UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2019

OR

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

For the transition period from to

Commission file number 001-34375

PLUS THERAPEUTICS, INC.

(previously known as Cytori Therapeutics, Inc.)
(Exact name of Registrant as Specified in Its Charter)

DELAWARE	**33-0827593**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4200 MARATHON BLVD., SUITE 200, AUSTIN, TX	**78756**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (737) 255-7194

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

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

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

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financing 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 July 31, 2019, there were 453,116 shares of the registrant's common stock outstanding.

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	PSTV	Nasdaq Capital Market
Series S Warrant	PSTVZ	Nasdaq Capital Market

PLUS THERAPEUTICS, INC.
(previously known as Cytori Therapeutics, Inc.)

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PART I. FINANC IAL INFORMATION
Item 1. Financial Statements

PLUS THERAPEUTICS, INC.
(previously known as Cytori Therapeutics, Inc.)
CONSOLIDATED CONDENSED BALANCE SHEETS
(UNAUDITED)
(in thousands, except share and par value data)

	As of June 30, 2019	As of December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 4,530	$ 5,261
Accounts receivable, net of reserves of $181 in 2019 and $185 in 2018	80	178
Restricted cash	40	40
Inventories, net	107	107
Other current assets	503	785
Current assets held for sale	—	3,277
Total current assets	5,260	9,648
Property and equipment, net	2,297	2,299
Operating lease right-of-use assets	905	—
Other assets	50	39
Noncurrent assets held for sale	—	11,633
Goodwill	372	372
Total assets	$ 8,884	$ 23,991
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,953	$ 2,777
Operating lease liability	157	—
Term loan obligations, net of discount	10,813	14,202
Current liabilities held for sale	—	580
Total current liabilities	13,923	17,559
Other noncurrent liabilities	65	46
Noncurrent operating lease liability	748	—
Warrant liability	424	916
Noncurrent liabilities held for sale	—	245
Total liabilities	15,160	18,766
Commitments and contingencies (Notes 8 and 9)		
Stockholders' equity (deficit):		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; 30,233 shares issued; 4,540 and 4,606 shares outstanding in 2019 and 2018, respectively	—	—
Common stock, $0.001 par value; 100,000,000 shares authorized; 443,117 and 296,609 shares issued and outstanding in 2019 and 2018, respectively	—	—
Additional paid-in capital	420,404	418,390
Accumulated other comprehensive income	—	1,218
Accumulated deficit	(426,680)	(414,383)
Total stockholders' equity (deficit)	(6,276)	5,225
Total liabilities and stockholders' equity (deficit)	$ 8,884	$ 23,991

See Accompanying Notes to these Consolidated Condensed Financial Statements

PLUS THERAPEUTICS, INC.
(previously known as Cytori Therapeutics, Inc.)
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)
(in thousands, except share and per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Development revenues:				
Government contracts and other	$ 302	$ 899	$ 1,039	$ 1,816
	302	899	1,039	1,816
Operating expenses:				
Research and development	1,289	1,267	2,715	2,661
Sales and marketing	97	185	211	478
General and administrative	875	1,293	2,237	3,302
Total operating expenses	2,261	2,745	5,163	6,441
Operating loss	(1,959)	(1,846)	(4,124)	(4,625)
Other income (expense):				
Interest income	7	5	14	19
Interest expense	(597)	(444)	(1,111)	(866)
Change in fair value of warrants	282	—	492	—
Total other expense	(308)	(439)	(605)	(847)
Loss from continuing operations	$ (2,267)	$ (2,285)	$ (4,729)	$ (5,472)
Loss from discontinued operations	(6,880)	(1,374)	(7,568)	(2,596)
Net loss	$ (9,147)	$ (3,659)	$ (12,297)	$ (8,068)
Basic and diluted net loss per share attributable to common stockholders from continuing operations	$ (5.12)	$ (18.53)	$ (11.89)	$ (44.91)
Basic and diluted net loss per share attributable to common stockholders from discontinued operations	(15.55)	(11.14)	(19.02)	(21.31)
Net loss per share, basic and diluted	$ (20.67)	$ (29.67)	$ (30.91)	$ (66.22)
Basic and diluted weighted average shares used in calculating net loss per share attributable to common stockholders	442,512	123,330	397,827	121,843
Comprehensive loss:				
Net loss	$ (9,147)	$ (3,659)	$ (12,297)	$ (8,068)
Other comprehensive (loss) income – foreign currency translation adjustments	—	131	—	(150)
Comprehensive loss	$ (9,147)	$ (3,528)	$ (12,297)	$ (8,218)

