunction with the existing EP lab equipment.

To date, we have conducted a total of twenty-four pre-clinical studies with the PURE EP System, twenty-one of which were conducted at Mayo Clinic in Rochester, Minnesota. We also conducted a pre-clinical study at the Mount Sinai Hospital in New York, NY with an emphasis on the VT model; and two pre-clinical studies at the University of Pennsylvania in preparation for clinical studies to be conducted there. We intend to continue to conduct additional clinical external evaluation at a select number of centers. We also intend to continue additional research studies with our technology at Mayo Clinic.

Leading up to a new Medical Device Regulation that entered into full force in 2020, the European Notified Bodies were reporting delays in accepting and processing new applications throughout 2019. Given the potential issues or further delays as a result of the ongoing global COVID-19 pandemic and our focus and priority on commercialization activities in the United States, we plan to commence audit preparation for the International Organization for Standardization ("ISO") 13485 and Medical Device Single Audit Program certification. We expect to proceed with the audit to obtain the ISO 13485 Certification and CE Mark in first half of 2021, and the Medical Device Single Audit Program certification in the second half of 2021.

While we presently do not have any paying customers, we are making all preparations we believe are needed to commence sales of our initial product in the immediate future. We anticipate that our initial customers will be medical centers of excellence and other health care facilities that operate EP labs.

ViralClear Pharmaceuticals, Inc.

ViralClear Pharmaceuticals, Inc. is a majority-owned subsidiary of the Company, formerly known as NeuroClear Technologies, Inc. which was an early stage medical device company developing an advanced biomedical signal recording and processing technology platform for electroneurogram (ENG) recordings based on the core competencies of the PURE (Precise Uninterrupted Real-time evaluation of Electrograms) EP™ signal processing technology, such as broad dynamic range of recorded signals and low signal-to-noise ratio. In March 2020, NeuroClear was renamed to ViralClear and repurposed to bring a broad-spectrum anti-viral agent against the COVID-19 virus to market.

On March 24, 2020, ViralClear entered into an asset purchase agreement (the "Asset Purchase Agreement") with Trek Therapeutics, PBC ("Trek"). Pursuant to the Asset Purchase Agreement, Trek sold to ViralClear all right, title and interest of Trek and its affiliates to certain assets (the "Purchased Assets"). As consideration for the Purchased Assets, ViralClear agreed to pay Trek in upfront and milestone payments a combination of cash, shares of ViralClear's common stock, which common stock may equal up to 10% of ViralClear's outstanding equity, and sublicense fees in the event ViralClear sublicenses the Purchased Assets. On March 30, 2020, pursuant to the Asset Purchase Agreement, ViralClear paid $350,000 in cash and issued 634,910 shares of ViralClear's common stock to Trek. As of March 31, 2020, the Company had a majority interest in ViralClear of 80.9%.

Currently ViralClear is developing Vicromax™ (merimepodib), a broad-spectrum, anti-viral candidate acquired from Trek which demonstrated strong activity against COVID-19 in cell cultures in in-vitro laboratory testing. Vicromax targets RNA-dependent polymerases. The molecule has shown activity against a broad spectrum of RNA viruses and has demonstrated satisfactory safety data from over 300 patients treated for hepatitis C. In April 2020, ViralClear published first pre-clinical data generated under contract with Galveston National Laboratory at The University of Texas Medical Branch. A manuscript titled, "The IMPDH inhibitor merimepodib suppresses SARS-COV-2 replication in vitro" was authored by Natalya Bukreyeva, Emily K. Mantlo, Rachel A. Sattler, Cheng Huang, Slobodan Paessler, DVM, Ph.D of the UTMB Galveston National Laboratory and Jerome Zeldis, M.D., Ph.D of ViralClear. In-vitro studies referenced in the manuscript demonstrated that merimepodib decreased viral production by over 98%. The Company intends to pursue development of this agent for the treatment of COVID-19 through FDA-approved clinical trials in Q2 2020. On April 16, 2020, ViralClear submitted an application for Vicromax through the Coronavirus Treatment Acceleration Program (CTAP) to administer the drug to hospitalized patients with COVID-19.

Recent developments

On April 8, 2020, ViralClear entered into a know-how license agreement (the "Agreement") with Mayo Foundation for Medical Education and Research ("Mayo"). The Agreement grants to ViralClear (i) an exclusive worldwide license, with the right to sublicense, within the field of anti-viral agents to target COVID-19 (the "Field") to certain patent rights for the development and commercialization of products, methods, and processes for public use and benefit (the "Licensed Products") and (ii) a non-exclusive worldwide license, with the right to sublicense, within the Field, to use the know-how of Mayo that is necessary to develop the Licensed Products. The Agreement will expire upon the later of either (a) the expiration of the licensed patent rights or (b) the 7th anniversary of the date of the first commercial sale of a Licensed Product, unless earlier terminated by Mayo for ViralClear's failure to cure a material breach of the Agreement, ViralClear's or a sublicensee's commencement of any action or proceedings against Mayo or its affiliates other than for an uncured material breach of the Agreement by Mayo, or insolvency ViralClear.

In connection with the Agreement, ViralClear issued to Mayo 259,959 shares of ViralClear's common stock, par value $0.001 per share. ViralClear also agreed to make earned royalty payments to Mayo in connection with ViralClear's sales of the Licensed Products along with certain milestone payments.

Results of Operations

We anticipate that our results of operations will fluctuate for the foreseeable future due to several factors, such as the progress of our research and development and commercialization efforts and the timing and outcome of future regulatory submissions. Due to these uncertainties, accurate predictions of future operations are difficult or impossible to make.

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

Revenues and Cost of Goods Sold. We had no revenues or cost of goods sold during the three months ended March 31, 2020 and 2019.

Research and Development Expenses. Research and development expenses for the three months ended March 31, 2020 were $4,926,714, an increase of $3,437,875, or 230.9%, from $1,488,839 for the three months ended March 31, 2019. This increase is primarily due to the acquired research and development from Trek for cash of $350,000 and 634,910 shares of ViralClear's common stock. In addition, we incurred an increase in compensation with us adding personnel along with increases in consulting, travel and supplies, net with a reduction in research studies and design work. Research and development expenses were comprised of the following:

Three months ended:

	March 31, 2020	March 31, 2019
Salaries and equity compensation	$ 892,502	$ 681,632
Consulting expenses	271,963	230,263
Research studies and design work	166,153	536,196
Acquired Research and Development	3,524,550	-
Travel, supplies, other	71,546	40,748
Total	$ 4,926,714	$ 1,488,839

Stock based compensation for research and development personnel was $314,303 and $428,747 for the three months ended March 31, 2020 and 2019, respectively.

On March 24, 2020, ViralClear entered into the Asset Purchase Agreement with Trek. Pursuant to the Asset Purchase Agreement, Trek sold ViralClear all right, title and interest of Trek and its affiliates to the Purchased Assets. As consideration for the Purchased Assets, we agreed to pay Trek in upfront and milestone payments a combination of cash, shares of ViralClear's common stock, which common stock may equal up to 10% of the ViralClear's outstanding equity, and sublicense fees in the event ViralClear sublicenses the Purchased Assets.

General and Administrative Expenses. General and administrative expenses for the three months ended March 31, 2020 were $7,855,220, an increase of $3,476,323, or 79.4%, from $4,378,897 incurred in the three months ended March 31, 2019. This increase is primarily due to an increase in employee performance pay and staff in the current period as compared to the same period in the prior year and additional service provider fees paid.

Payroll related expenses increased to $1,302,971 in the current period from $682,502 for the three months ended March 31, 2019, an increase of $620,469. The increase was due to performance pay and added staff in the later part of 2019 for commercialization and support personnel. We incurred $4,098,281 in stock-based compensation in connection with the vesting of stock and stock options issued to board members, officers, employees and consultants for the three months ended March 31, 2020 as compared to $2,241,268 in stock-based compensation for the same period in 2019.

Professional services for the three months ended March 31, 2020 totaled $1,777,264, an increase of $1,619,457, or 1026.3%, over the $157,807 recognized for the three months ended March 31, 2019. Of professional services, legal fees totaled $385,166 for the three months ended March 31, 2020; an increase of $274,859 or 249.2% from $110,307 incurred for the three months ended March 31, 2019. The primary increase was due to costs incurred with financing and capital raise, contract work and patent filings in 2020 as compared to 2019. Accounting fees incurred in the three months ended March 31, 2020 amounted to $105,706, an increase of $58,206 or 122.5%, from $47,500 incurred in same period last year. In 2020, we incurred additional audit costs associated with internal control audit in addition to our yearend requirements.

Consulting, public and investor relations fees for the three months ended March 31, 2020 were $1,286,392 as compared to $598,845 incurred for the three months ended March 31, 2019. The increase in consulting, marketing and investor relations fees during the three months ended March 31, 2020 related to our continued efforts to develop our recognition throughout the medical industry in an effective manner.

Travel, meals and entertainment costs for the three months ended March 31, 2020 were $203,890, an increase of $78,026, or 62.0%, from $125,864 incurred in the three months ended March 31, 2019. Travel, meals and entertainment costs include travel related to business development and financing. The increase in 2020 was due to added commercialization and business development efforts as compared to 2019.

Rent for the three months ended March 31, 2020 totaled $119,408, an increase of $59,281 or 98.6%, from $60,127 incurred in three months ended March 31, 2019. The increase in rent for 2020 as compared to 2019 is due primarily adding our corporate headquarters in Westport, CT and an office in Rochester, MN, net with reduction in the Norwalk CT office.

Depreciation and amortization Expense. Depreciation and amortization expense for the three months ended March 31, 2020 totaled $21,015 an increase of $13,080, or 164.8%, over the expense of $7,935 incurred in the three months ended March 31, 2019, as a result of the adding additional office computers and other equipment.

Preferred Stock Dividend. Preferred stock dividend for the three months ended March 31, 2020 totaled $4,618, a decrease of $5,923, or 56.2% from $10,541 incurred during the three months ended March 31, 2019. Preferred stock dividends are related to the dividends accrued on our Series C Preferred Stock issued during the period from 2013 through 2015. The significant decrease in 2020 as compared to 2019 is the result of conversions in 2019 and 2020.

Net Loss available to BioSig Technologies, Inc. common shareholders. As a result of the foregoing, net loss available to common shareholders for the three months ended March 31, 2020 was $11,340,178 compared to a net loss of $5,880,089 for the three months ended March 31, 2019.

Segment Results

The Company reports segment information based on the “management” approach. The management approach designates the internal reporting used by management for making decisions and assessing performance as the source of the Company’s reportable segments.

Summary Statement of Operations for the three months ended March 31, 2019 as compared to the three months ended March 31, 2019 are detailed in Note 12 of the accompanying unaudited condensed consolidated financial statements.

COVID-19

On March 11, 2020, the World Health Organization (the "WHO") declared a pandemic related to the rapidly spreading coronavirus (COVID-19) outbreak, which has led to a global health emergency. The public-health impact of the outbreak is currently unknown and rapidly evolving, and the related health crisis could adversely affect the global economy, resulting in delaying to our commercialization objectives of the PURE EP systems.

Liquidity and Capital Resources

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

As of March 31, 2020, we had a working capital of $14,976,244, comprised of cash of $15,499,734, inventory of $800,000, vendor deposits of $100,000 and prepaid expenses of $160,705, which was offset by $1,033,263 of accounts payable and accrued expenses, accrued dividends on preferred stock issuances of $127,259 and current portion of lease liability of $423,673. For the three months ended March 31, 2019, we used $5,942,321 of cash in operating activities and $20,478 of cash in investing activities.

Cash provided by financing activities totaled $9,353,951, comprised of proceeds from the sale of our common stock of $9,052,331 and proceeds from exercise of warrants of $301,620.

In the comparable period in 2019, our aggregate cash provided by financing activities totaled $10,079,058, comprised of proceeds from the sale of our common stock of $8,619,278 and proceeds from exercise of warrants of $1,459,780. At March 31, 2020, we had cash of $15,499,734 compared to $10,933,593 at March 31, 2019. Our cash is held in bank deposit accounts. At March 31, 2020, and March 31, 2019, we had no convertible debentures outstanding.

Cash used in operations for the three months ended March 31, 2020 and 2019 was $5,942,321 and $3,522,601, respectively, which represent cash outlays for research and development and general and administrative expenses in such periods. The increases in cash outlays principally resulted from additional operating costs and general and administrative expenses and an increase in our operating assets of $110,295 and decrease our operating liabilities of $454,492, net of stock-based compensation and depreciation and amortization.

We used $20,478 cash for investing activities for the three months ended March 31, 2020, compared to $73,024 for the three months ended March 31, 2019. For the current period, we purchased computer and other equipment of $20,478, as compared to $14,422 in 2019 to purchase computer and other equipment and $58,327 and $275 in patent and trademark costs, respectively.

We had an accumulated deficit as of March 31, 2020 of $116 million, as well as a net loss available to BioSig Technologies, Inc. of $11.3 million and negative operating cash flows. We expect to continue incurring losses and negative cash flows from operations until our products (primarily PURE EP System and pharmaceuticals) reach commercial profitability. We believe that our existing cash on hand will be sufficient to enable us to fund our projected operating requirements for approximately one year and a day. However, we may need to raise additional funds more quickly if one or more of our assumptions prove to be incorrect or if we choose to expand our product development efforts more rapidly than we presently anticipate. We also may decide to raise additional funds before we require them if we are presented with favorable terms for raising capital.

Our plans include the continued commercialization of PURE EP System and pharmaceutical candidates and raising capital through the sale of additional equity securities, debt or capital inflows from strategic partnerships. There are no assurances, however, that we will be successful in obtaining the level of financing needed for our operations. The COVID-19 pandemic has resulted in significant financial market volatility and uncertainty in recent weeks. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital and on the market price of our common stock, and we may not be able to successfully raise capital through the sale of our securities. If we are unsuccessful in commercializing our products and raising capital, we may need to reduce activities, curtail or cease operations.

Our Series C Preferred Stock contains triggering events which would, among other things, require redemption (i) in cash, at the greater of (a) 120% of the stated value of $1,000 or (b) the product of (I) the variable weighted average price of our common stock on the trading day immediately preceding the date of the triggering event and (II) the stated value divided by the then conversion price or (ii) in shares of our common stock, equal to a number of shares equal to the amount set forth in (i) above divided by 75%. As of March 31, 2020, the aggregate stated value of our Series C Preferred Stock was $205,000. The triggering events include our being subject to a judgment of greater than $100,000 or our initiation of bankruptcy proceedings. If any of the triggering events contained in our Series C Preferred Stock occur, the holders of our Series C Preferred Stock may demand redemption, an obligation we may not have the ability to meet at the time of such demand. We will be required to pay interest on any amounts remaining unpaid after the required redemption of our Series C Preferred Stock, at a rate equal to the lesser of 18% per annum or the maximum rate permitted by applicable law.

We expect to incur losses from operations for the near future. We expect to incur increasing marketing and commercialization expenses related to our PURE EP system in addition to additional research and development costs relating to the PURE EP along with developing Vicromax and other product candidates, including expenses related to clinical trials. We expect that our general and administrative expenses will increase in the future as we expand our business development, add infrastructure and incur additional costs related to be a public company, including incremental audit fees, investor relations programs and increased professional services.

Our future capital requirements will depend on a number of factors, including the progress of our research and development of product candidates, the timing and outcome of regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims and other intellectual property rights, the status of competitive products, the availability of financing and our success in developing markets for our product candidates.

Future financing may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, existing holders of our securities may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our securities.

If additional financing is not available or is not available on acceptable terms, we may be required to delay, reduce the scope of or eliminate our research and development programs, reduce our commercialization efforts or obtain funds through arrangements with collaborative partners or others that may require us to relinquish rights to certain product candidates that we might otherwise seek to develop or commercialize independently.

Equity Financing

On February 21, 2020, we entered into an underwriting agreement (the “Underwriting Agreement”) with Laidlaw & Company (UK) Ltd. (the “Underwriter”), relating to an underwritten public offering of 2,500,000 shares of the Company’s common stock, at the public offering price of $4.00 per share. At closing on February 25, 2020, the Company received net proceeds of approximately $9,100,000, after deducting the underwriting discount and other offering expenses of approximately $100,000.

Pursuant to the Underwriting Agreement, we issued to the Underwriter or its designees warrants to purchase up to an aggregate 125,000 shares of common stock. The underwriter warrants are exercisable immediately and on or prior to February 21, 2025, at a price per share equal to $4.80 and are exercisable on a “cashless” basis.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our financial statements.

Research and Development.

We account for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and developments costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred.

Stock Based Compensation.

All stock-based payments to employees and to nonemployee directors for their services as directors consisted of grants of restricted stock and stock options, which are measured at fair value on the grant date and recognized in the statements of operations as compensation expense over the relevant vesting period. Restricted stock payments and stock-based payments to nonemployees are recognized as an expense over the period of performance.

Such payments are measured at fair value at the earlier of the date a performance commitment is reached, or the date performance is completed. In addition, for awards that vest immediately and are non-forfeitable, the measurement date is the date the award is issued.

On October 29, 2014, our common stock commenced trading on OTCQB and on September 21, 2018 on the NASDAQ Capital Market under the symbol "BSGM." Fair value of options are typically determined by the sales prices of our common stock for the 10 trading days immediately preceding the date of the award.

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the recoverability and useful lives of long-lived assets, the fair value of long-term operating leases, patent capitalization, the fair value of the Company's stock, stock-based compensation, fair values relating to warrant and other derivative liabilities and the valuation allowance related to deferred tax assets. Actual results may differ from these estimates.