See Accompanying Notes to these Consolidated Condensed Financial Statements

PLUS THERAPEUTICS, INC.
(previously known as Cytori Therapeutics, Inc.)
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)
(in thousands)

	Convertible preferred stock		Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' equity (deficit)
	Shares	Amount	Shares	Amount				
Balance at December 31, 2017	2,431	$ —	115,652	$ —	$ 413,362	$ 1,387	$ (401,749)	$ 13,000
Share-based compensation	—	—	—	—	143	—	—	143
Sale of common stock, net	—	—	202	—	27	—	—	27
Conversion of Series B Convertible Preferred Stock into common stock	(1,228)	—	7,375	—	—	—	—	—
Foreign currency translation adjustment and accumulated other comprehensive income	—	—	—	—	—	(281)	—	(281)
Net loss	—	—	—	—	—	—	(4,409)	(4,409)
Balance at March 31, 2018	1,203	$ —	123,229	$ —	$ 413,532	$ 1,106	$ (406,158)	$ 8,480
Share-based compensation	—	—	—	—	96	—	—	96
Sale of common stock, net	—	—	192	—	(297)	—	—	(297)
Conversion of Series B Convertible Preferred Stock into common stock	(17)	—	103	—	—	—	—	—
Foreign currency translation adjustment and accumulated other comprehensive income	—	—	—	—	—	131		131
Net loss	—	—	—	—	—	—	(3,659)	(3,659)
Balance at June 30, 2018	1,186	$ —	123,524	$ —	$ 413,331	$ 1,237	$ (409,817)	$ 4,751
Balance at December 31, 2018	4,606	$ —	296,609	$ —	$ 418,390	$ 1,218	$ (414,383)	$ 5,225
Share-based compensation	—	—	—	—	49	—	—	49
Sale of common stock, net	—	—	139,855	—	1,873	—	—	1,873
Conversion of Series C Convertible Preferred Stock into common stock	(66)	—	1,653	—	—	—	—	—
Foreign currency translation adjustment and accumulated other comprehensive income	—	—	—	—	—	(140)	—	(140)
Net loss	—	—	—	—	—	—	(3,150)	(3,150)
Balance at March 31, 2019	4,540	$ —	438,117	$ —	$ 420,312	$ 1,078	$ (417,533)	$ 3,857
Share-based compensation	—	—	—	—	28	—	—	28
Sale of common stock, net	—	—	5,000	—	64	—	—	64
Foreign currency translation adjustment and accumulated other comprehensive income	—	—	—	—	—	(1,078)	—	(1,078)
Net loss	—	—	—	—	—	—	(9,147)	(9,147)
Balance at June 30, 2019	4,540	$ —	443,117	$ —	$ 420,404	$ —	$ (426,680)	$ (6,276)

See Accompanying Notes to these Consolidated Condensed Financial Statements

PLUS THERAPEUTICS, INC.
(previously known as Cytori Therapeutics, Inc.)
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	For the Six Months Ended June 30,	
	2019	2018
Cash flows from operating activities:		
Net loss	$ (12,297)	$ (8,068)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non Cash Lease Expense	39	—
Depreciation and amortization	617	975
Amortization of deferred financing costs and debt discount	257	212
Provision for excess inventory	—	398
Change in fair value of warrants	(492)	—
Share-based compensation expense	77	239
Loss on asset disposal	—	20
Loss on sale of business	6,306	—
Increases (decreases) in cash caused by changes in operating assets and liabilities:		
Accounts receivable	(28)	(274)
Inventories	235	371
Other current assets	216	344
Other assets	257	(1)
Accounts payable and accrued expenses	(94)	(1,165)
Deferred revenues	29	123
Other long-term liabilities	54	(14)
Net cash used in operating activities	(4,824)	(6,840)
Cash flows from investing activities:		
Purchases of property and equipment	(6)	(78)
Proceeds from sale of business, net	2,789	—
Net cash used in investing activities	2,783	(78)
Cash flows from financing activities:		
Principal payment of long-term obligations	(642)	—
Payment of financing lease liability	(28)	—
Proceeds from sale of common stock, net	1,984	(200)
Net cash provided by (used in) financing activities	1,314	(200)
Effect of exchange rate changes on cash and cash equivalents	(4)	12
Net decrease in cash and cash equivalents	(731)	(7,106)
Cash, cash equivalents, and restricted cash at beginning of period	5,301	10,225
Cash, cash equivalents, and restricted cash at end of period	$ 4,570	$ 3,119
Supplemental disclosure of cash flows information:		
Cash paid during period for:		
Interest	$ 826	$ 649
Supplemental schedule of non-cash investing and financing activities:		
Proceeds from sales of business, net, paid directly to lender for principal payment of long-term obligations	$ 3,050	$ —
Conversion of preferred stock into common stock	$ —	$ 4