Income Taxes.

Deferred income tax assets and liabilities are determined based on the estimated future tax effects of net operating loss and credit carryforwards and temporary differences between the tax basis of assets and liabilities and their respective financial reporting amounts measured at the current enacted tax rates. We record an estimated valuation allowance on our deferred income tax assets if it is not more likely than not that these deferred income tax assets will be realized. We recognize a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required under Regulation S-K for "smaller reporting companies."

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required under Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we carried out an evaluation, with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined under Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

Management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2019, based on the criteria in a framework developed by the Company's management pursuant to and in compliance with the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, walkthroughs of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management had concluded that our internal control over financial reporting was not effective as of December 31, 2019, because management identified that inadequate segregation of duties resulted in deficiencies, which, in aggregate, amounted to a material weakness in the Company's internal control over financial reporting.

Management's Remediation Plan

During the three months ended March 31, 2020, we have added additional measures including incorporating personnel and third-party service providers, who are not involved in initialing and recording transactions, that we believe will remediate the underlying deficiencies in segregation of duties as identified by us.

There have been no other changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) and 15d-(f) of the Exchange Act) that occurred during the last fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

The following description of risk factors includes any material changes to, and supersedes the description of, risk factors associated with our business, financial condition and results of operations previously disclosed in "Item 1A. Risk Factors" of our annual report on Form 10-K for the fiscal year ended December 31, 2019, as filed with the SEC on March 13, 2020. Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described below, any one or more of which could, directly or indirectly, cause our actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, operating results and stock price.

The following discussion of risk factors contains forward-looking statements. These risk factors may be important to understanding other statements in this Form 10-Q. The following information should be read in conjunction with the condensed consolidated financial statements and related notes in Part I, Item 1, "Financial Statements" and Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-Q.

Risks Relating to COVID-19

The recent COVID-19 outbreak may adversely affect our business.

In December 2019, a strain of coronavirus was reported to have surfaced in Wuhan, China, and has spread globally, resulting in government-imposed quarantines, travel restrictions and other public health safety measures. On March 12, 2020, the WHO declared COVID-19 to be a pandemic, and efforts to contain the spread of COVID-19 have intensified. The COVID-19 pandemic may adversely impact our business plan as our clinical studies may be delayed as hospitals in the impacted regions may shift their resources to patients affected by the disease. The rapidly evolving nature of the circumstances is such that it is impossible, at this stage, to determine the full and overall impact the COVID-19 pandemic may have, but it could disrupt production and cause delays in the supply and delivery of products used in our research and development efforts, adversely affect our employees, and disrupt our operations, all of which may have a material adverse effect on our business. In addition, the pandemic may have an adverse effect on the ability of regulatory bodies to grant approvals or supervise our candidates and products, may further divert the attention and efforts of the medical community to coping with the coronavirus and disrupt the marketplace in which we operate and may have a material adverse effects on our operations.

Moreover, the COVID-19 pandemic has created significant economic uncertainty and volatility in the credit and capital markets. Management plans to secure the necessary financing through the issue of new equity and/or the entering into of strategic partnership arrangements; however, there is no assurance that our management will be able to obtain such financing on reasonable terms or at all. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital and on the market price of our common stock, and we may not be able to successfully raise capital through the sale of our securities. If we are unsuccessful in commercializing our products or raising capital, we may need to reduce activities, curtail or cease operations.

In addition, a significant outbreak of COVID-19 or other infectious diseases could result in a widespread health crisis that could adversely affect the economies and financial markets worldwide, resulting in an economic downturn that could impact our business, financial condition and results of operations.

Risks Relating to ViralClear's Business and Industry

Our pursuit of a potential anti-viral therapeutic candidate for COVID-19 is at an early stage. There is no assurance that we will develop a marketable product or our therapeutic candidate may be unable to successfully treat the virus in a timely manner, if at all.

Our anti-viral candidate using Vicromax is in early stage development and may not be successfully developed or commercialized. We expect the product development will require substantial capital expenditures. Therapeutic candidate developments involve a high degree of risk and are marked by many unprofitable efforts for many reasons, including some of the factors listed herein. We may be unable to produce an anti-viral candidate that successfully treats the COVID-19 in a timely manner, if at all. We cannot be certain that our research and development efforts will be successful or, if successful, that any products that are developed using Vicromax will ever be approved by the FDA or other regulatory bodies. Even if approved, any products that we develop may not generate sufficient commercial revenues. The market for our potential products may be slow to develop or smaller than estimated or it may be more difficult to build the market than anticipated. In addition, the outbreak of the COVID-19 may be effectively contained or the risk of coronavirus infection may be diminished or eliminated before we can successfully develop and manufacture the anti-viral candidate for the treatment of COVID-19. The medical community may resist our future products or be slower to accept them than we anticipate. Our failure to develop, manufacture, receive regulatory approval for, or successfully commercialize any of our therapeutic candidates could result in the failure of our business.

There can be no assurance that we will be able to execute our business plan successfully.

Our ability to execute our business plan is dependent upon a number of factors, including our ability to:

- successfully conduct pre-clinical and clinical studies;
- successfully develop our therapeutic candidates and subsequent product pipeline;
- successfully commercialize our products;
- obtain partnership or licensing opportunities; and
- obtain additional funding.

There can be no assurance that any of these initiatives will be successfully and fully executed in the amounts or within the time periods that we expect. Furthermore, there can be no assurance that we will be able to achieve profitability in the future, and there can be no assurance that our current or future business strategies will lead us to achieve our objectives.

We operate in a highly competitive industry.

The pharmaceutical market is highly competitive, it is subject to rapid technological change and is significantly affected by existing rival drugs and medical procedures, new product introductions and the market activities of other participants. Pharmaceutical and biotechnology companies, academic institutions, governmental agencies and other public and private research organizations may pursue the research and development of technologies, drugs or other therapies. Our competitors may develop products more rapidly or more effectively than us. If our competitors are more successful in commercializing their products than us, their success could adversely affect our competitive position and harm our business prospects.

The competitive landscape of anti-coronavirus therapies has been rapidly developing since the beginning of the COVID-19 pandemic in late 2019. There is an increasing number of companies claiming to be investigating possible candidates. These drug candidates generally consist of therapeutics or vaccines. We believe it is likely that a combination of therapies will be used to effectively treat COVID-19, and the global footprint of the current pandemic will result in the need for multiple approved drugs to meet the needs of patients in different stages of the disease.

There are five companies developing anti-viral agents which are active on clinicaltrials.gov. These are Gilead Sciences which began two Phase III clinical trials in March 2020 for its drug candidate, remdesivir; Sanofi began its Phase I clinical trial on April 12, 2020 for its drug candidate, hydroxychloroquine; Fujifilm Pharmaceuticals U.S.A. began its Phase II clinical trial on April 17, 2020 for its drug candidate, favipiravir;.Karyopharm Therapeutics Inc began its Phase II clinical trial on April 17, 2020 for its drug candidate, selinexor; Eli Lilly and Company began its Phase II clinical trial on April 20, 2020 for its drug candidate, LY3127804. The most notable candidate, in terms of current activity and publicity is Gilead's remdesivir. The FDA on May 1, 2020 granted emergency use authorization for remdesivir to treat adults and children hospitalized with severe COVID-19.

The therapeutic candidates are in different stages of clinical trials and development. If we experience delayed regulatory approvals or disputed clinical claims, we may not have a commercial or clinical advantage over competitors' products that we believe we currently possess. Should another party be successful in producing a more efficacious therapeutic or a vaccine for COVID-19, such success will reduce or eliminate the commercial opportunity for our anti-viral candidate and could have a material adverse effect on our business, financial condition, results of operations and future prospects.

Government involvement may limit the commercial success of our COVID-19 anti-viral candidate.

The COVID-19 outbreak has been classified as a pandemic by public health authorities, and it is possible that one or more government entities may take actions that directly or indirectly have the effect of abrogating some of our rights or opportunities. If we were to develop an anti-viral therapeutic to COVID-19, the economic value of such therapeutic to us could be limited.

Various government entities, including the U.S. government, are offering incentives, grants and contracts to encourage additional investment by commercial organizations into preventative and therapeutic agents against coronavirus, which may have the effect of increasing the number of competitors and/or providing advantages to known competitors. Accordingly, there can be no assurance that we will be able to successfully establish a competitive market share for our anti-viral candidate, if any.

We may be unable to advance the compounds we acquired from Trek successfully through the preclinical and clinical development process.

Our ability to develop, obtain regulatory approval for, and ultimately commercialize, a product derived from the compounds we acquired from Trek effectively will depend on many factors, including the following:

- successful completion of preclinical studies and clinical trials, which will depend substantially upon the satisfactory performance of third-party contractors;
- successful achievement of the objectives of planned preclinical studies and clinical trials;
- receipt of marketing approvals from the FDA and similar regulatory authorities outside the United States;
- establishing efficient and effective commercial manufacturing, supply and distribution arrangements;
- establishing sufficient market share and promoting acceptance of the product by patients, the medical community and third-party payors;
- successfully executing an effective pricing and reimbursement strategy;
- maintaining a continued acceptable safety and adverse event profile following regulatory approval; and
- qualifying for, identifying, registering, maintaining, enforcing and defending intellectual property rights and claims.

The compounds will require additional non-clinical and clinical development, regulatory review and approval, substantial investment, access to sufficient commercial manufacturing capacity and significant marketing efforts before we can be in a position to generate any revenue from product sales. We are not permitted to market or promote any product candidates we may develop before we receive regulatory approval from the FDA or comparable foreign regulatory authorities, and we may never receive such regulatory approval. If we are unable to develop or receive marketing approval in a timely manner or at all, we could experience significant delays or an inability to commercialize products derived from Vicromax, which would materially and adversely affect our business, financial condition and results of operations.

We may experience delays in any phase of the preclinical or clinical development of a product, including during its research and development.

We may experience delays in any phase of the preclinical or clinical development of a product, including during its research and development. The completion of any of these studies may be delayed or halted for numerous reasons, including, but not limited to, the following:

- the FDA or other regulatory authorities do not approve a clinical study protocol or place a clinical study on hold;
- patients do not enroll in a clinical study or results from patients are not received at the expected rate;
- patients discontinue participation in a clinical study prior to the scheduled endpoint at a higher than expected rate;
- patients experience adverse events from a product we develop;
- third-party clinical investigators do not perform the studies in accordance with the anticipated schedule or consistent with the study protocol and good clinical practices or other third-party organizations do not perform data collection and analysis in a timely or accurate manner;
- third-party clinical investigators engage in activities that, even if not directly associated with our studies, result in their debarment, loss of licensure, or other legal or regulatory sanction;
- regulatory inspections of manufacturing facilities, which may, among other things, require us to undertake corrective action or suspend the preclinical or clinical studies;
- changes in governmental regulations or administrative actions;
- the interim results of the preclinical or clinical study, if any, are inconclusive or negative; and
- the study design, although approved and completed, is inadequate to demonstrate effectiveness and safety.

If the preclinical and clinical studies that we are required to conduct to gain regulatory approval are delayed or unsuccessful, we may not be able to market any product that we develop in the future. Preclinical studies and clinical trials are expensive and difficult to design and implement and any delays or prolongment in our preclinical and clinical studies will require additional capital. There is no assurance that we will be able to acquire additional capital to support our studies. The failure to obtain additional capital would have a material adverse effect on the Company.

Therapeutic products are subject to extensive governmental regulations relating to development, clinical trials, manufacturing and commercialization.

Any therapeutic product that we develop in the future will be subject to extensive governmental regulations relating to development, clinical trials, manufacturing and commercialization. Rigorous preclinical studies, clinical trials and extensive regulatory approval processes are required to be successfully completed in the United States and in many foreign jurisdictions before a new product may be offered and sold in any of these countries or regions. Satisfaction of these and other regulatory requirements is costly, time-consuming, uncertain and subject to unanticipated delays.

Preclinical studies and clinical trials are expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. Because any product that we develop in the future will be based on new technologies, we expect that it will require extensive research and development and necessitate substantial manufacturing and processing costs. In addition, costs to treat potential side effects that may result from a product we develop may be significant. Accordingly, our preclinical and clinical trial costs could be significantly higher than for more conventional therapeutic technologies or drug products.

In the United States, the products that we intend to develop and market are regulated by the FDA under its drug development and review process. The time required to obtain FDA and other approvals for any product that we develop in the future is inherently unpredictable. Before such products can be marketed, we must obtain clearance from the FDA first through submission of an investigational new drug (“IND”), then through successful completion of human testing under three phases of clinical trials and finally through submission of a new drug application (“NDA”). Even after successful completion of clinical testing, there is a risk that the FDA may request further information from us, disagree with our findings or otherwise undertake a lengthy review of our NDA submission.

There can be no assurance that the FDA will grant a license for any NDA that we may submit. It is possible that none of the products that we develop in the future will obtain the appropriate regulatory approvals necessary for us to commence the offer and sale of such products. Any delay or failure in obtaining required approvals could have a material adverse effect on our ability to generate revenues from a particular prospective product.

If we decide to market any drug that we develop in jurisdictions in addition to the United States, we may incur the same costs or more in satisfying foreign regulatory requirements governing the conduct of preclinical and clinical trials, manufacturing and marketing and commercialization of any product that we develop in the future. Approval by the FDA by itself does not assure approval by regulatory authorities outside the United States. Each of these foreign regulatory approval processes includes all of the risks associated with the FDA approval process, as well as risks attributable to having to satisfy local regulations within each of these foreign jurisdictions. Our inability to obtain regulatory approval outside the United States may adversely compromise our business prospects.

We are dependent on technologies that we have licensed, and we may need to license in the future, and if we fail to obtain licenses we need, or fail to comply with our obligations in the agreements under which we in-license intellectual property and other rights from third parties, we could lose our ability to develop a therapeutic candidate.

We are currently dependent on licenses from third parties, including Vertex and Mayo, for their technologies. Any failure to make the payments required by the license agreements may permit the third-party licensor to terminate the license. If we were to lose or otherwise be unable to maintain all or any of the licenses for any reason, it would halt our ability to develop a therapeutic candidate. The foregoing could result in a material adverse effect on our business or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On April 22, 2020, BioSig Technologies, Inc. issued 15,038 shares of common stock to a IRTH Communications LLC in exchange for consulting services rendered with a fair value of $108,274, pursuant to a service renewal agreement, dated December 11, 2019. The issuance of the shares of common stock to IRTH was not registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state, and the shares of the common stock were issued in reliance on the exemption from registration under the Securities Act pursuant to Section 4(a)(2) of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

3.1	Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Form S-1 filed on July 22, 2013)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.2 to the Form S-1 filed on July 22, 2013)
3.3	Certificate of Second Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.3 to the Form S-1 filed on July 22, 2013)
3.4	Certificate of Third Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.5 to the Form S-1/A filed on January 21, 2014)
3.5	Certificate of Fourth Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.6 to the Form S-1/A filed on March 28, 2014)
3.6	Certificate of Fifth Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on August 21, 2014)
3.7	Certificate of Sixth Amendment to the Amended and Restated Certificate of Incorporation of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on November 25, 2016)
3.8	Certificate of Designation of Preferences, Rights and Limitations of Series D Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on November 9, 2017)
3.9	Certificate of Designation of Preferences, Rights and Limitations of Series E Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on February 16, 2018)
3.10	Certificate of Seventh Amendment to the Amended and Restated Certificate of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on September 10, 2018)
3.11	Bylaws of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.4 to the Form S-1 filed on July 22, 2013)
3.12	Amended and Restated Bylaws of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on September 27, 2019)
3.13	Amendment No. 1 to Amended and Restated Bylaws of BioSig Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on October 22, 2019)
10.1	Form of Underwriter Common Stock Purchase Warrant February 25, 2020, by and between BioSig Technologies, Inc. and Laidlaw & Company (UK) Ltd. as therein (incorporated by reference to Exhibit 4.1 to the Form 8-K filed on February 24, 2020)
10.2*	Assignment and License Agreement, dated as of July 12, 2016, by and between Vertex Pharmaceuticals Incorporated and Trek Therapeutics, PBC.
10.3*	Asset Purchase Agreement, dated as of March 24, 2020, by and between Trek Therapeutics, PBC and NeuroClear Technologies, Inc.
31.01*	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02*	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01*	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 INS*	XBRL Instance Document
101 SCH*	XBRL Taxonomy Extension Schema Document
101 CAL*	XBRL Taxonomy Calculation Linkbase Document
101 DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101 LAB*	XBRL Taxonomy Labels Linkbase Document
101 PRE*	XBRL Taxonomy Presentation Linkbase Document

*** Filed herewith.**

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.

BIOSIG TECHNOLOGIES, INC.

Date: May 11, 2020

By: /s/ KENNETH L. LONDONER
Kenneth L. Londoner
Chairman & Chief Executive Officer (Principal Executive Officer)

Date: May 11, 2020

By: /s/ STEVEN CHAUSSY
Steven Chaussy
Chief Financial Officer (Principal Accounting Officer)

Trek Therapeutics, PBC and Vertex Pharmaceuticals Incorporated Assignment and License Agreement

This Assignment and License Agreement (the "Agreement") is made and entered into as of July 12, 2016 (the 'Effective Date"), by and between Vertex Pharmaceuticals Incorporated, with an address at 50 Northern Avenue, Boston, Massachusetts 02210 (together with its Affiliates, "VERTEX") and Trek Therapeutics, PBC with an address at 125 Cambridge Park Drive, Suite 301, Cambridge, Massachusetts 02140 ("TREKtx"). VERTEX and TREKtx each may be referred to herein individually as a "Party" or collectively as the "Parties."