See Accompanying Notes to these Consolidated Condensed Financial Statements

1. Basis of Presentation and New Accounting Standards

Our accompanying unaudited consolidated condensed financial statements as of June 30, 2019 and for the three and six months ended June 30, 2019 and 2018 have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for annual financial statements. Our consolidated condensed balance sheet at December 31, 2018 has been derived from the audited financial statements at December 31, 2018, but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of the financial position and results of operations of Plus Therapeutics, Inc., and our subsidiaries (collectively, the "Company" or "Plus Therapeutics") have been included. Operating results for the three and six months ended June 30, 2019 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018. These financial statements should be read in conjunction with the consolidated financial statements and notes therein included in our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission on March 29, 2019.

On March 30, 2019, the Company entered into an Asset and Share Sale and Purchase Agreement (the "Lorem Purchase Agreement") with Lorem Vascular Pte. Ltd. ("Lorem"), pursuant to which, among other things, Lorem agreed to purchase the Company's UK subsidiary, Cytori Ltd. (the "UK Subsidiary"), and the Company's Cell Therapy assets, excluding such assets used in Japan or relating to the Company's contract with the U.S. Department of Health and Human Service's Biomedical Advanced Research and Development Authority (" BARDA"). Both the Company and Lorem made customary representations, warranties and covenants in the Lorem Purchase Agreement. The transaction was completed on April 24, 2019 and the Company received $4.0 million of cash proceeds, of which $1.7 million was used to pay down principal, interest and fees under the Loan and Security Agreement, dated May 29, 2015 (the "Loan and Security Agreement"), with Oxford Finance, LLC ("Oxford") .

On April 19, 2019, the Company entered into an Asset and Share Sale and Purchase Agreement (the "Shirahama Purchase Agreement") with Seijirō Shirahama, pursuant to which, among other things, Mr. Shirahama agreed to purchase the Company's Japanese subsidiary, Cytori Therapeutics, K.K. (the "Japanese Sub sidiary"), and substantially all of the Company's Cell Therapy assets used in Japan. Both the Company and Mr. Shirahama made customary representations, warranties and covenants in the Shirahama Purchase Agreement. The transaction was completed on April 25, 2019 and the Company received $3.0 million of cash proceeds, of which $1.4 million was used to pay down principal, interest and fees under the Loan and Security Agreement (defined in Note 4)

Amendments to Certificate of Incorporation and Reverse Stock Splits

On July 29, 2019, the Company amended its Certificate of Incorporation with the State of Delaware to change its corporate name from Cytori Therapeutics, Inc. to Plus Therapeutics, Inc. The Company also changed its trading symbol for its common stock on the Nasdaq Capital Market to "PSTV". Additionally, the Company changed its trading symbol for its Series S warrants to "PSTVZ".

On May 23, 2018, following stockholder and Board approval, the Company filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation, as amended (the "Amendment"), with the Secretary of State of the State of Delaware to (i) effectuate a one-for-ten (1:10) reverse stock split (the "Reverse Stock Split") of its common stock, par value $0.001 per share, without any change to its par value, and (ii) increase the number of authorized shares of the Company's common stock from 75 million to 100 million shares (which amount is not otherwise affected by the Reverse Stock Split). The Amendment became effective on the filing date. Upon effectiveness of the Reverse Stock Split, the number of shares of the Company's common stock (x) issued and outstanding decreased from approximately 61.6 million shares (as of May 23, 2018) to approximately 6.2 million shares; (y) reserved for issuance upon exercise of outstanding warrants and options decreased from approximately 23.4 million shares to approximately 2.3 million shares, and (z) reserved but unallocated under our current equity incentive plans (including the stockholder-approved share increase to the Company's 2014 Equity Incentive Plan) decreased from approximately 9.1 million common shares to approximately 0.9 million common shares. The Company's 5,000,000 shares of authorized Preferred Stock were not affected by the Reverse Stock Split. No fractional shares were issued in connection with the Reverse Stock Split. Proportional adjustments for the reverse stock split were made to the Company's outstanding stock options, warrants and equity incentive plans for all periods presented.

On August 5, 2019, following stockholder and Board approval, the Company filed a Certificate of Amendment (the "August 2019 Amendment") to its Amended and Restated Certificate of Incorporation (the Amendment), as amended, with the Secretary of State of the State of Delaware to effectuate a one-for-fifty (1:50) reverse stock split (the "August 2019 Reverse Stock Split")) of its common stock, par value $0.001 per share, without any change to its par value. The August 2019 Amendment became effect ive on the filing date. The August 2019 Reverse Stock Split became effective for trading purposes as of the commencement of trading on the Nasdaq Capital Market on August 6, 2019. There was no change in the Company's Nasdaq ticker symbol, "PSTV," as a resu lt of the August 2019 Reverse Stock Split. Upon effectiveness, each 50 shares of issued and outstanding Common Stock were converted into one newly issued and outstanding share of Common Stock. The Company's 5,000,000 shares of authorized Preferred Stock we re not affected by the August 2019 Reverse Stock Split. No fractional shares were issued in connection with the August 2019 Reverse Stock Split. Any fractional shares of Common Stock that would have otherwise resulted from the August 2019 Reverse Stock Spl it were rounded up to the nearest whole share. Outstanding equity awards and the shares available for future grant under the Company's Amended and Restated 2004 Equity Incentive Plan, 2011 Employee Stock Purchase Plan, 2014 Amended and Restated Equity Ince ntive Plan and 2015 New Employee Incentive Plan were proportionately reduced (rounded down to the nearest whole share), and the exercise prices of outstanding equity awards were proportionately increased (rounded up to the nearest whole cent) to give effec t to the August 2019 Reverse Stock Split.

Recently Issued and Recently Adopted Accounting Pronouncements

Recently Issued Accounting Pronouncements

In February 2017, the Financial Accounting Standards Board (the "FASB") issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment* , to simplify how all entities assess goodwill for impairment by eliminating Step 2 from the goodwill impairment test. As amended, the goodwill impairment test will consist of one step comparing the fair value of a reporting unit with its carrying amount. An entity should recognize a goodwill impairment charge for the amount by which the reporting unit's carrying amount exceeds its fair value. This update is effective for annual periods beginning after December 15, 2019, and interim periods within those periods. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. We are currently evaluating the impact that this standard will have on our consolidated financial statements.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases* . Under this new guidance, at the commencement date, lessees will be required to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease t erm. This guidance is not applicable for leases with a term of 12 months or less. The Company adopted ASC 842 as of January 1, 2019, electing the optional transition method that allows for a cumulative-effect adjustment in the period of adoption and did not restate prior periods. The Company elected the package of practical expedients permitted under the transition guidance. As a result of the adoption, the Company recorded right-of-use assets and liabilities. As of June 30, 2019, the Company's right-of-use assets and liabilities were $0.9 million associated with its operating leases. See Note 8 for further discussion on leases.

2. Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Our most significant estimates and critical accounting policies involve recognizing revenue, reviewing assets for impairment, determining the assumptions used in measuring share-based compensation expense, valuing warrants, measuring expense related to our in-process research and development acquisition, and valuing allowances for doubtful accounts.

Actual results could differ from these estimates. Management's estimates and assumptions are reviewed regularly, and the effects of revisions are reflected in the consolidated financial statements in the periods they are determined to be necessary.

3. Liquidity

We incurred losses from continuing operations of $4.7 million for the six months ended June 30, 2019, respectively. We have an accumulated deficit of $426.7 million as of June 30, 2019. These factors raise substantial doubt about our ability to continue as a going concern.

Further, the Loan and Security Agreement with Oxford, as further described in Note 4, requires maintenance of a minimum of $2.0 million in unrestricted cash and cash equivalents on hand to avoid an event of default. Based on our cash and cas h equivalents on hand of approximately $4.5 million at June 30, 2019, we estimate that we will need to raise additional capital and/or obtain a waiver or restructure the Loan and Security Agreement in the near term to avoid defaulting under our $2.0 millio n minimum cash and cash equivalents covenant.