WHEREAS, VERTEX owns rights to the proprietary compounds identified as VX-222 and VX-497;

WHEREAS, TREKtx desires to obtain the rights to develop and commercialize VX-222 and VX-497 and VERTEX desires to grant such rights, subject to TREKtx's payment of milestones and royalties and consistent with the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the covenants and obligations set forth herein, and other good and valuable consideration, the Parties agree as follows:

Article 1. Definitions. The following definitions shall apply to the defined words where such words are used in this Agreement:

1.1. "Affiliate" of a Person means any other Person, whether de jure or de facto, which directly or indirectly controls, is controlled by, or is under common control with such Person for so long as such control exists, where "control" means the decision-making authority as to such Person and, further, where such control shall be presumed to exist where a Person owns more than fifty percent of the equity (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction) having the power to vote on or direct the affairs of the entity.

1.2. "Agreement" has the meaning set forth in the preamble.

1.3. "Anti-Corruption Laws" has the meaning set forth in Section 5.2.

1.4. "Assigned Compound" means a VX-222 Compound and/or VX-497 Compound, as context requires.

1.5. "Assigned Know-How" means the information identified in Exhibit B to the extent Controlled by VERTEX and to the extent solely and specifically related to the Assigned Compounds. Notwithstanding the foregoing or any items listed in Exhibit B, Assigned Know-How does not include: (i) any of VERTEX's general drug design or delivery technology, whether in hardware or software form, tangible or intangible, or information relating to any compounds or active ingredients other than the Assigned Compounds; or (ii) any formulation or manufacturing technology not applied to an Assigned Compound or Product by or on behalf of VERTEX.

1.6. "Assigned Patents" means the Patents listed in Exhibit A, including any re-examination, re-issue, continuation, or division thereof (to the extent that each claimed invention in such application is Covered by one or more clams in the patents listed in Exhibit A) and any foreign counterparts filed or issued in the Territory.

1.7. "Associated Persons" has the meaning set forth in Section 5.2.

1.8. "Business Day" means a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in Boston, Massachusetts are authorized or obligated to close.

1.9. "Calendar Quarter" means the respective periods of three consecutive calendar months ending on March 31, June 30, September 30 or December 31, during the Term, or the applicable part thereof during the first or last calendar quarter of the Term.

1.10. "Calendar Year" means any calendar year ending on December 31, or the applicable part thereof during the first or last year of the Term.

1.11. "Claims" has the meaning set forth in Section 10.1.

1.12. "Combination Product" means (a) any product, process or service which incorporates one or more therapeutically active ingredients, other than an Assigned Compound, in combination or co-formulation with an Assigned Compound; or (b) any combination of a Product and another product that contains at least one other therapeutically active ingredient that is not an Assigned Compound, where such products are not formulated together but are packaged or sold together as a single product and invoiced as one product.

1.13. "Commercialize" or "Commercialization" means (a) to market, promote, distribute, offer for sale, sell, have sold, import, export or otherwise commercialize a Product and (b) to conduct activities other than Research, Development and Manufacturing, in preparation for the foregoing activities, including obtaining pricing approval, and to conduct post-Marketing Authorization studies (including clinical trials).

1.14. "Confidential Information" means all non-public, confidential or proprietary information, data or know-how whether provided in written, oral, graphic, video, computer or other form, provided by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") in any form pursuant to this Agreement, including but, not limited to, information relating to the Disclosing Party's existing or proposed research, development, patent applications, business or products. VERTEX's Confidential Information shall include the Licensed Know-How. The Assigned Know- How shall be deemed to be TREKtx's Confidential Information. The terms of this Agreement shall be deemed to be each Party's Confidential Information. All information disclosed by a Party under the Mutual Confidentiality Agreement between the Parties dated January 15, 2015 is deemed the Confidential Information of such Party pursuant to this Agreement. Confidential Information shall not include any information or materials that the Receiving Party can document with competent written proof: (i) were already known to the Receiving Party (other than under an obligation of confidentiality) at the time of disclosure by or on behalf of the Disclosing Party; (ii) were available to the public

or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (iii) became available to the public or otherwise part of the public domain after its disclosure to the Receiving Party, other than through any act or omission of the Receiving Party in breach of its obligations under this Agreement; (iv) were disclosed to the Receiving Party, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to the Receiving Party or others; or (v) were independently discovered or developed by or on behalf of the Receiving Party without the use of the Confidential Information belonging to the Disclosing Party. Notwithstanding the foregoing, specific aspects or details of Confidential Information shall not be deemed to be within the public domain or in the rightful possession of the Receiving Party merely because they are contained within more general public disclosures or more general information in the rightful possession of the Receiving Party.

1.15. "Controlled" means, with respect to any know-how, Patent or other intellectual property right, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to assign, or grant a license, sublicense or other right to or under, such know-how, Patent, or right as provided for herein without violating the terms of any agreement or other arrangements with any Third Party, *provided*, that if the assignment or license of such know-how, Patent or other intellectual property right would trigger a royalty or other payment to a Third Party or would require compliance with any provision of any license between VERTEX and a Third Party, VERTEX will so notify TREKtx and such know-how, Patent or other intellectual property right will only be deemed Controlled if, following receipt of such notice, TREKtx agrees in writing to reimburse VERTEX for all such payments to such Third Party and to comply with any such provision.

1.16. "Cover," "Covering," "Covers" or "Covered" means, as to a compound or product and Patent, that, in the absence of a license granted under, or ownership of, such Patent, the making, using, keeping, selling, offering for sale or importation of such compound or product would infringe such Patent or, as to a pending claim included in such Patent, the making, using, selling, offering for sale or importation of such compound or product would infringe such Patent if such pending claim were to issue in an issued patent without modification.

1.17. "Development" means, with respect to a Product, all clinical and non- clinical research and development activities conducted after filing of an IND for such Product, including toxicology, pharmacology test method development and stability testing, process development, formulation development, delivery system development, quality assurance and quality control development, statistical analysis, clinical trials (other than post-Marketing Authorization clinical trials), regulatory affairs, pharmacovigilance, clinical trial regulatory activities and obtaining and maintaining regulatory approval.

1.18. "Disclosing Party" has the meaning set forth in the definition of Confidential Information.

1.19. "Effective Date" has the meaning set forth in the preamble.

1.20. "Field of Use" has the meaning set forth in Section 2.4.

1.21. "First Commercial Sale" shall mean, with respect to a particular Product in a particular country in the Territory, the first commercial sale of such Product to a Third Party for end use or consumption in such country in an arm's length transaction by TREKtx or any other Seller after the receipt of Marketing Authorization in such country. Sales for test marketing, sampling and promotional uses, clinical trial purposes or compassionate or similar use shall not be considered to constitute a First Commercial Sale.

1.22. "HCV" means the Hepatitis C Virus.

1.23. "IND" means any Investigational New Drug application filed with the United States Food and Drug Administration pursuant to Part 312 of Title 21 of the U.S. Code of Federal Regulations, including any supplements or amendments thereto. References herein to IND will include, to the extent applicable, any comparable filings outside the United States.

1.24. "Indication" means a separate and distinct disease or medical condition in humans (a) that a Product is being evaluated to treat, or (b) for which a Product has received Marketing Authorization.

1.25. "Initiation" means, with respect to any clinical trial, dosing of the first human subject in such clinical trial.

1.26. "Licensee" has the meaning set forth in Section 2.5.1.

1.27. "Licensed Know-How" means the information other than Assigned Know- How that (a) was Controlled by VERTEX on the Effective Date and remains under the Control of VERTEX during the Term; (b) was used by VERTEX in its Research, Development or Manufacturing of the Assigned Compounds prior to the Effective Date; and (c) is necessary for the Development, use, Manufacturing or Commercialization of any of the Assigned Compounds. Licensed Know-How does not include: (i) any of VERTEX's general drug design or delivery technology, whether in hardware or software form, tangible or intangible, or information relating to any compounds or active ingredients other than the Assigned Compounds; or (ii) any formulation or manufacturing technology not applied to an Assigned Compound or Product by or on behalf of VERTEX.

1.28. "Manufacture" or "Manufactured" or "Manufacturing" means activities directed to making, having made, producing, manufacturing, processing, filling, finishing, packaging, labeling, quality control testing and quality assurance release, shipping or storage of a Product.

1.29. "Marketing Authorization" means, with respect to a Product in a particular jurisdiction in the Territory, the receipt of all approvals from the relevant regulatory authority necessary to market and sell such Product in any such jurisdiction, excluding any pricing approval or reimbursement authorization.

1.30. "Materials" means raw materials, pharmaceutical ingredients, intermediates and drug products identified in Exhibit C.

1.31. "Milestone Event" has the meaning set forth in Section 4.2.

1.32. "Milestone Payment" has the meaning set forth in Section 4.2.

1.33. "Monetization Transaction" has the meaning set forth in Section 4.6.

1.34. "Net Sales" means the gross amount billed or invoiced by TREKtx, its Affiliates and their Licensees, assignees, and any other Third Party to which TREKtx grants rights with respect to the Research, Development, Manufacturing, and Commercialization of an Assigned Compound (including by assignment of the Assigned Patents or Assigned Know-How) (collectively referred to as the "Seller") on sales of any Product to a Third Party, less Permitted Deductions determined under United States generally accepted accounting principles. "Permitted Deductions" means the following;

(a) customary transportation charges relating to such Product, including handling charges, outbound freight, shipment and insurance premiums relating thereto;

(b) sales taxes, excise taxes, use taxes, tariffs and duties paid by and not refunded to the Seller and directly related to sale of such Product, and any other equivalent governmental charges imposed upon the importation, use or sale of such Product, but excluding income and similar taxes;

(c) government-mandated deductions and other rebates (notably but not limited to those in respect of any state or federal Medicare, Medicaid or similar programs), clawbacks or other forms of payment to any governmental authority or agency and payments or accruals made with respect to any national or local health insurance program, including government fees levied as a result of health care reform policies such as the branded prescription drug fee of the Affordable Care Act;

(d) customary trade, quantity and cash discounts, allowances and credits allowed or paid in the form of deductions actually allowed or fees actually paid with respect to sales of such Product (to the extent not already reflected in the amount invoiced);

(e) allowances or credits to customers on account of retrospective price reductions, rejections or returns of Product, including billing errors; and

(f) customary rebates, charge backs and discounts (or equivalent thereof) actually granted for such Product including those customarily granted to managed care entities or organizations, pharmacy benefit managers (or equivalent thereof), federal,

state/provincial, local or other governments or their agencies or purchasers, reimbursers or trade customers.

A Permitted Deduction set forth in (a)-(f) above may be deducted only once, regardless of the number of the preceding categories that describe such amount. Sales between or among TREKtx, its Affiliates and Licensees will be excluded from the computation of Net Sales if such sale is not intended for end use, but Net Sales will include the subsequent final sales to Third Parties by TREKtx or any such Affiliates and Licensees. A Product will not be deemed to be sold if the Product is provided free of charge to a Third Party in reasonable quantities as a sample consistent with industry standard promotional and sample practices. For clarity, Net Sales includes sales such as so-called "treatment IND sales," "named patient sales," and "compassionate use sales," even if such sales occur prior to receipt of Marketing Authorization.

In the case of any sale that is not invoiced, Net Sales shall be calculated at the time of transfer of title of the Product based on the gross selling price. If a sale, transfer or other disposition with respect to a Product involves consideration other than cash or is not at arm's length, then the Net Sales from such sale, transfer or other disposition will be calculated based on the fair market value of the Product as reasonably determined by the Parties.

Net Sales for a Combination Product in a country shall be calculated by multiplying actual Net Sales of such Combination Product as determined in the first paragraph of the definition of "Net Sales" by the fraction A/(A+B) where A is the weighted average invoice price of such Product, if sold separately, and B is the total of the weighted average invoice price(s) of the other active ingredient(s) in the combination, if sold separately. The weighted average invoice prices referenced above will be calculated with reference to the prevailing prices during the applicable Calendar Quarter in those top selling countries that equate to 80% of Net Sales of the applicable Product in the Territory, with the prices weighted in the calculation to reflect the actual relative sales value of the Product in each of the countries to which the calculation relates. If it is not possible to determine the fraction A/(A+B) based on the criteria specified in the preceding sentence (*e.g.*, if a Product component is not sold separately), the Parties shall determine Net Sales for the Product in such Combination Product by the fraction A/N where A is the weighted average invoice price of such Product, and N is the total number of products including the Product in such Combination Product. Notwithstanding anything contained herein, Net Sales for a Combination Product based on the foregoing calculations shall not fall below an amount equal to fifty percent of the total Net Sales for such Combination Product as calculated based on the first paragraph of this Section 1.34.

1.35. "Party" or "Parties" has the meaning set forth in the preamble.

1.36. "Patents" means patents existing upon the Effective Date and future patents and patent applications including without limitation provisional applications, continuation applications, continuations-in-part, divisional applications, Patent Cooperation Treaty applications, invention patents, utility model patents, industrial design patents, reexaminations, reissues, registrations, confirmations, revalidations, certificates of addition, utility models and petty patents, including extensions or

restorations of terms thereof, pediatric exclusivity extension of a patent, supplementary protection certificates or any other such right.

1.37. "Permitted Deductions" has the meaning set forth in the definition of Net Sales.

1.38. "Person" means any natural person, corporation, general partnership, §312.21(b), or, with respect to a jurisdiction other than the United States, a similar clinical trial.

1.39. "Phase 2 Clinical Trial" means any clinical trial as described in 21 C.F.R. §312.21(b), or, with respect to a jurisdiction other than the United States, a similar clinical trial.

1.40. "Phase 3 Clinical Trial" means any clinical trial as described in 21 C.F.R. 312.21(c), or, with respect to a jurisdiction other than the United States, a similar clinical trial.

1.41. "Product" means any preparation, substance or formulation comprised, in whole or in part, of an Assigned Compound. Product includes any Combination Product.

1.42. "Progress Reports" has the meaning set forth in Section 6.1.

1.43. "Receiving Party" has the meaning set forth in the definition of Confidential Information.

1.44. "Research" means conducting research activities to advance Assigned Compounds and Products, including pre-clinical studies and optimization, but specifically excluding Development and Commercialization.

1.45. "Revenue Buyer" has the meaning set forth in Section 4.6.

1.46. "Royalty Term" means, with respect to a Product in a country, the period commencing on the first sale generating Net Sales of such Product in such country and ending ten years after the First Commercial Sale of such Product in such country.

1.47. "Seller" has the meaning set forth in the definition of Net Sales.

1.48. "Storage Facility" has the meaning set forth in Section 2.6.

1.49. "Term" has the meaning set forth in Section 7.1.

1.50. "Territory" means worldwide.

1.51. "Third Party" means any Person other than VERTEX, TREKtx or their respective Affiliates.

1.52. "Third Party Auditor" has the meaning set forth in Section 4.5.

1.53. "TREXtx" has the meaning set forth in the preamble.

1.54 "TREKtx Indemnitees" has the meaning set forth in Section 10.2.

1.55. "VERTEX" has the meaning set forth in the preamble.

1.56. "VERTEX Indemnitees" has the meaning set forth in Section 10.1.

1.57. "VX-222 Compound" means the VX-222 compound (having the chemical structure depicted in Exhibit D) including, any and all salts, esters, metabolites, prodrugs, acid forms, base forms, steroisomers, racemates, tautomers, polymorphs, solvates, hydrates and crystalline forms thereof.

1.58. "VX-497 Compound" means the VX-497 compound (having the chemical structure depicted in Exhibit D) including, any and all salts, esters, metabolites, prodrugs, acid forms, base forms, steroisomers, racemates, tautomers, polymorphs, solvates, hydrates and crystalline forms thereof.

1.59. "Withheld Taxes" has the meaning set forth in Section 4.4.3.

Article 2. License; Assignment.

2.1. Assignment of Rights. Subject to the terms and conditions of this Agreement, VERTEX hereby assigns to TREKtx, and TREKtx hereby accepts, all of VERTEX's right, title and interest in the Assigned Patents and Assigned Know-How. Notwithstanding anything contained herein, the Parties expressly acknowledge that (i) VERTEX has, prior to the Effective Date, abandoned certain Patents including Patents that may have Covered the Assigned Compounds, (ii) VERTEX has not conducted any search to determine whether the Assigned Patents (or any other Patent that may claim or Cover the Assigned Compounds) have been abandoned or whether any abandoned Assigned Patent (or any other Patent that may Cover the Assigned Compounds) may be revived and (iii) VERTEX makes no representation as to the status, validity or enforceability of any Assigned Patent. If requested by TREKtx, VERTEX will reasonably cooperate with TREKtx in executing any customary and suitable written instruments effectuating the assignment of rights described in this Section 2.1.

2.2. License to VERTEX. Notwithstanding the foregoing, effective upon the assignment of Assigned Patents and Assigned Know-How pursuant to Section 2.1, TREKtx will, and hereby does, grant to VERTEX (a) a perpetual, irrevocable, exclusive, royalty-free, fully paid-up, worldwide, sublicensable (through multiple tiers), license under any such Assigned Patents and Assigned Know-How to research, develop, manufacture, have manufactured, use, keep, sell, offer for sale, import, export and commercialize any compounds Covered in such Assigned Patents or described in such Assigned Know-How that are not the Assigned Compounds in any and all fields, including in the Field of Use; and (b) a perpetual, irrevocable, exclusive, royalty-free, fully paid up, worldwide, license under any such Assigned Patents and Assigned Know- How to Research and Develop the Assigned Compounds in any and all fields outside of the Field of Use, including without limitation the use of Assigned Compounds in any compound screening libraries and VERTEX internal toxicity and DMPK databases that VERTEX maintains.

2.3. Licensed Know-How. Subject to the terms and conditions of this Agreement, VERTEX hereby grants to TREKtx, and TREKtx hereby accepts, a non- exclusive, royalty-bearing, revocable (as set forth in Section 7.2), sublicenseable (solely as set forth in Section 2.5), nontransferable (except to the extent this Agreement is assigned by TREKtx in accordance with Section 12.2) license, under the Licensed Know- How to Research, Develop, Manufacture, have Manufactured, use, keep, sell, offer for sale, import, export and Commercialize the Assigned Compounds and Products in the Field of Use in the Territory during the Term. Notwithstanding the license granted to TREKtx under this Section 2.3, VERTEX shall not be obligated to provide TREKtx with access to, or copies or physical embodiments of, any Licensed Know-How.

2.4. Field of Use. In no event shall TREKtx (or its Affiliates or Licensees) use the Assigned Compounds, Licensed Know-How, Assigned Know-How, Assigned Patents, or any other materials or information provided hereunder for purposes of or relating to research, development, commercialization, manufacturing of products for use, or any other activities outside of the field of anti-infectives and anti-virals and the diagnosis, treatment, or prevention thereof (collectively, the "Field of Use").

2.5. Licensing; Sublicensing.

2.5.1 TREKtx shall have the right to assign or grant licenses or sublicenses (through multiple tiers) under, as the case may be, to its Affiliates and any Third Party (each, a "Licensee" and collectively, the "Licensees") the rights assigned to TREKtx pursuant to Section 2.1 hereof, without the prior written consent of VERTEX; provided that (i) the terms of any assignment, license or sublicense by TREKtx or a Licensee shall be in a written agreement and consistent with the terms of this Agreement, (ii) TREKtx's grant of any assignment, license or sublicense shall not relieve TREKtx from any of its obligations under this Agreement, and (iii) TREKtx shall remain responsible for its Licensees' performance under this Agreement including payment of Milestone Payments and royalties for Products by such Licensee.

2.5.2 TREKtx shall have the right to grant licenses or sublicenses to a Licensee under the rights licensed to TREKtx under Section 2.3 (but may not assign such rights other than as set forth in Section 12.2), *provided* such license or sublicense is granted in connection with a grant of rights under Section 2.5.1 and is granted for use solely in connection with the Research, Development, Manufacturing or Commercialization of the Assigned Compounds and Products and subject to TREKtx's compliance with Section 2.5.1(i) through (iii) above.

2 . 6 Transfer of Materials. VERTEX hereby transfers title and risk of loss to the Materials to TREKtx in the quantities specified in Exhibit C. Within 60 days of the Effective Date, TREKtx will either (a) make arrangements with the Third Party storing the Materials (the "Storage Facility") to ship the Materials to TREKtx or (b) enter into an

agreement directly with the Storage Facility to continue storing the Materials at TREKtx's expense. VERTEX will notify the Storage Facility of the transfer of the Materials to TREKtx as needed to facilitate the shipment of the Materials to TREKtx or the continued storage of the Materials by the Storage Facility at TREKtx's expense and will execute all transfer letters or other documentation necessary in connection therewith. Notwithstanding anything contained herein, if TREKtx does not notify VERTEX of its election to either ship or continue storing such Materials with the Storage Facility within 60 days after the Effective Date pursuant to this Section 2.6, such Materials will be deemed to be rejected by TREKtx and VERTEX may destroy the Materials. Except as expressly set forth herein, TREKtx will be solely responsible for all Manufacturing and supply of the Assigned Compounds (including without limitation for all costs and expenses associated therewith). In the event that TREKtx elects to ship or continue storing such Materials pursuant to this Section 2.6, with respect to any such Materials that are drug substances or drug products that were previously certified as to their suitability for clinical purposes, TREKtx will be permitted, at its expense, to retest and have recertified, any such Materials, as suitable for human clinical purposes. With respect to any Materials stored by a Storage Facility in any countries or jurisdictions outside of the United States, TREKtx will be responsible for obtaining, completing and presenting to the applicable government authority all export documentation, fees and licenses required to ship such Materials. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE MATERIALS ARE PROVIDED "AS-IS" AND VERTEX MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED, REGARDING THE MATERIALS, INCLUDING ANY WARRANTY OF MERCHANTABILITY, TITLE, INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE.

Article 3. Performance Obligations.

3.1. Regulatory Approvals. As between the Parties, TREKtx shall be responsible for obtaining all necessary regulatory approvals, including Marketing Authorization with respect to the Development and Commercialization of the Assigned Compounds and Products.

3.2. File/Knowledge Transfer. Following the Effective Date, VERTEX will transfer copies of all Assigned Know-How in electronic format, if currently available, or such other form as selected by VERTEX. VERTEX will use commercially reasonable efforts to transfer such Assigned Know-How and associated documents promptly. Notwithstanding the foregoing, VERTEX will not be obligated to transfer any publically available information or documents pursuant to this Section 3.2. VERTEX will provide TREKtx with no more than 30 hours of transition support at no cost for activities related to the knowledge transfer described in this Section 3.2. Notwithstanding anything contained herein, if any of the information or documents transferred pursuant to this Section 3.2 inadvertently contains any information or documents relating to VERTEX's drug design, delivery, manufacturing or formulation technologies or know-how, or any other technology or know-how that is related to or applicable to VERTEX's business in general or other programs, (i) TREKtx shall not use such information and, upon discovery, shall promptly send such information or documents back to VERTEX without retaining any copies thereof and (ii) for the avoidance of doubt, such information and

documents will be deemed VERTEX's Confidential Information. TREKtx will promptly reimburse VERTEX for all costs resulting from, or otherwise related to, VERTEX's transfer of Assigned Know-How as described in this Section 3.2, including any costs associated with scanning relevant documents. As of the Effective Date, such costs are estimated to be approximately $50,000. VERTEX shall invoice TREKtx for the foregoing expenses as incurred and TREKtx shall pay all such expenses within 30 days after TREKtx's receipt of the applicable invoice. VERTEX may hold copies of all Assigned Know-How as required to comply with applicable law.

Article 4. Consideration.

4.1. Upfront Payment. In consideration of the rights granted to TREKtx in the Assigned Patents hereunder, on the Effective Date, TREKtx shall pay VERTEX a one- time, non-refundable, noncreditable upfront fee of $50,000 USD.

4.2. Milestone Payments. In consideration of the rights granted to TREKtx in the Assigned Know-How and Licensed Know-How hereunder, TREKtx will pay VERTEX the milestone payments (each, a "Milestone Payment") set forth in this Section 4.2 within 30 days after the occurrence of the corresponding milestone event (each, a 'Milestone Event"). Each Milestone Payment is payable only once, regardless of the number of Products that achieve the relevant Milestone Event or the number of times the same Product(s) achieve such Milestone Event.

Milestone Number	Milestone Event	Milestone Payment
1	Initiation of a Phase 2 Clinical Trial of a Product in a non-HCV Indication in the Field of Use.	$1,000,000
2	Initiation of a Phase 3 Clinical Trial of a Product in a non-HCV Indication in the Field of Use.	$5,000,000
3	First receipt of Marketing Authorization in any country for a Product in a non-HCV Indication in the Field of Use.	$10,000,000
4	Second receipt of Marketing Authorization in any country for a Product in a non-HCV Indication in the Field of Use.	$5,000,000

The Milestone Events numbered 1-4 as set forth above are intended to be successive; if a Product is not required to undergo the event associated with any such Milestone Event, such skipped Milestone Event will be deemed to have been achieved upon (and payment of such milestone shall be due therefor) the achievement by such Product of the next successive Milestone Event. Payment for any such skipped Milestone Event that is owed in accordance with the provisions of the foregoing sentence with

respect to a given Product will be due concurrently with the payment for the next successive Milestone Event by such Product.

4.3. Running Royalties. In consideration of the rights granted to TREKtx in the Assigned Know-How and Licensed Know-How hereunder, on a Product-by-Product and country-by-country basis, during the Royalty Term, TREKtx shall pay VERTEX royalties at a rate of 5% of the aggregate Net Sales of each Product sold by TREKtx and any other Seller in the Territory. The obligation to pay royalties will be imposed only once with respect to the same unit of a Product.

4.4. Payments.

4.4.1 Reports; Timing and Method. During the Term, following the first sale of a Product giving rise to Net Sales, TREKtx will deliver the following reports to VERTEX: (a) within five Business Days after the end of each Calendar Quarter, a flash report showing on a Product-by-Product and country-by-country basis, estimated Net Sales in the Territory during the relevant Calendar Quarter and royalties payable under this Agreement on account of those Net Sales; and (b) within 30 calendar days after the end of each Calendar Quarter, a report to VERTEX specifying on a Product- by-Product and country-by-country basis (i) gross sales in the relevant Calendar Quarter, (ii) Net Sales in the relevant Calendar Quarter, including an accounting of Permitted Deductions applied to determine Net Sales; (iii) a summary of the exchange rate calculations used by TREKtx, (iv) royalties payable on such Net Sales pursuant to this Agreement, and (v) additional information related to the Net Sales as reasonably requested by VERTEX from time to time. For the avoidance of doubt, the foregoing reports shall clearly identify all Net Sales attributable to TREKtx as well as TREKtx's Affiliates and Licensees. TREKtx shall pay all royalty payments due hereunder for each Calendar Quarter within 30 days of TREKtx's delivery of the applicable reports under this Section 4.4.1. All payments due to VERTEX under this Agreement shall be made in U.S. dollars and be submitted via wire transfer of immediately available funds to an account designated by VERTEX. Conversion of any Net Sales made in a foreign currency to U.S. dollars shall be made at the average conversion rate for the applicable Calendar Quarter existing in the United States, as reported in the *Wall Street Journal*. Such payments shall be without deduction of exchange, collection, or other charges, and specifically, without deduction of withholding or similar taxes or other government-imposed fees or taxes, except as expressly permitted in the definition of Net Sales.

4.4.2 Late Payments. Without limiting any remedy available to VERTEX hereunder, payments made by TREKtx after the due date shall bear compound interest at the rate of one and one-half percent

per full month late (or, if lower, the highest rate allowed by applicable law).

4.4.3 Taxes; Withholding.

4.4.3.1 Each Party shall be solely responsible for the payment of all taxes imposed on its share of income arising directly or indirectly from this Agreement.

4.4.3.2 To the extent TREKtx or any Seller is required to deduct and withhold taxes on any payment to VERTEX under this Agreement, TREKtx shall pay the amounts of such taxes ("Withheld Taxes") to the proper governmental authority in a timely manner and promptly transmit to VERTEX an official tax certificate or other evidence of such withholding sufficient to enable VERTEX to claim such payment of Withheld Taxes. Subject to the terms of this Section 4.4.3, the sum payable by TREKtx (in respect of which such Withheld Taxes is required) shall be made to VERTEX after deduction of the Withheld Taxes. VERTEX shall provide TREKtx any tax forms that may be reasonably necessary in order for TREKtx to not withhold tax or to withhold tax at a reduced rate under an applicable bilateral income tax treaty. VERTEX shall use reasonable efforts to provide any such tax forms to TREKtx at least 30 days prior to the due date for any payment for which VERTEX desires that TREKtx apply a reduced withholding rate. Each Party shall provide the other with reasonable assistance to enable the recovery, as permitted by applicable law, of withholding taxes, value added taxes, or similar obligations resulting from payments made under this Agreement, such recovery to be for the benefit of the Party bearing such withholding tax or value added tax.

4.5 Retention of Records; Audit. TREKtx agrees to make and keep, and shall require its Affiliates and Licensees to make and keep, full, accurate and complete books and records (together with supporting documentation). Such records shall contain sufficient detail to confirm the accuracy of any payments required hereunder. Such records shall be retained for at least three years following the end of the Calendar Year to which they relate. TREKtx agrees, if VERTEX so desires during normal business hours and no more than once per Calendar Year, that VERTEX, or its duly authorized agent, or independent certified public accounting representative acting on VERTEX's behalf ("Third Party Auditor") may conduct an audit in order to examine the foregoing books and records described in this Section 4.5 and any other supporting documentation reasonably necessary to verify the royalty reports submitted by TREKtx, at TREKtx's (or its Affiliates' or Licensees' as applicable) business premises or at a place mutually agreed upon by TREKtx and VERTEX for the purpose of verifying reports and payments hereunder. If a payment deficiency is determined by VERTEX or its Third Party Auditor,

TREKtx shall pay the deficiency outstanding within 30 days of receiving written notice thereof. Such examination by VERTEX or its Third Party Auditor shall be at VERTEX's expense, except that, if such examination shows an underreporting or underpayment in excess of five percent of the sums due to VERTEX as determined by such audit, then TREKtx shall pay the reasonable out of pocket cost of such audit or reimburse VERTEX for the reasonable expenses incurred by VERTEX in connection with such audit. VERTEX will treat all information subject to review under this Section 4.5 in accordance with the confidentiality obligations described in this Agreement and will require its Third Party Auditor to enter into a confidentiality agreement with VERTEX obligating such representative to maintain all such financial information in confidence pursuant to such confidentiality agreement.

4.6 Monetization Transaction. VERTEX may, at any time, monetize all or a portion of the value of the payments to which it may be entitled to receive under this Section 4 by assigning to a Third Party (a "Revenue Buyer") the right to receive such payments and other payments (a "Monetization Transaction"), provided that VERTEX has put in place adequate and customary confidentiality provisions at least as stringent as those applicable to VERTEX hereunder with the Revenue Buyer. In the event of a Monetization Transaction, TREKtx shall make such payments to the Revenue Buyer as directed by VERTEX and shall deliver notices and provide reports directly to the Revenue Buyer as directed by VERTEX.

Article 5. Representations and Warranties.

5.1. Mutual Representations and Warranties. VERTEX and TREKtx each represents and warrants to the other as of the Effective Date that: (i) such Party (a) is a company duly organized, validly existing, and in good standing under the laws of its jurisdiction of incorporation, (b) is duly qualified as a corporation and in good standing under the laws of each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, where the failure to be so qualified would have a material adverse effect on its financial condition or its ability to perform its obligations hereunder, (c) has the requisite corporate power and authority and the legal right to conduct its business as now conducted, and (d) is in compliance with its charter documents; (ii) the execution, delivery and performance of this Agreement by such Party and all instruments and documents to be delivered by such Party hereunder (a) are within the corporate power of such Party, (b) have been duly authorized by all necessary or proper corporate action, (c) do not conflict with any provision of the charter documents of such Party, (d) will not, to such Party's knowledge, violate any laws or regulation or any order or decree of any court or governmental instrumentality; (e) will not violate or conflict with any terms of any indenture, mortgage, deed of trust, lease, agreement, or other instrument to which such Party is a party, or by which such Party or any of its property is bound, which violation would have a material adverse effect on its financial condition or on its ability to perform its obligations hereunder; and (iii) this Agreement has been duly executed and delivered by such Party and constitutes a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as such enforceability may be limited by applicable insolvency and other laws affecting creditors' rights generally, or by the availability of equitable remedies.

5.2. TREKtx Representations; Legal Compliance; Anti-Corruption Laws. TREKtx warrants and represents that TREKtx, as well as all Persons performing services for or on behalf of TREKtx or otherwise acting on its behalf (including, without limitation, any Affiliate, agent, subcontractor, subsidiary, representative, employee, shareholder, director or officer) (" Associated Persons") will comply with all applicable laws and regulations in connection with all work conducted hereunder, including but not limited to (1) the United States Foreign Corrupt Practices Act and other applicable anti- corruption and anti-bribery laws (collectively, the "Anti-Corruption Laws"), (2) all applicable laws and regulations relating to import and export, and (3) all applicable laws and regulations relating to the development, testing, marketing, sale, commercialization, and other exploitation of pharmaceuticals. Without limiting the foregoing, (i) TREKtx shall not (and shall procure that each Associated Person shall not) do, or omit to do, any act that will cause or lead VERTEX to be in breach of Anti-Corruption Laws, and (ii) TREKtx represents and warrants neither it, nor any Associated Person, offers, agrees or promises to give, or authorizes the giving directly or indirectly, of any money or other thing of value to anyone as an inducement or reward for favorable action or forbearance from action or the exercise of influence (a) to any governmental official or employee (including employees of government-owned and government-controlled corporations or agencies), (b) to any political party, official of a political party, or candidate, (c) to an intermediary for payment to any of the foregoing, or (d) to any other Person or entity in a corrupt or improper effort to obtain or retain business or any commercial advantage, such as receiving a permit or license. TREKtx further warrants and represents that should it learn or have reason to suspect any breach of its covenants in this Section 5.2, it will immediately notify VERTEX.

5.3. VERTEX Representations and Warranties. Subject to Section 2.1, VERTEX hereby represents and warrants that, as of the Effective Date , VERTEX, to its knowledge, has not previously assigned, transferred, conveyed or otherwise encumbered its right, title and interest in and to the Assigned Patents in any way that would prevent TREKtx or its Affiliates and subcontractors from Researching, Developing or Commercializing the Assigned Compounds or Products as set forth herein, or from exploiting its rights and licenses granted under Article 2 above.