To date, these operating losses have been funded primarily from outside sources of invested capital including our 2018 Rights Offering (defined below), our Lincoln Park Purchase Agreement (defined in Note 11) with Lincoln Park Capital Fund, LLC ("Lincoln Park"), the Loan and Security Agreement and gross profits. We have had, and we will continue to have, an ongoing need to raise additional cash from outside sources to fund our future clinical development programs and other operations. Our inability to raise additional cash would have a material and adverse impact on operations and would cause us to default on the Loan and Security Agreement with Oxford.

On June 1, 2018, we entered into a Sales Agreement with B. Riley FBR, Inc. ("B. Riley FBR") to sell shares of our common stock having an aggregate offering price of up to $6.5 million from time to time, through an "at the market" equity offering program (the "ATM Program") un der which B. Riley FBR will act as sales agent. The ATM Program financing facility has been exhausted and there is no availability remaining under this financing facility.

On July 25, 2018, we closed a rights offering originally filed under a Form S-1 registration statement in April 2018 ("2018 Rights Offering"). Pursuant to the 2018 Rights Offering, the Company sold an aggregate of 6,723 units consisting of a total of 6,723 shares of Series C Convertible Preferred Stock, immediately convertible into approximately 0.2 million shares of common stock and 7,059,150 warrants, exercisable for an aggregate of 141,183 shares of common stock at an exercise price of $39.93 per share of common stock, resulting in total net proceeds to the Company of approximately $5.7 million.

On August 28, 2018, we received a written notice from Nasdaq staff indicating that, based upon the closing bid price of our common stock for the prior 30 consecutive business days, we no longer meet the requirement to maintain a minimum bid price of $1.00 per share, as set forth in Nasdaq Listing Rule 5550(a)(2). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were provided an initial period of 180 calendar days, or until February 25, 2019, in which to regain compliance. We were also granted an additional compliance period of 180 calendar days, or until August 26, 2019, in which to regain compliance after meeting the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement, and providing notice to Nasdaq staff of our intent to cure the deficiency during this second compliance period, by effecting a reverse stock split, if necessary. In order to regain compliance with the minimum bid price requirement, the closing bid price of our common stock must have been at least $1.00 per share for a minimum of 10 consecutive business days during the 180-day period. In August 2019, we consummated a 1-for-50 reverse stock split pursuant to which the minimum bid price of our common stock rose above $1.00. If the closing bid price of our common stock remains above $1.00 per share, we expect to regain compliance with the minimum bid price requirement on August 19, 2019. However, based on our stockholders' deficit of $6.3 million as of June 30, 2019, we will not meet the minimum stockholders' equity requirement for continued listing on the Nasdaq Capital Market under Nasdaq Listing Rule 5550(b)(1), which requires listed companies to maintain stockholders' equity of at least $2.5 million, and we expect to receive written notice from Nasdaq staff to that effect following the filing of this Quarterly Report on Form 10-Q. In addition, as of June 30, 2019, we do not meet the alternative compliance standards relating to the market value of listed securities or net income from continuing operations. We intend to evaluate various courses of action to regain compliance with Nasdaq Listing Rule 5550(b)(1) within the compliance period specified by Nasdaq. However, there can be no assurance that we will be able to regain compliance within such compliance period.

On September 21, 2018, the Company entered into a purchase agreement and a registration rights agreement, with Lincoln Park, pursuant to which the Company has the right to sell to Lincoln Park and Lincoln Park is obligated to purchase up to $5.0 million of shares of the Company's common stock over the 24-month period following October 15, 2018, subject to the satisfaction of certain conditions. Through December 31, 2018, the Company sold a total of 12,802 shares for proceeds of approximately $0.3 million through the Lincoln Park Purchase Agreement and 5,000 shares for proceeds of approximately $0.1 million were sold during the six months ended June 30, 2019. The Company believes there is less than $0.1 million remaining available under this financing facility. See Note 11 for further discussion on the Lincoln Park Agreement.

We continue to seek additional capital through product revenues, strategic transactions and from other financing alternatives. Without additional capital, current working capital and cash generated from sales will not provide adequate funding for research, sales and marketing efforts and product development activities at their current levels. If sufficient capital is not raised, we will at a minimum need to significantly reduce or curtail our research and development and other operations, and this would negatively affect our ability to achieve corporate growth goals.

On April 24, 2019 the Company received $3.4 million of net cash proceeds related to the sale of the UK Subsidiary and the Company's Cell Therapy assets (excluding such assets used in Japan or relating to the Company's contract with BARDA), of which $1.7 million was used to pay down principal, interest and fees on the Loan and Security Agreement, and on April 25, 2019 the Company received $2.5 million of net cash proceeds related to the sale of the Japanese Subsidiary, and substantially all of the Company's Cell Therapy assets used in Japan, of which $1.4 million was used to pay down principal, interests and fees on the Loan and Security Agreement.