5.4. Disclaimer. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN ARTICLE 5, NEITHER VERTEX NOR TREKTX MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT, EACH OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED. WITHOUT LIMITING THE FOREGOING, EXCEPT FOR THE EXPRESS WARRANTY IN SECTION 5.3, VERTEX MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WITH RESPECT TO THE PATENTABILITY OF THE ASSIGNED COMPOUNDS OR PRODUCTS OR VALIDITY, SCOPE, OR ENFORCEABILITY OF THE ASSIGNED PATENTS OR ANY CLAIMS THEREIN, OR THE PRACTICE, INCLUDING BUT NOT LIMITED TO FREEDOM TO OPERATE, REGARDING ANY OF THE ASSIGNED COMPOUNDS OR PRODUCTS. EXCEPT AS EXPRESSLY SET FORTH IN

SECTION 5.3, ALL RIGHTS GRANTED TO TREKTX HEREUNDER ARE PROVIDED ON AN "AS IS" BASIS.

Article 6. Progress Reports.

6.1. Progress Reports. TREKtx shall submit written annual progress reports on its efforts to Develop and Commercialize the Assigned Compounds ("Progress Reports"). The first Progress Report is due 12 months after the Effective Date, and subsequent Progress Reports shall be made every 12 months thereafter.

6.2. Confidential Treatment. VERTEX acknowledges and agrees that any reports provided pursuant to Sections 4.4.1 or 6.1 shall constitute the Confidential Information of TREKtx. Any information contained in such reports specifically relating to the Licensed Know-How or other VERTEX Confidential Information shall be the Confidential Information of VERTEX.

Article 7. Term.

7.1. Term. This Agreement shall commence on the Effective Date and shall continue in effect until expiration of all royalty obligations under Article 4 (the "Term").

7.2. License Termination for Cease in Development If TREKtx provides VERTEX with notification of its intent to cease all Development hereunder, or if no material Development or Commercialization occurs for a period of 12 consecutive calendar months (other than for reason of delays a result of, or caused by, regulatory authorities, and outside of the direct control of TREKtx), VERTEX may terminate the license granted pursuant to Section 2.3 upon written notice to TREKtx and TREKtx shall immediately cease all use of the Licensed-Know How following its receipt of such notice.

7.3. Surviving Provisions. The following Articles and Sections shall survive expiration of this Agreement: 1, 2.1, 2.2, 2.4, 2.5.1, 3.1, 4 (to the extent any amounts are due and payable at the time of expiration), 5.2, 5.4, 6.2, 7.3, 8, 9, 10, 11, and 12.

Article 8. Confidentiality.

8.1. Confidential Information. Each of TREKtx and VERTEX shall (and shall cause their respective Affiliates and Licensees to) (a) keep all Confidential Information received from the Disclosing Party confidential with the same degree of care it maintains the confidentiality of its own Confidential Information; (b) not publish, or allow to be published, and will not otherwise disclose, or permit the disclosure of the Disclosing Party's Confidential Information in any manner not expressly authorized pursuant to the terms of this Agreement; and (c) not use, or permit to be used, the Disclosing Party's Confidential Information for any purpose other than as expressly authorized pursuant to the terms of this Agreement. No disclosure of the Disclosing Party's Confidential Information shall be made by the Receiving Party to its employees, directors, officers, agents and other Persons unless and until such employees, directors, officers, agents, contractors and other Persons have agreed in writing to comply with confidentiality and non-use obligations substantially similar to those described herein. Upon termination of

this Agreement, the Receiving Party shall return or destroy, at the Disclosing Party's request, all documents, tapes or other media containing Confidential Information of the Disclosing Party that remain in the Receiving Party's, its agents' or contractors' possession, except that the Receiving Party may keep one copy of the Confidential Information in the legal department files of the Receiving Party, solely for archival purposes and neither the Receiving Party, nor any of its agents, contractors or other representatives shall be required to delete or destroy any electronic back-up tapes or other electronic back-up files that have been created solely by the automatic or routine archiving and back-up procedures of the Receiving Party or its representatives, to the extent created and retained in a manner consistent with its or their standard archiving and back-up procedures. Such archival copies shall be deemed to be the property of the Disclosing Party, and shall continue to be subject to the provisions of this Article 8 notwithstanding any expiration of this Agreement or otherwise. Each Party will be liable for breach of this Article 8 by any of its agents, Affiliates, Licensees, subcontractors, or its Affiliates' sublicensees and subcontractors.

8.2. Permitted Disclosure and Use. Notwithstanding Section 8.1, a Party may disclose Confidential Information belonging to the other Party only to the extent such disclosure is reasonably necessary to: (a) obtain Marketing Authorization of the Product or any other necessary permissions, approvals and other documents issued by governmental authorities, *provided* that all such disclosures pursuant to this subsection 8.2(a) are covered by terms of confidentiality and non-use substantially similar to those set forth herein; (b) enforce the provisions of this Agreement; or (c) comply with any applicable law or regulation (including the rules and regulations promulgated by the United States Securities and Exchange Commission or any equivalent governmental agency in any country in the Territory), *provided* that such Party will, to the extent reasonably practical, submit to the other Party the proposed disclosure at least 30 calendar days in advance of the proposed disclosure and shall reasonably consider the comments of the other Party regarding confidential treatment sought for such disclosure. If a Party deems it necessary to disclose Confidential Information of the other Party pursuant to this Section 8.2, such Party shall give reasonable advance notice of such intended disclosure to the other Party to permit such other Party sufficient opportunity to object to such disclosure or to take measures to ensure confidential treatment of such information. The Receiving Party will cooperate reasonably with the Disclosing Party's efforts to protect the confidentiality of the information. Further, notwithstanding Section 8.1, VERTEX may disclose TREKtx's Confidential Information to a Revenue Buyer or a bona fide potential Revenue Buyer as reasonably necessary in connection with a Monetization Transaction or proposed Monetization Transaction, including a copy of this Agreement and information related to the Milestone Payments and royalties payable by TREKtx to VERTEX such as financial reports indicating the amounts that are the subject of the Monetization Transaction, audit reports related to such amounts, if any, and notices and other correspondence provided under or relating to the subject matter of this Agreement, that are relevant to the Monetization Transaction, provided further that, each recipient of such Confidential Information shall be under an obligation of confidentiality no less protective than the terms of this Agreement.

8.3. Publications. Each Party shall have the right to publish and to make scientific presentations with respect to the Assigned Compounds and the Products;

provided that prior to publication, each Party shall give notice to the other Party of any proposed publications and scientific presentations at least 21 days prior to submission of any materials (including manuscripts or abstracts) to any Third Party and upon written notice to the publishing Party, the other Party may elect to review and comment on such proposed publications and the publishing Party shall in good faith consider and reasonably incorporate any suggested changes to any submission requested by the other Party that are for the purpose of protecting such Party's Confidential Information and/or preserving patent rights. Neither Party shall be required to resubmit any previously approved materials in the event of non-material edits and changes. General comments made by a Party relating to the relationship between VERTEX and TREKtx established by this Agreement, including, for example, general comments made in response to inquiries at professional meetings and other similar circumstances, are not intended to be restricted by the provisions of this Section 8.3, *provided* such information has been disclosed to the public previously or cleared for such disclosure by the other Party. Each Party shall comply with the other Party's request to delete references to its Confidential Information in any such material and agrees to delay any submission for publication or other public disclosure for a period of up to an additional 90 days for the purpose of preparing and filing appropriate patent applications. Notwithstanding anything contained herein, VERTEX shall retain the right to publish and to make scientific presentations with respect to the Assigned Compounds, Assigned Know-How, Licensed Know-How, and Assigned Patents to the extent that the publication or presentation directly relates to research conducted by or on behalf of VERTEX (i) prior to the Effective Date or (ii) outside the Field of Use.

8.4. Public Announcements. If requested by VERTEX, the Parties will issue an initial press release regarding this Agreement in a form to be mutually agreed upon by the Parties and on a date to be determined by VERTEX. Except as provided in the prior sentence, neither Party shall issue any press release or public announcement relating to the subject matter of this Agreement without the prior written approval of the other Party, provided that, in no event shall any public announcement made by TREKtx include any VERTEX Confidential Information. Notwithstanding the foregoing, to the extent a public announcement relating to the subject matter of this Agreement is required by applicable law, such announcement shall be conducted in accordance with the procedure described in Section 8.2(c) above and in a manner consistent with the terms of this Agreement.

8.5. Survival. The obligations and prohibitions contained in this Article 8 shall survive the expiration of this Agreement for a period of five years, except with respect to Confidential Information which constitutes a trade secret under applicable law, which shall survive for such additional period of time during which such Confidential Information constitutes the Disclosing Party's trade secret under applicable law.

Article 9. Additional Intellectual Property Matters.

TREKtx will be solely responsible for filing, prosecution, and maintenance of all TREKtx Patents and the Assigned Patents, as well as all internal and external costs and expenses associated therewith. VERTEX shall have no responsibility or liability for, or relating to, the Assigned Patents. For the avoidance of doubt, VERTEX shall retain sole ownership of and all intellectual property rights in and to the Licensed Know-How and

does not grant TREKtx any interest in such Licensed Know-How except as expressly set forth in Section 2.3 of this Agreement.

Article 10. Indemnification.

10.1. Indemnification by TREKtx. TREKtx shall defend, indemnify and hold harmless VERTEX and its Affiliates and each of their respective officers, directors, stockholders, employees, agents, successors and assigns ("VERTEX Indemnitees") from and against all charges, complaints, actions, suits, proceedings, hearings, investigations, claims and demands ("Claims") of Third Parties, and all associated damages and losses resulting therefrom (including attorneys' fees), to the extent arising out of (a) TREKtx's negligence or willful misconduct in its performance under this Agreement, (b) a breach by TREKtx of any of its representations, warranties and covenants contained in Article 5 or any material breach by TREKtx of its obligations under this Agreement, or (c) Research, Development, Manufacturing, Commercialization, use, licensing, handling, storage, marketing, sale, offer for sale, importation, exportation, distribution or other disposition of, any Assigned Compound or Product, including any product Covered by the Assigned Patents or incorporating the Assigned Know-How, by TREKtx, its Affiliates, agents, or Licensees. Notwithstanding the foregoing, TREKtx shall have no obligation under this Agreement to indemnify, defend or hold harmless any VERTEX Indemnitees with respect to any such Claims to the extent that they result from the negligence or willful misconduct of VERTEX or a VERTEX Indemnitee or VERTEX's breach of its obligations under this Agreement.

10.2. Indemnification by VERTEX. VERTEX shall defend, indemnify and hold harmless TREKtx and its Affiliates and each of their officers, directors, stockholders, employees, agents, successors and assigns ("TREKtx Indemnitees") from and against all Claims of Third Parties, and all associated damages and losses resulting therefrom, to the extent arising out of any material breach by VERTEX of its obligations under this Agreement. Notwithstanding the foregoing, VERTEX shall have no obligation under this Agreement to indemnify, defend or hold harmless any TREKtx Indemnitees with respect to any such Claims and losses to the extent that they result from the negligence or willful misconduct of TREKtx, a TREKtx Indemnitee or any of their respective employees, officers, directors or agents or that they result from TREKtx's breach of its obligations under this Agreement. Notwithstanding anything to the contrary in this Agreement, the indemnification provided in this Section 10.2 shall be TREKtx's sole and exclusive remedy, and VERTEX's entire liability for, any and all claims, Third Party or otherwise, arising out of or relating to this Agreement or any of the rights granted herein.

10.3. Conditions to Indemnification. The obligations of the indemnifying Party under this Article 10 are conditioned upon the delivery of written notice to the indemnifying Party of any Claim promptly after the indemnified Party becomes aware of such Claim, provided that, the Parties acknowledge and agree that failure of the indemnified Party to promptly notify the indemnifying Party of a Claim shall not constitute a waiver of, or result in the loss of, the indemnified Party's right to indemnification under Section 10.1 and 10.2, except to the extent that the indemnifying Party's ability to defend against such Claim is materially prejudiced by such failure to notify. The indemnifying Party shall have the right to assume control of the defense

and/or settlement of any such Claim, provided that the indemnifying Party shall keep the indemnified Party reasonably informed of all material developments in such defense. Notwithstanding the foregoing, the indemnified Party may participate in the defense thereof at its sole cost and expense.

10.4. Settlements. Except for settlements that would solely impose a monetary obligation on the indemnifying Party and for which the indemnifying Party will be fully responsible, the indemnifying Party shall not settle or resolve a claim or action with respect to such a Claim without the prior written consent of the indemnified Party, such consent not be unreasonably withheld. Any payment made by a Party to settle any such claim or action shall be at its own cost and expense.

Article 11. Limitation of Liability. EXCEPT FOR (I) A BREACH BY EITHER PARTY OF ARTICLE 8 (CONFIDENTIALITY), (II) TREKTX'S INDEMNIFICATION OBLIGATIONS HEREUNDER OR (III) EITHER PARTY'S FRAUD OR WILFUL MISCONDUCT, NEITHER PARTY WILL BE LIABLE TO THE OTHER WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT FOR ANY INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, LOSS OF GOODWILL, PUNITIVE OR INCIDENTAL DAMAGES. VERTEX'S ENTIRE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY SUBJECT MATTER REFERENCED HEREIN UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE SHALL NOT EXCEED $50,000 USD.

Article 12. General Provisions

12.1. Insurance. During the Term of this Agreement and for a period of two years after the expiration of this Agreement, TREKtx shall obtain and/or maintain at its sole cost and expense, liability insurance (including without limitation product liability insurance) naming VERTEX as an additional insured in amounts which are reasonable and customary in the Territory for companies who are Developing, Marketing and Commercializing products and services similar to Products. Such liability insurance shall insure against all liability, including without limitation personal injury, physical injury, or property damage arising out of the manufacture, sale, distribution, or marketing of the Product. TREKtx shall provide written proof of the existence of such insurance to VERTEX upon request.

12.2. Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement, in whole or in part, to any of its Affiliates if such Party guarantees the performance of this Agreement by such Affiliate; and provided further that either Party may assign this Agreement to a successor to all or substantially all of the assets of such Party pertaining to this Agreement whether by merger, acquisition, sale of stock, sale of assets or other similar transaction. This Agreement shall be binding upon, and subject to the terms of the foregoing sentence, inure to the benefit of the Parties hereto, and their permitted successors, legal representatives and assigns.

12.3. Notices. All demands, notices, consents, approvals, reports, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally, by mail (first class, postage prepaid, certified), or by overnight delivery using a globally recognized carrier, to the Parties at the addresses set forth below or to such other address as the addressee shall have last furnished in writing in accord with this provision to the addressor. All notices shall be deemed effective (a) when delivered if personally delivered on a Business Day (or if delivered or sent on a non-Business Day, then on the next Business Day); or (b) on receipt if sent by mail or overnight courier.

If to VERTEX:

Vertex Pharmaceuticals Incorporated
Attn: Business Development
50 Northern Avenue
Boston, Massachusetts 02210

With a copy to:

Vertex Pharmaceuticals Incorporated
Attn: Corporate Legal
50 Northern Avenue
Boston, Massachusetts 02210

If to TREKtx:

Trek Therapeutics, PBC
125 Cambridge Park Drive, Suite 301
Cambridge, Massachusetts 02140

12.4. Severability. In the event of the invalidity of any provisions of this Agreement, the Parties agree that such invalidity shall not affect the validity of the remaining provisions of this Agreement. The Parties will replace an invalid provision with valid provisions which most closely approximate the purpose and economic effect of the invalid provision. Nothing in this Agreement shall be interpreted so as to require either Party to violate any applicable laws, rules or regulations.

12.5. Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

12.6. Waiver. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless expressly set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No provision of this Agreement will be waived by any act, omission or knowledge of a Party or its agents or employees except as expressly set forth in this preceding sentence. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on

any future occasion. Except as expressly set forth in this Agreement, all rights and remedies available to a Party, whether under this Agreement or afforded by law or otherwise, will be cumulative and not in the alternative to any other rights or remedies that may be available to such Party.

12.7. Entire Agreement. This Agreement (including the exhibits hereto) constitutes the entire agreement between the Parties hereto with respect to the within subject matter described herein and supersedes all previous agreements and understandings between the Parties, whether written or oral, including the Mutual Confidentiality Agreement between the Parties dated January 15, 2015. This Agreement may be altered, amended or changed only by a writing making specific reference to this Agreement and signed by duly authorized representatives of VERTEX and TREKtx.

12.8. No License. Nothing in this Agreement shall be deemed to constitute the grant of any license or other right in either Party, to or in respect of the Product, Assigned Compound, Patent, trademark, Confidential Information, trade secret or other data or any other intellectual property of the other Party, except as expressly set forth herein.

12.9. Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of or enforceable by any Third Party, including without limitation any creditor of either Party hereto. No such Third Party shall obtain any right under any provision of this Agreement or shall by reasons of any such provision make any Claim in respect of any debt, liability or obligation (or otherwise) against either Party hereto.

12.10. Counterparts. This Agreement may be executed in any two counterparts, each of which, when executed, shall be deemed to be an original and both of which together shall constitute one and the same document.

12.11. Language. This Agreement is written and executed in the English language. Any translation into any other language shall not be an official version of this Agreement. In the event of any conflict in interpretation between the English language version of this Agreement and any other instrument or document related to this Agreement or the business relationship between the Parties contemplated hereby, the English language version of this Agreement shall prevail.

12.12. Section 365(n) of the Bankruptcy Code. All rights and licenses granted under or pursuant to any section of this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. Each Party shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code or equivalent legislation in any other jurisdiction. Upon the bankruptcy of either Party, the other Party shall further be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property for which a license has been granted to such Party hereunder, and such, if not already in its possession, shall be promptly delivered to such other Party, unless the Party in bankruptcy elects to continue, and continues, to perform all of its obligations under this Agreement.

12.13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

12.14. Trial by Jury. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY HERETO IN NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

12.15. Equitable Relief. Notwithstanding the foregoing, nothing in this Section 12 shall preclude either Party from seeking equitable relief in any court of competent jurisdiction to enforce such Party's intellectual property or other proprietary rights (including any rights in Confidential Information).

12.16. Independent Parties/Entities. The relationship of VERTEX and TREKtx is that of independent parties and not as agents of each other, partners, or participants in a joint venture. VERTEX and TREKtx shall each maintain sole and exclusive control over their respective personnel and operations.

[Signature page to follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their authorized representatives as of the Effective Date.

Trek Therapeutics, PBC

By: /s/ Ann Kwong

Name: Ann Kwong

Title: CEO

Vertex Pharmaceuticals Incorporated

By: /s/ David Altshuler, M.D., Ph.D.

Name: David Altshuler, M.D., Ph.D.

Title: Executive VP, Global Research & Chief Scientific Officer

Exhibit 10.3

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is entered into as of this 24th day of March, 2020, by and between Trek Therapeutics, PBC, a Delaware public benefit corporation ("Seller"), and NeuroClear Technologies, Inc., a Delaware corporation ("Buyer").

RECITALS

WHEREAS, Buyer desires to purchase the Purchased Assets and assume the Assumed Liabilities from Seller, on the following terms and conditions; and

WHEREAS, Seller desires to sell, assign, transfer and convey the Purchased Assets and assign the Assumed Liabilities to Buyer, on the following terms and conditions;

AGREEMENT

NOW, **THEREFORE**, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below; other terms are defined throughout the Agreement.

1.1 "Actions" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

1.2 "Additional Payment Event" has the meaning set forth in Section 3.1(a)(v).

1.3 "Affiliate" means, with respect to a person, any other person which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such person. For purposes of the foregoing sentence, "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%) of the voting securities of another person shall be deemed to control that person.

1.4 "Agreement" means this purchase agreement as executed on the date hereof and as amended or supplemented in accordance with the terms hereof, including all Schedules and Exhibits hereto.

1.5 "Assigned Contracts" means all Contracts to which Seller is a party relating exclusively to the Purchased Assets. For the avoidance of doubt, the Assigned License Agreement is an Assigned Contract.

1.6 "Assigned Intellectual Property Rights" means all intellectual property owned, licensed or otherwise controlled by Seller or any of its Affiliates solely to the extent related to the Compounds, including the Patents, Trademarks, Know How and the Technical Information.

1.7 "Assigned License Agreement" means that certain Assignment and License Agreement, dated as of July 12, 2016, by and between Seller and Vertex Pharmaceuticals Incorporated, as amended.

1.8 "Assignment and Assumption Agreement" has the meaning set forth in Section 2.4(a)(ii).

1.9 "Assumed Liabilities" has the meaning set forth in Section 2.2(a).

1.10 "Bill of Sale" has the meaning set forth in Section 2.4(a)(i).

1.11 "Business" means the Development of the Products, as conducted by Seller and its Affiliates in the ordinary course prior to the Effective Time.

1.12 "Business Day" means any day that is not a Saturday, Sunday or a legal holiday in the State of Delaware, United States of America.

1.13 "Buyer" has the meaning set forth in the preamble.

1.14 "Buyer Indemnified Persons" has the meaning set forth in Section 7.1.

1.15 "Closing" means the consummation of the transactions contemplated by this Agreement on the date hereof as provided for in Section 2.

1.16 "Closing Date" means the date that this Agreement is signed by all Parties.

1.17 "Compounds" means each of that certain (i) VX-222 compound, and (ii) VX-497 compound, in the case of each of the foregoing (i) and (ii) having the chemical structure depicted on Exhibit D to the Assigned License Agreement and in each case including any and all salts, esters, metabolites, prodrugs, acid forms, base forms, steroisomers, racemates, tautomers, polymorphs, solvates, hydrates and crystalline forms thereof.

1.18 "Contract" means any written contract, agreement, license, development agreement, services agreement, indenture, mortgage, deed of trust, evidence of Indebtedness, binding commitment or instrument to which Seller in respect of any the Business or any of the Purchased Assets, is a party or by which it is bound.

1.19 "Defense Notice" has the meaning set forth in Section 7.5(a).

1.20 "Deferred Cash Payment" has the meaning set forth in Section 3.1(a)(iii).

1.21 "Deferred Stock Payment" has the meaning set forth in Section 3.1(a)(iv).

1.22 "Deferred Sublicensing Consideration" has the meaning set forth in Section 3.1(a)(v).

1.23 "Deferred Total Payment" has the meaning set forth in Section 3.1(a)(v).

1.24 "Develop" (and, with correlative meanings, the terms "Development" and "Developing") means and refers to all activities related to research, testing, test method

development and stability testing, bioequivalency studies, toxicology, formulation, process development, manufacturing scale-up, qualification and validation, quality assurance/quality control, statistical analysis and report writing, the preparation of regulatory applications, regulatory affairs with respect to the foregoing, and all other substantially related activities.

1.25 "Effective Time" means 12:01 a.m. Eastern Standard Time on the Closing Date.

1.26 "Encumbrance" means any lien, security interest, license, claim, restriction upon the use or disclosure, or other encumbrance of any kind or nature.

1.27 "Excluded Assets" has the meaning set forth in Section 2.1.

1.28 "Excluded Liabilities" has the meaning set forth in Section 2.2(b).

1.29 "FDA" means the United States Food and Drug Administration and any successor agency thereto.

1.30 "FDA Approval" the approval granted by the FDA to manufacture and market a COVID-19 vaccine containing the Compounds on a commercial basis in the United States.

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

1.32 "Governmental Authority" means any instrumentality, subdivision, court, administrative agency, department, commission, official or other authority of any country, state, province, municipality or other governmental or political subdivision, or any quasi-governmental or private body exercising any regulatory or other governmental authority of any kind.

1.33 "Indebtedness" means:, (i) all indebtedness for borrowed money; (ii) accrued interest expense, prepayment premiums, break-up fees, obligations under financial swaps, bank fees, drawn letters of credit, deferred purchase price, capital lease obligations, present value of any underfunded pension obligations, customer deposits, or accrued expenses outside the ordinary course (e.g. unpaid sponsor fees/receivables, consulting fees, acquisition-related cost liabilities, payments due former owners of acquired businesses, or liabilities related to discontinued operations); (iii) guaranties securing indebtedness for borrowed money or any other indebtedness of any kind; (iv) all deferred compensation obligations, (v) collected deferred revenue; and (vi) all interest, any premiums payable or any other costs or charges (including any prepayment penalties, termination fees, breakage costs, make-whole and expense reimbursements) on any instruments or obligations described in clauses (i) through (vi) hereof, all as the same may be payable upon the complete and final payoff thereof, regardless of whether such payoff occurs prior to, simultaneous with or following the Closing.

1.34 "Indemnified Party" has the meaning set forth in Section 7.4.

1.35 "Indemnifying Party" has the meaning set forth in Section 7.4.

1.36 "Indemnity Claim Notice" has the meaning set forth in Section 7.4.

1.37 "Inventory" means all of Seller's inventory, raw materials, active pharmaceutical ingredients, excipients, intermediaries, reagents, supplies, packaging, and work in progress owned by Seller solely to the extent relating to the Compounds.

1.38 "IP Matters Agreement" has the meaning set forth in Section 2.4(a)(iii).

1.39 "Judgment" means, collectively, any judicial decree, judgment, writ, injunction, stipulation or other judicial order or any arbitration award.

1.40 "Know-How" means any and all know-how, show-how, technical and non-technical information, trade secrets, formulae, techniques, sketches, drawings, materials, models, inventions, designs, specifications, processes, apparatus, equipment, databases, research, experimental work, development, pharmacology and clinical data, software programs and applications, software source documents, third-party licenses, and any related type of proprietary intellectual property right other than the Patents, in each case solely to the extent related to, or necessary or useful for, the manufacture, composition, use, distribution, marketing, promotion, sale, administration or formulation of the Compounds, that are owned or licensed by Seller or any of its Affiliates and that exist as of the Closing Date.

1.41 "Law" means any statute, law, ordinance, decree, order, injunction, rule, directive, or regulation of any Governmental Authority, and includes rules and regulations of any regulatory authority compliance with which is required by law.

1.42 "Liability" means any obligation, claim or liability of any nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, express or implied, primary or secondary, direct or indirect or otherwise, and whether due or to become due).

1.43 "Losses" has the meaning set forth in Section 7.1.

1.44 "Milestone Event" has the meaning set forth in Section 3.1(a)(iii).

1.45 "Party" means Seller or Buyer, and "Parties" means both of them.

1.46 "Patent(s)" means (i) all patents and patent applications and any patents issuing therefrom, (ii) any substitutions, divisions, additions, continuations, continuations-in-part, reissues, renewals, registrations, confirmations, re-examinations, patents resulting from any post-grant proceeding, extensions, supplementary protection certificates, term extensions (under applicable patent law or other applicable law and regulation), certificates of invention and the like, and any provisional applications of any such patents or patent application, (iii) any foreign or international equivalent of any of the foregoing, and (iv) the right to claim priority to any of the foregoing, in the case of each of the foregoing (i), (ii), (iii), and (iv) to the extent owned or licensed by Seller or any of its Affiliates to the extent related to or that cover, in whole or in part, the manufacture, composition, use, distribution, marketing, promotion, sale, administration or formulation of the Compounds in the Territory.

1.47 "Person" means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, Governmental Authority or other entity.

1.48 "Proceeding" or "Proceedings" means any action, arbitration, audit, examination, hearing, litigation or suit (whether civil, criminal, administrative), action, demand, hearing, or other proceeding commenced, brought, conducted on behalf of by or before, or otherwise involving any Governmental Authority or any arbitration proceeding.

1.49 "Purchased Assets" has the meaning set forth in Section 2.1.

1.50 "Purchase Price" has the meaning set forth in Section 3.1(a)(v).

1.51 "Regulatory Application" means an application or submission, and all supplements and amendments thereto, submitted to the FDA for the Development, manufacture, sale, import, transport, distribution and marketing of all of the Compounds.

1.52 "Regulatory Material" means all of the following, in each case solely to the extent related to the Compounds, and any product containing any Compound, that are owned, in the possession or under the control of Seller or any of its Affiliates (and intellectual property and proprietary rights in or associated therewith): (i) technological, scientific, development, chemical, biological, pharmacological, toxicological, regulatory, R&D notebooks and related materials, (ii) batch records, stability records, methods and other records and information required to support the manufacture, composition, use, distribution, marketing, promotion, sale, administration or formulation of the Compounds, (iii) product safety related information and all other adverse event, complaint files and other reports and information relating to the Compounds or any product containing any Compound(s), (iv) written correspondence with any other Regulatory Authority and all supporting documents with respect thereto and (v) other data, files, records and other information (in any form or medium, wherever located) similar to the foregoing.

1.53 "Schedules" means all of the schedules attached hereto, dated as of the date of this Agreement, delivered by Seller to Buyer in connection with this Agreement.

1.54 "Seller" has the meaning set forth in the preamble.

1.55 "Seller Indemnified Persons" has the meaning set forth in Section 7.2.

1.56 "Seller's Knowledge" means the actual knowledge of Jerry Zeldis.

1.57 "Tax Return" means any return, declaration, report, claim for refund, information return or statement, election, or statement of foreign bank and financial account (such as FinCEN Form 114 or any similar or successor reporting requirement) required to be filed or actually filed with a Governmental Authority with respect to any Tax, including any schedule or attachment thereto, and including any amendment thereof.

1.58 "Taxes" means all taxes, charges, fees, levies, or other like assessments, including without limitation, all federal, possession, state, city, county, and foreign (or governmental unit, agency, or political subdivision of any of the foregoing) income, profits, payroll, employment (including Social Security, unemployment insurance and employee income tax withholding), franchise, gross receipts, license, sales, use, goods and services, transfer, registration, stamp, occupation, real property, personal property, capital, severance, premium, windfall profits, corporate, net worth, environmental, customs, duties, capital stock, inventory, ad valorem, value

added, excise, unclaimed property, escheat, Pension Benefit Guaranty Corporation premiums, recapture, alternative or add-on minimum, estimated tax, any other governmental charges of the same or similar nature to any of the foregoing, and any interest, penalty, or addition to any of the foregoing, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other person. Any one of the foregoing Taxes shall be referred to sometimes as a "Tax".

1.59 "Technical Information" means all data and other information solely to the extent related to the Compounds, including without limitation the manufacture and use thereof, that has been or will be used for the registration of the Compounds in the Territory, that is owned or licensed by Seller or any of its Affiliates or otherwise in the possession of, developed by or on behalf of, or otherwise controlled by Seller or any of its Affiliates, and that exists as of the Closing Date, and all related information that is necessary or reasonably useful for development or commercialization of the Compounds or that otherwise relates, in whole or in part, to the manufacture, composition, use, distribution, marketing, promotion, sale, administration or formulation of the Compounds and products containing any Compound(s), including all applicable information regarding manufacturing technology, techniques, protocols, methods, improvements, specifications and test methods, raw material, stability and other applicable specifications.

1.60 "Territory" means worldwide.

1.61 "Third Party" means any person who or which is neither a Party nor an Affiliate of a Party.

1.62 "Third Party Claim" has the meaning set forth in Section 7.5(a).

1.63 "Trademarks" means any and all trademarks, service marks, service names, trade names, internet domain names, barad marks, logos and associated artwork, trade dress, package designs, Compound inserts, labels and other indicia of origin, whether or not registered, including all common law rights thereto and all goodwill associated therewith, and registrations and applications for registration thereof and extensions, renewals, continuations or re-issues thereof, or amendments or modifications thereto, in each case that is owned, licensed or sublicensed by Seller or any of its Affiliates to the extent used or held for use in connection with the Compounds in the Territory.

1.64 "Transfer Taxes" means any and all sales, use, value-added, gross receipts, registration, stamp or other similar transfer Taxes incurred in connection with the transfer and purchase of the Purchased Assets, as contemplated by the terms of this Agreement, including all recording or filing fees, notarial fees and other similar costs of Closing, that may be imposed upon, or payable, collectible or incurred.

1.65 "Upfront Cash Payment" has the meaning set forth in Section 3.1(a)(i).

1.66 "Upfront Stock Payment" has the meaning set forth in Section 3.1(a)(ii).

2. Closing; Sale, Assignment, and Delivery.

2.1 Sale of Purchased Assets; Excluded Assets. Effective as of the Closing, subject to the terms and conditions of this Agreement, Seller hereby irrevocably sells, assigns, transfers, conveys, and delivers to Buyer, and Buyer hereby purchases, accepts and acquires from Seller and its Affiliates all right, title and interest of Seller and its Affiliates, free and clear of any Encumbrance, all right, title and interest of any nature, kind and character, solely in and to the following assets, properties and rights (the "Purchased Assets"):

(a) the Compounds;

(b) the Assigned License Agreement and the Assigned Contracts;

(c) the Assigned Intellectual Property Rights;

(d) the Regulatory Material and Regulatory Applications;

(e) all Inventory; and

(f) each of the other assets, properties and rights of Seller and its Affiliates, including any Actions and domain names, solely to the extent related to the foregoing or are necessary for the exploitation of the Purchased Assets.

Seller and Buyer expressly agree and acknowledge that the Purchased Assets will not include any assets (whether real personal or mixed, whether tangible or intangible, whether absolute, accrued, contingent, fixed or otherwise, and wherever situated) that are not Purchased Assets (the "Excluded Assets").

2.2 Liabilities.

(a) Assumed Liabilities. Subject to the provisions of this Agreement, at the Closing, pursuant to the Assignment and Assumption Agreement, Buyer shall assume the Assumed Liabilities (as defined below). Buyer will not assume or have any responsibility of any nature with respect to any Liability of Seller that is not an Assumed Liability. The assumption of the Assumed Liabilities by Buyer hereunder shall not enlarge any rights of third parties under contracts or arrangements with Buyer or Seller or any of their respective subsidiaries, if any, or prevent Buyer from contesting in good faith the rights of such parties or its obligations under such contracts or arrangements. For purposes of this Agreement, the term "Assumed Liability" means of, and "Assumed Liabilities" means all of, only the following (and excluding in all cases the Excluded Liabilities):

i. all Liabilities to the extent arising out of or resulting from the operation, ownership, possession or control of any of the Purchased Assets from and after the Effective Time;

ii. all Liabilities under the Assigned License Agreement, including any and all Liabilities in respect of Milestone Payments (as defined therein), royalty payments, and any other payments due thereunder, other than any

Liability arising out of, or resulting from, Liabilities actually incurred and due, or any event, state of facts, occurrence, circumstance, development or change that arose or existed, at or prior to the Closing;

iii. all Liabilities under the Assigned Contracts, other than any Liability arising out of, or resulting from, Liabilities actually incurred and due, or any event, state of facts, occurrence, circumstance, development or change that arose or existed, at or prior to the Closing; and

iv. those certain Liabilities incurred by Seller prior to the date hereof and listed on Schedule 2.2(a)(iv).

(b) Excluded Liabilities. Other than the Assumed Liabilities expressly assumed by Buyer, Buyer does not hereby and will not assume or become liable for and shall not be obligated to pay or satisfy any obligation, debt or liability whatsoever, whether fixed, contingent or otherwise, of Seller, any Affiliate of Seller, or any other person, including, without limitation any Indebtedness or other claim, liability, obligation or Tax arising out of the ownership or use of the Purchased Assets prior to the Effective Time whether or not disclosed on the Schedules attached hereto, and regardless of when or by whom asserted, and including any Liabilities to the extent associated with any Excluded Assets (collectively, the "Excluded Liabilities").

2.3 Closing. The consummation of the transactions contemplated by this Agreement shall take place remotely with the execution of this Agreement by e-mail exchange of electronic (.pdf format) counterpart signature pages on the date hereof. The Closing shall be effective as of the Effective Time.

2.4 Deliveries. At the Closing or, solely with respect to sub-clauses (a)(iii) and (b)(iv) below regarding the IP Matters Agreement, as soon as practicable after the Closing:

(a) Seller shall deliver or cause to be delivered to Buyer:

i. a bill of sale, substantially in the form attached hereto as Exhibit A (the "Bill of Sale"), for the transfer of Purchased Assets, duly executed by Seller;

ii. an assignment and assumption agreement, substantially the form attached hereto as Exhibit B (the "Assignment and Assumption Agreement") in respect of the Assigned License Agreement and the Assigned Contracts, duly executed by Seller;

iii. an intellectual property assignment agreement, substantially in the form attached hereto as Exhibit C (the "IP Matters Agreement"), duly executed by Seller; and

iv. such other customary documents, instruments or certificates as shall be reasonably requested by the Buyer and as shall be consistent with the terms of this Agreement including any necessary documents or records to the extent related to any of the Purchased Assets.

(b) Subject to and in accordance with Section 3 hereof, Buyer shall deliver or cause to be delivered to Seller,

i. the Upfront Cash Payment (minus the amount of the accounts payable set forth on Schedule 2.4(b), which shall be paid by Buyer at or following Closing);

ii. evidence that Upfront Stock Payment has been issued in book entry form;

iii. the Bill of Sale, duly executed by Buyer;

iv. the Assignment and Assumption Agreement, duly executed by Buyer;

v. the IP Matters Agreement, duly executed by Buyer; and

vi. such other customary documents, instruments or certificates as shall be reasonably requested by the Buyer and as shall be consistent with the terms of this Agreement.

2.5 Completion of Transfers and Assurance of Beneficial Interest. The entire beneficial interest in and to, and the risk of loss with respect to, the Purchased Assets, shall pass to Buyer at Closing as of the Effective Time. In the event that, notwithstanding, the sale of the Purchased Assets hereunder at Closing, legal title to any of the Purchased Assets is not fully transferred or hereunder at Closing, Seller or an Affiliate thereof holding such Purchased Assets shall hold such Purchased Assets as nominee for Buyer until completion of such transfers. In addition, if and to the extent any right, title or interest in or to any Purchased Assets is owned by any Affiliate of Seller, Seller shall procure from such Affiliate all documentation necessary to fully and completely effect the transfer of such Purchased Assets to Buyer.

2.6 No Obligation to Manufacture. The terms of this Agreement relate only to the divesture of Purchased Assets and notwithstanding anything to the contrary herein or otherwise Seller shall have no further obligations or liabilities to supply, manufacture, or distribute any product of any kind in support of Buyer's commercialization efforts.

3. Purchase Price and Payment.

3.1 Purchase Price.

(a) The purchase price for the Purchased Assets and Seller's performance of its obligations hereunder shall be, collectively, as follows:

i. an upfront payment of **Three Hundred and Fifty Thousand Dollars ($350,000)**, payable in full at the Closing in immediately available funds to such account as expressly designated by Seller in writing (the "Upfront Cash Payment");

ii. the issuance to Seller of 634,910 restricted shares of common stock of Buyer, which number of restricted shares of common stock represent no less than **seven and one-half percent (7.5%)** of the issued and outstanding common stock of Buyer, on a fully diluted basis, as of the Closing (rounded up to the nearest whole number of shares) (the "Upfront Stock Payment");

iii. a deferred payment of **Five Hundred Thousand Dollars ($500,000)**, payable in full within five (5) Business Days following receipt of FDA Approval (the "Milestone Event") in immediately available funds to such account as expressly designated by Seller in writing (the "Deferred Cash Payment");

iv. the issuance to Seller within five (5) Business Days of the occurrence of the Milestone Event of such aggregate number of restricted shares of common stock of Buyer (rounded up to the nearest whole number of shares of) representing no less than **two and one-half percent (2.5%)** of the issued and outstanding common stock of Buyer as of the date of such Milestone Event (the "Deferred Stock Payment"); and

v. in the event of any sublicensing, sale, transfer, assignment, exclusive license or similar arrangement or transaction, whether or not resulting in a change of control of Buyer, by Buyer or any of its Affiliates or successors or assigns of any of the rights acquired by Buyer hereunder with respect to the Compounds, the Assigned License Agreement and/or the Assigned Intellectual Property (any of the preceding, an " Additional Payment Event"), an amount equal to no less than ten percent (10%) of any consideration received by Buyer or any of its Affiliates or successor or assigns in connection with any such Additional Payment Event (the "Deferred Sublicensing Consideration", and collectively with the Deferred Stock Payment and the Deferred Cash Payment, the "Deferred Total Payment"; and all of the foregoing collectively with the Upfront Cash Payment, and Upfront Stock Payment, the "Purchase Price"). Notwithstanding the foregoing, Seller shall not be entitled to any further Deferred Sublicensing Consideration from and after the later of the (A) occurrence of the Milestone Event, or (B) three (3) year anniversary of the Closing Date.

3.2 Taxes and Withholding.

(a) Buyer shall pay all Transfer Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement, and shall file, at its own expense, all necessary tax returns and other documentation with respect to all such taxes.

(b) Notwithstanding any provision hereof to the contrary, Buyer shall be entitled to deduct and withhold from any consideration otherwise payable under the terms of this Agreement such amounts as it is required to deduct and withhold pursuant to any provision of Law, including those related to or regarding Taxes. To the extent that amounts are so withheld by Buyer under any provision of this Agreement, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the recipients in respect of which such deduction and withholding was made.

4. Representations and Warranties of Seller. Seller represents and warrants to Buyer that the following statements are true, correct and complete as of the date hereof:

4 . 1 Existence and Capacity. Seller (i) is a public benefit corporation, duly organized and validly existing in good standing under the laws of the State of Delaware; and (ii) filed a Certificate of Dissolution with the Secretary of State of Delaware on September 3, 2019. The Delaware Court of Chancery has not appointed any trustee or receiver for the Seller pursuant to Section 279 of the Delaware General Corporation Law and no creditor, stockholder or director of Seller has made any application to the Delaware Court of Chancery to appoint any such trustee or receiver. Seller has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder and consummate the transactions contemplated hereby.

4.2 Power and Authority. The execution, delivery, and performance of this Agreement and consummation of the transactions contemplated herein, by Seller:

(a) are within its powers and will not conflict with or result in a breach of its articles of incorporation or bylaws or equivalent organizational documents;

(b) have been duly authorized by all appropriate corporate action;

(c) will not violate any Law or Judgment to which Seller or the Purchased Assets may be subject;

(d) do not require any permit, consent, waiver, approval or authorization of, or declaration to or filing or registration with, any person or Governmental Authority; and

(e) will not violate or breach any provision of, or cause or result in the acceleration, extinguishment or termination (whether or not with notice or lapse of time or both) of any rights or obligations under the Assigned License Agreement or, to Seller's Knowledge, any Assigned Contract.

4 . 3 Binding Agreement. This Agreement has been duly executed and delivered by Seller and, assuming due authorization, execution and delivery by Buyer, constitutes a legal, valid and binding obligations of Seller and is and will be enforceable against Seller in accordance with the terms hereof.

4.4 Litigation. There is no, and there has not been since January 1, 2020, any Proceeding, or, to Seller's Knowledge, any Proceeding threatened against Seller or any of its Affiliates, in each case in respect of the Purchased Assets, including to Seller's Knowledge that asserted or assert the infringement, misappropriation or other violation of any Third Party intellectual property in connection with the Purchased Assets or challenged or challenge Seller or any of its Affiliates regarding the ownership of or rights to use, license or otherwise exploit the Purchased Assets or rights to Develop, manufacture, commercialize or otherwise exploit any of the Compounds.

4.5 Title. Seller solely owns all right, title and interest in and to, or has a valid transferable license to, the Purchased Assets, free and clear of EncumbrancesThe Purchased Assets compromise substantially all of Seller's assets to which the Assigned License Agreement relates.

4 . 6 Contracts. There are no Contracts related or otherwise directly pertaining to any of the Purchased Assets other than the License Agreement, the Assigned Contracts and this Agreement. Buyer either has been supplied with, or has been given reasonably access to, a true and correct

copy of the Assigned License Agreement. The Assigned License Agreement (assuming due power and authority of, and due execution and delivery by, the other party or parties thereto) is valid and binding on Seller and is in full force and effect. As of the date of this Agreement, Seller has not violated or breached, or committed any default under, the Assigned License Agreement or, to Seller's Knowledge, any Assigned Contract; and to the Knowledge of Seller, as of the date of this Agreement, no other Person has violated or breached, or committed any material default under, the Assigned License Agreement or any Assigned Contract, and Seller has not received any notice of termination of the License Agreement from Vertex Pharmaceuticals Incorporated and any other notice or communication from Vertex Pharmaceuticals Incorporated alleging that Seller has breached, violated or otherwise failed to perform any of its obligations under the Assigned License Agreement or indicating that Vertex Pharmaceuticals Incorporated intends to terminate the Assigned License Agreement.

4.7 Compliance with Laws. Since January 1, 2020, Seller and its Affiliates, in each case in respect of the Purchased Assets, are and have been in material compliance with all Laws applicable to the Purchased Assets, the Development of the Compounds and the ownership, operation and use of the Purchased Assets.

4.8 Regulatory Material and Technical Information.

(a) The Regulatory Material and Technical Information represent all regulatory and technical documents used by or under the control of Seller or its Affiliates or any other person on behalf of Seller or its Affiliates that relate to the Compounds.

(b) Seller owns or controls the Regulatory Material and Technical Information to be transferred hereunder and has the right to transfer ownership or control thereof to Buyer pursuant to the transactions contemplated by this Agreement.

4.9 Brokers, Finders. No finder, broker, agent, or other intermediary acting on behalf of Seller is entitled to a commission, fee, or other compensation in connection with the negotiation or consummation of this Agreement or any of the transactions contemplated hereby.

4.10 Disclaimer of Other Representations and Warranties. NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO BUYER OR ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION, EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 4, (A) SELLER DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER, THE PURCHASED ASSETS (INCLUDING ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH) OR THE BUSINESS OR ANY INFORMATION PROVIDED OR MADE AVAILABLE TO BUYER IN CONNECTION HEREWITH, INCLUDING ANY WARRANTY WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND ALL OTHER REPRESENTATIONS OR WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED; AND (B) ALL OF THE PURCHASED ASSETS AND LIABILITIES TO BE SOLD, CONVEYED, ASSIGNED, TRANSFERRED OR ASSUMED, AS APPLICABLE, IN ACCORDANCE WITH THIS AGREEMENT, SHALL BE

SOLD, CONVEYED, ASSIGNED, TRANSFERRED OR ASSUMED ON AN "AS IS, WHERE IS" BASIS AND BUYER SHALL RELY SOLELY ON ITS OWN EXAMINATION AND INVESTIGATION THEREOF AS WELL AS THE REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH IN THIS SECTION 4.

5. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that the following statements are true, correct and complete as of the date hereof:

5.1 Existence and Capacity. Buyer is a limited liability company, duly organized and validly existing in good standing under the laws of the State of Delaware. Buyer has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder and consummate the transactions contemplated hereby, and to conduct its business as now being conducted.

5.2 Power and Authority. The execution, delivery, and performance of this Agreement and consummation of the transaction contemplated herein, by Buyer:

(a) are within its powers, are not in contravention of law or of the terms of its certificate of formation, limited liability company agreement or equivalent organizational documents;

(b) have been duly authorized by all appropriate limited liability company action;

(c) will not violate any statute, law, rule, or regulation, or any judgment, decree, writ or injunction of any court or Governmental Authority, to which Buyer may be subject; and

(d) do not require any permit, consent, waiver, approval or authorization of, or declaration to or filing or registration with, any person or Governmental Authority.

5.3 Binding Agreement. This Agreement has been duly executed and delivered by Buyer and, assuming due authorization, execution and delivery by Seller, constitutes a legal, valid and binding obligations of Buyer and is and will be enforceable against Buyer in accordance with the terms hereof.

5.4 Capital Stock of Buyer.

(a) As of the date of this Agreement, the authorized capital of Buyer consists of 50,000,0000 shares of common stock, par value $0.001 per share, and 5,000,000 shares of preferred stock, par value $0.001 per share..

(b) As of the date of this Agreement, a total of 7,376,690 shares of Buyer's common stock are issued and outstanding (not including 40,000 issued and outstanding restricted stock units) and no shares of Buyer's preferred stock are issued and outstanding.

(c) Buyer has reserved an aggregate of 1,048,772 shares of Buyer's common stock for issuance pursuant to outstanding options and warrants.

(d) Except as set forth above, there are no outstanding securities, options, warrants, calls, rights, convertible or exchangeable securities or contracts or obligations of any kind (contingent or otherwise) to which Buyer is a party or by which it is bound obligating Buyer, directly or

indirectly, to issue, deliver or sell, or cause to be issued, delivered or sold, additional equity interests of Buyer or obligating Buyer to issue, grant, extend or enter into any such security, option, warrant, call, right, contract or obligation. There are no outstanding obligations of the Buyer (contingent or otherwise) to repurchase, redeem or otherwise acquire, directly or indirectly, any equity interests of Buyer. There are no outstanding stock-appreciation rights, stock-based performance units, "phantom" stock rights or other contracts or obligations of any character (contingent or otherwise) pursuant to which any Person is or may be entitled to receive any payment or other value based on the revenues, earnings or financial performance or other attribute of Buyer or its businesses or assets or calculated in accordance therewith. There are no agreements among Buyer's equityholders with respect to the voting or transfer of Buyer's equity interests or with respect to any other aspect of Buyer's affairs. There are no bonds, debentures, notes or other Indebtedness of Buyer outstanding having the right to vote (or convertible into, or exchangeable for, equity having the right to vote) on any matters on which any equityholders of Buyer may vote.

5 . 5 Brokers; Finders. No finder, broker, agent, or other intermediary acting on behalf of Buyer is entitled to a commission, fee, or other compensation in connection with the negotiation or consummation of this Agreement or any of the transactions contemplated hereby.

BUYER'S ACKNOWLEDGEMENTS. BUYER ACKNOWLEDGES, ON BEHALF OF ITSELF AND ITS AFFILIATES, THAT EXCEPT AS SET FORTH IN SECTION 4, NONE OF SELLER, ITS AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES (COLLECTIVELY, THE " SELLER PARTIES " AND EACH A "SELLER PARTY") OR ANY OTHER PERSON HAS MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO THE PURCHASED ASSETS, THE BUSINESS, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREUNDER, AND ANY SUCH REPRESENTATIONS OR WARRANTIES ARE HEREBY DISCLAIMED. BUYER ACKNOWLEDGES, ON BEHALF OF ITSELF AND ITS AFFILIATES THAT, SHOULD THE CLOSING OCCUR, BUYER SHALL ACQUIRE THE PURCHASED ASSETS WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IN AN "AS IS" CONDITION AND ON A "WHERE IS" BASIS, EXCEPT AS OTHERWISE EXPRESSLY REPRESENTED OR WARRANTED IN THIS AGREEMENT. CONSEQUENTLY, BUYER ACKNOWLEDGES AND AGREES THAT (I) OTHER THAN WITH RESPECT TO SELLER'S REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 4 OF THIS AGREEMENT, NO SELLER PARTY HAS PROVIDED OR OTHERWISE FURNISHED ANY WARRANTY OR REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF INFORMATION PROVIDED BY THE SELLER PARTIES, EITHER DIRECTLY OR INDIRECTLY, TO BUYER AND/OR ITS REPRESENTATIVES IN CONNECTION WITH THIS TRANSACTION; AND (II) THEREFORE BUYER WAIVES ANY RIGHT IT MAY HAVE AGAINST THE SELLER PARTIES FOR ANY LOSS OR DAMAGE RESULTING FROM THE USE OF SUCH INFORMATION (OR OMISSION TO PROVIDE ANY OTHER INFORMATION) OTHER THAN WITH RESPECT TO THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 4 OF THIS AGREEMENT.

6. Certain Covenants.

6.1 Public Announcements; Confidentiality. Buyer and Seller shall consult with each other and shall mutually agree in writing (such agreement not to be unreasonably withheld or delayed) upon the content and timing of any press release or other public statements with respect to the transactions contemplated by this Agreement and neither of the Parties shall issue any such press release or make any public statement with respect to the transactions contemplated by this Agreement prior to such consultation and agreement, except as may be required by any applicable Law, any Governmental Authority or the rules or regulations of any stock exchange or Governmental Authority; provided, however, that each Party shall give reasonable prior notice to the other Parties of the content and timing of any such press release or other public statement required by applicable Law, any Governmental Authority or the rules or regulations of any stock exchange or Governmental Authority.

6.2 Technology Transfer. At and following the Closing Date, Seller shall provide all reasonable assistance requested by Buyer to fully consummate the transfer of the Technical Information, the Regulatory Material, the Know How and related Purchased Asset to enable Buyer (or its Affiliate or designated third party manufacturer, as applicable) to reasonably implement the manufacture and Development of the Compounds by Buyer or its Affiliate or designated third party manufacturer, as applicable.

7. Indemnification.

7.1 Indemnification by Seller. Seller shall defend and hold Buyer and its Affiliates and the members, stockholders, directors, officers, partners, employees, successors, assigns, representatives and agents of each of them in their capacities as such (collectively, the "Buyer Indemnified Persons"), harmless and indemnify and keep indemnified each of them from and against, and Seller waives any claim for contribution or indemnity from any of Buyer Indemnified Persons with respect to, any and all Liabilities, expenses or costs ("Losses"), including reasonable attorneys' fees and expenses incurred in connection with Losses (in all, "Indemnified Losses"), actually suffered or actually incurred by any of them resulting from or arising out of:

(a) the non-fulfillment, non-performance, violation or breach of any agreement, covenant, representation, warranty, or other obligation of Seller made or incurred under or pursuant to this Agreement;

(b) the ownership, use or possession of the Purchased Assets, or the operation of the Business, prior to the Effective Time;

(c) the ownership, use or possession of the Excluded Assets; or

(d) the Excluded Liabilities.

7 . 2 Indemnification by Buyer. Buyer shall hold Seller and its Affiliates, and the members, stockholders, directors, officers, partners, employees, successors, assigns, representatives and agents of each of them in their capacities as such (collectively, the "Seller Indemnified Persons") harmless and indemnify each of them from and against any and all Indemnified Losses actually suffered or actually incurred by any of them, resulting from or arising out of:

(a) the non-fulfillment, non-performance, violation or breach of any agreement, covenant, representation, warranty, or other obligation of Buyer made or incurred under this Agreement;

(b) the ownership, use or possession of the Purchased Assets, or the operation of the Business, at any time from and after the Effective Time; or

(c) the Assumed Liabilities.

7.3 Limitations on Indemnification Obligations. Notwithstanding anything to the contrary herein or otherwise,

(a) none of the Buyer Indemnified Persons or Seller Indemnified Persons shall be entitled to recover or assert any claim under Section 7.1 or Section 7.2, respectively, until the total amount of Losses in respect of such claim or series of related claims thereunder exceed on a cumulative basis an amount equal to **Ten Thousand Dollars ($10,000**) (the "De Minimis Threshold Amount") after which all such Losses shall be recoverable from dollar-one;

(b) the maximum aggregate liability of Seller for any and all Indemnified Losses pursuant to Section 7.1 shall not exceed an amount equal to the total aggregate value of the Deferred Total Payment actually received, or to be actually received prior to any set-off in accordance with Section 7.1(c), by Seller; and

(c) Buyer's sole recourse hereunder to Seller for any and all Indemnified Losses pursuant to Section 7.1 shall be to set off any such Indemnified Losses to the extent actually incurred or actually suffered, against any payments due to Seller hereunder of any Deferred Cash Payment, any Deferred Stock Payment and/or any Deferred Sublicensing Consideration (for the avoidance of doubt, Buyer acknowledges and agrees that Buyer shall have no right of direct recourse to Seller or its Affiliates for any such Indemnified Losses other than such right of set-off in accordance with the foregoing).

7.4 Notice of Claim. In the event that Buyer seeks indemnification on behalf of a Buyer Indemnified Person, or Seller seeks indemnification on behalf of a Seller Indemnified Person, such Party seeking indemnification (the "Indemnified Party") shall give reasonably prompt written notice (the "Indemnity Claim Notice") to the indemnifying Party (the "Indemnifying Party") specifying the facts constituting the basis for such claim and the amount, to the extent known, of the claim asserted; provided, however, that the right of a person to be indemnified hereunder shall not be adversely affected by a failure to give such notice unless, and then only to the extent that, an Indemnifying Party is actually damaged thereby. Subject to the terms hereof, the Indemnifying Party may deliver written notice to the Indemnified Party disputing such claim in whole or in part. In cases where the Indemnifying Party disputes a claim hereunder, the Indemnified Party shall promptly consult with the Indemnifying Party in an effort to resolve the dispute. For the avoidance of doubt, if Seller is the Indemnifying Party, Buyer may, as the Indemnified Party, withhold any amounts it reasonably believes in good faith constitute Indemnified Losses which are recoverable hereunder by a Buyer Indemnified Person from any Deferred Total Payment pending the resolution of any such dispute. For all Tax purposes, all indemnification payments under this Section 7 shall be treated by the Parties as adjustments to the Purchase Price to the extent permitted by applicable Law

7.5 Right to Contest Claims of Third Parties.

(a) If an Indemnified Party is entitled to indemnification hereunder with respect to a claim resulting from or arising out of the assertion of Liability or any other claim or the commencement of any suit, action or proceeding asserted by any claimant other than a Buyer Indemnified Person or a Seller Indemnified Person hereunder (each a "Third Party Claim"), the Indemnified Party shall give the Indemnifying Party reasonably prompt notice thereof after receipt by the Indemnified Party of written notice of such Third Party Claim; provided, however, that the right of a person to be indemnified hereunder in respect of Third Party Claims shall not be adversely affected by a failure to give such notice unless, and then only to the extent that, an Indemnifying Party is actually prejudiced thereby. Except as otherwise provided in this Section 7.5, the Indemnifying Party shall then have the right, upon written notice to the Indemnified Party (a "Defense Notice") within twenty (20) days after receipt from the Indemnified Party of notice of such Third Party Claim, and using counsel reasonably satisfactory to the Indemnified Party, to investigate, contest, or settle the Third Party Claim, provided that such written notice shall only be deemed to be a "Defense Notice" hereunder, and the Indemnifying Party shall only be entitled to investigate, contest or settle such Third Party Claim, if, in such written notice, the Indemnifying Party has unconditionally acknowledged to the Indemnified Party in writing its obligation to indemnify and to keep indemnified in full the persons to be indemnified hereunder with respect to such Third Party Claim and to discharge in full any cost or expense arising out of such investigation, contest or settlement and, in the case where Seller is the Indemnifying Party, has provided evidence of its wherewithal to assume such defense. Notwithstanding the Indemnifying Party's election to assume the defense of a Third Party Claim, the Indemnified Party shall have the right to participate in (but not control) the defense of any such Third Party Claim with its own counsel at its own expense, unless separate representation is necessary to avoid a conflict of interest, in which case such representation shall be at the expense of the Indemnifying Party. In the event that the Indemnifying Party shall fail to deliver the Defense Notice to the Indemnified Party within said 20-day period, (i) the Indemnified Party shall have the right to undertake sole control over said defense, compromise, or, subject to the provisions set forth below, settlement of such Third Party Claim, (ii) the Indemnifying Party will reasonably cooperate with and, at its sole expense, make available to the Indemnified Party such assistance and materials as it may reasonably request, and (iii) the Indemnifying Party may at its sole expense participate in (but not control) the defense assisted by counsel of its own choosing, and the Indemnifying Party, if it is required to provide indemnification under this Agreement, will be liable for all costs, including reasonable attorneys' fees and expenses, and settlement amounts paid or incurred in connection therewith. The Parties shall make available to each other all relevant information in their possession relating to any such Third Party Claim and shall render to each other such assistance as they may reasonably require of each other and shall cooperate in good faith with each other in order to ensure the proper and adequate defense thereof.

(b) In the event that the Indemnifying Party delivers a Defense Notice with respect to such Third Party Claim within twenty (20) days after receipt thereof and thereby elects to conduct the defense of the subject claim, (i) the Indemnifying Party shall be entitled to have control over said defense and, subject to the provisions set forth below, settlement of the subject claim, (ii) the Indemnified Party will cooperate with and make available to the Indemnifying Party such assistance and materials as it may reasonably request, (iii) the Indemnified Party shall have the rights at its expense to participate in the defense assisted by counsel of its own choosing and

(iv) the Indemnifying Party at all times shall represent the interests of the Indemnified Party in good faith and shall actively conduct the defense of the Third Party Claim in a competent and diligent manner after assuming control of the defense in order to maintain control of the defense. In such an event, the Indemnifying Party will not settle the subject claim or consent to the entry of any judgment without the prior written consent of the Indemnified Party (which consent will not be unreasonably withheld, conditioned or delayed) unless (x) it provides for the unconditional release of the Indemnified Party and poses no reasonable danger of establishing a precedent that may be adverse to the Indemnified Party's interest, (y) there is no finding or admission of any violation of Law or any violation of the rights of any person, or finding of responsibility or liability on the part of the Indemnified Party, or obligation of the Indemnified Party for any damages or other amount, or any Lien on any property of the Indemnified Party, or any sanction or injunction of, restriction upon the conduct of any business by, or other equitable relief upon the Indemnified Party, and (z) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party, in which cases the consent of the Indemnified Party shall not be required. The Indemnified Party shall have no liability with respect to any compromise or settlement of such Third Party Claims effected without its consent when such consent is required hereunder.

(c) Notwithstanding anything to the contrary contained in this Section 7.5, the Indemnifying Party shall not be entitled to control, but may participate in, and the Indemnified Party shall be entitled to have sole control, including the right to select defense counsel, over the defense or settlement of any Third Party Claim (i) that seeks any relief other than monetary damages, including without limitation a temporary restraining order, a preliminary or permanent injunction or specific performance against the Indemnified Party, (ii) that involves potential criminal liability or a claim by a Governmental Authority against the Indemnified Party, (iii) that, if the defense is unsuccessful, would set a precedent that would materially interfere with, or have a material and adverse impact on the business or financial condition of the Indemnified Party, or (iv) that involves potential liability on the part of the Indemnified Party for which the Indemnified Party is not entitled to indemnification hereunder. In such event, the Indemnifying Party will still be subject to its obligations hereunder, and the Indemnified Party will not settle the subject Third Party Claim without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld, conditioned or delayed.

8. Miscellaneous.

8.1 Notices. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and delivered (a) when sent, if sent by facsimile or electronic mail, *provided* that in the case of electronic mail, receipt of such electronic mail is promptly confirmed by the recipient by electronic mail, (b) when delivered, if delivered personally to the intended recipient, and (c) one (1) Business Days following the deposit with an international courier service that maintains records of receipt, in each case, addressed at the address shown in this Section 8.1 for, or such other address as may be designated in writing hereafter by, such Party:

If to Buyer:

NeuroClear Technologies, Inc.
54 Wilton Road, 2nd Floor
Westport, CT 06880
Attention: Kenneth Londoner

with a copy to:

Haynes and Boone, LLP
30 Rockefeller Plaza, 26th Floor
New York, NY 10012
Attention: Rick Werner, Esq. and Greg Kramer, Esq.

If to Seller:

Trek Therapeutics PBC
125 Cambridgepark Dr.
Cambridge, MA 02140

with a copy to:

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, NY 10020
Attention: Michael J. Lerner and Sam E. Khan

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are given.

8 . 1 Entire Agreement; Survival. This Agreement and the Schedules and Exhibits hereto embody the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings relative to such subject matter. This Agreement shall be deemed to have been drafted by both Parties and, thus, shall not be construed as to any provision against either Party on account of the authorship (assumed or actual) of any provision. The representations, warranties, covenants and other agreements made by the Parties herein shall survive until the eighteen month (18) anniversary of the Closing Date.

8.2 Severability. If any covenant or provision hereof is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the invalidity of any other covenant or provision, each of which is hereby declared to be separate and distinct, as long as the remaining provisions, taken together, are sufficient to carry out the overall intentions of the Parties as evidenced hereby. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable. If any provision of this Agreement is declared invalid or unenforceable for any reason other than overbreadth, the offending provision will be modified so as to maintain the essential benefits of the bargain among the Parties hereto to the maximum extent possible, consistent with applicable Law and public policy.

8.3 Assignment; Binding Agreement. This Agreement and the various rights and obligations arising hereunder shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be transferred, delegated, or assigned (by operation of Law or otherwise) by a Party without the prior written consent of the other Party; provided, however, that Buyer shall have the right to transfer, assign, license, sublicense or otherwise encumber all or any portion of its rights hereunder without the prior written consent of Seller; provided, further, that no such transfer or assignment shall relieve Buyer of its obligations hereunder.

8.4 Further Assurances. From time to time, as and when requested by either Party, each of the Parties will, at its expense (except as otherwise expressly provided in this Agreement), execute such additional documents (including the IP Matters Agreement) and take such further actions as may be reasonably requested to carry out the provisions hereof and consummate and evidence the transactions contemplated hereby, including executing and delivering or causing to be executed and delivered to the other Party such additional documents as the other Party or its counsel may reasonably request as necessary for such purpose.

8.5 Execution. This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Each shall be considered signed when the signature of a Party is delivered by facsimile, electronic signature or electronic (email) transmission to the other Party, when it is delivered in a manner that reasonably identifies the signatory as the Party named. Such electronic signatures shall be treated in all respects as having the same effect as an original signature. If requested by any Party, documents bearing an original signature may be subsequently and promptly submitted to replace copies bearing electronic signatures. The Parties to this document agree that a copy of the original signature (including an electronic copy) may be used for any and all purposes for which the original signature may have been used.

8.6 Headings; Interpretation. Words such as “herein”, “hereinafter”, “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a section, paragraph or clause in which such words appear, unless the context otherwise require; “including” means including without limitation; “include” and “includes” shall be similarly construed. Enumerative references to sections, paragraphs or clauses, or exhibits, without reference to an explicit agreement, document or exhibit, refer to this Agreement or exhibits attached to this Agreement, as applicable. All definitions set forth herein will be deemed applicable whether the words defined are used herein in the singular or the plural. The singular shall include the plural, and each masculine, feminine and neuter reference shall include and refer also to the others, unless the context otherwise requires. Except where the context otherwise requires, the word “or” is used in the inclusive sense (and/or). All dollar amounts herein are expressed in U.S. dollars. The Section headings are for reference only and shall not limit or control the meaning of any provision of this Agreement. All Exhibits and Schedules referred to in this Agreement are integral parts of this Agreement and are hereby incorporated into this Agreement as if fully set forth herein and all statements appearing therein shall be deemed to be representations. The word “will” shall be construed to have the same meaning as the word “shall”. The word “extent” in the phrase “to the

extent" means the degree to which a subject or other thing extends, and such phrase shall not mean simply "if". Any reference to any statute herein shall also be deemed to refer to all rules and regulations promulgated thereunder. References to a person are also to its successors and permitted assigns.

8.7 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, United States of America, applicable to contracts to be carried out wholly within such State, without reference to its conflict of laws principles that might apply the law of another jurisdiction.

8.8 Submission to Jurisdiction. Each of the Parties hereto irrevocably submits to the exclusive jurisdiction of the federal courts located in Delaware, or if such courts do not have jurisdiction, in any other Delaware state court, for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby, and each of the Parties agrees to commence any action, suit or proceeding relating hereto in the federal courts located in Delaware or, if such courts do not have jurisdiction, in any state courts located in Delaware. Each of the Parties further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth above shall be effective service of process for any action, suit or proceeding with respect to any matters to which it has submitted to jurisdiction pursuant to this Section 8.8. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the above noted jurisdictions, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum or to raise any similar defense or objection.

8.9 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BETWEEN THE PARTIES, DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY ANCILLARY AGREEMENT, OR ANY TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR ANY DISPUTES RELATED HERETO OR THERETO. EACH PARTY HERETO (A) CERTIFIES THAT NO AGENT, REPRESENTATIVE OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS SET FORTH IN THIS SECTION 8.9.

8.10 Schedules. Disclosure of any item in any Section of the Schedules referenced by a particular Section in this Agreement shall be deemed to have been disclosed with respect to any other Section in this Agreement only if the relevance of such disclosure to such other Section(s) is reasonably apparent on its face (without the benefit of context or reference to underlying documentation), including by way of a reference or cross-reference thereto.

8.11 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

8.12 Waiver and Modification. This Agreement may be amended, modified or supplemented only by an agreement in writing signed by authorized representatives of each Party. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

8.13 Expenses. Regardless of whether the transactions provided for in this Agreement are consummated, except as otherwise expressly provided in this Agreement, each Party hereto will pay its own expenses incident to this Agreement and the transactions contemplated herein and therein.

8.14 Specific Performance. The Parties hereto agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of such provisions

[***Signature Pages, Exhibits and Schedules follow***]

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed as of the date first above written.

Buyer:

NeuroClear Technologies, Inc.

By: /s/ Ken Londoner
Name: Ken Londoner
Title: CEO

Seller:

Trek Therapeutics, PBC

By: /s/ Jerome B. Zeldis
Name: Jerome B. Zeldis
Title: CEO

EXHIBIT 31.01

CERTIFICATION

I, Kenneth L. Londoner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BioSig Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable 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 controls over financial reporting.

Date: May 11, 2020

/s/ KENNETH L. LONDONER
Kenneth L. Londoner
Chairman & Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.02

CERTIFICATION

I, Steven Chaussy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BioSig Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable 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 controls over financial reporting.

Date: May 11, 2020

/s/ STEVEN CHAUSSY
Steven Chaussy
Chief Financial Officer (Principal Accounting Officer)

Exhibit 32.01

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kenneth L. Londoner, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of BioSig Technologies, Inc. on Form 10-Q for the fiscal quarter ended March 31, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of BioSig Technologies, Inc.

Date: May 11, 2020

By: /s/ KENNETH L. LONDONER
Name: Kenneth L. Londoner
Title: *Chairman & Chief Executive Officer (Principal Executive Officer)*

I, Steven Chaussy, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of BioSig Technologies, Inc. on Form 10-Q for the fiscal quarter ended March 31, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of BioSig Technologies, Inc.

Date: May 11, 2020

By: /s/ STEVEN CHAUSSY
Name: Steven Chaussy
Title: *Chief Financial Officer (Principal Accounting Officer)*