Should we be unable to rais e additional cash from outside sources, this would have a material adverse impact on our operations.

The accompanying consolidated condensed financial statements have been prepared assuming the Company will continue to operate as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from uncertainty related to its ability to continue as a going concern.

4. Term Loan Obligations

On May 29, 2015, the Company entered into the Loan and Security Agreement, pursuant to which Oxford funded an aggregate principal amount of $17.7 million ("Term Loan"), subject to the terms and conditions set forth in the Loan and Security Agreement. The Term Loan accrues interest at a floating rate of at least 8.95% per annum, comprised of three-month LIBOR rate with a floor of 1.00% plus 7.95%. Pursuant to the Loan and Security Agreement, we were previously required to make interest only payments through June 1, 2016 and thereafter we were required to make payments of principal and accrued interest in equal monthly installments sufficient to amortize the Term Loan through June 1, 2019, the maturity date. On February 23, 2016, we received an acknowledgement and agreement from Oxford related to the positive data on our U.S. ACT-OA clinical trial. As a result, pursuant to the Loan and Security Agreement, the period for which we are required to make interest-only payments was extended from July 1, 2016 to January 1, 2017. All unpaid principal and interest with respect to the Term Loan was scheduled to be due and payable in full on June 1, 2019. At maturity of the Term Loan, or earlier repayment in full following voluntary prepayment or upon acceleration, we are required to make a final payment in an aggregate amount equal to approximately $1.1 million. In connection with the Term Loan, on May 29, 2015, we issued to Oxford warrants to purchase an aggregate of 189 shares of our common stock at an exercise price of $5,175 per share. These warrants became exercisable as of November 30, 2015 and will expire on May 29, 2025 and, following the authoritative accounting guidance, are equity classified and its respective fair value was recorded as a discount to the debt.

On September 20, 2017, the Company entered into an amendment to the Term Loan, pursuant to which, among other things, Oxford agreed to reduce the minimum liquidity covenant level originally at $5 million to $1.5 million. The amendment also extended the interest-only period under the Loan and Security Agreement through August 1, 2018, as the Company successfully closed on a financing and received unrestricted net cash proceeds in excess of $5 million on or before December 29, 2017.

On June 19, 2018, the Company entered into a second amendment (the "Second Amendment") to the Term Loan with Oxford. The Second Amendment extended the interest-only period under the Term Loan to December 1, 2018 if the Company receives unrestricted gross cash proceeds of at least $15 million from the sale and issuance of the Company's equity securities on or before August 31, 2018. The Company agreed to pay Oxford an amendment fee of $250,000 at the earlier of maturity or acceleration of the loan.

On August 31, 2018, the Company entered into a third amendment (the "Third Amendment") to the Term Loan with Oxford. The Third Amendment extends the interest-only period under the Term Loan to December 31, 2018 and also requires that the Company pay to Oxford, in accordance with its pro rata share of the loans, 75% of all proceeds received (i) from the issuance and sale of unsecured subordinated convertible debt, (ii) in connection with a joint venture, collaboration or other partnering transaction, (iii) in connection with any licenses, (iv) from dividends (other than non-cash dividends from wholly owned subsidiaries) and (v) from the sale of any assets (such requirement, the "Prepayment Requirement"). The Prepayment Requirement does not apply to proceeds from the sale and issuance of the Company's equity securities, other than convertible debt. The Prepayment Requirement shall apply until an aggregate principle amount of $7.0 million has been paid pursuant to the Prepayment Requirement. However, if less than $7.0 million has been paid pursuant to the Prepayment Requirement on December 31, 2018 then the Company is required to promptly make additional payments until an aggregate principal amount of $7.0 million has been paid. The Company agreed to pay Oxford an amendment fee of $50,000 at the earlier of maturity or acceleration of the loan.

On December 31, 2018, the Company entered into a fourth amendment (the "Fourth Amendment") to the Term Loan with Oxford. Oxford agreed to extend the maturity date from June 1, 2019 to June 1, 2020. The Fourth Amendment increased the minimum liquidity covenant level from $1.5 million to $2.0 million and extended the interest-only period under the Loan and Security Agreement to March 1, 2019. The Fourth Amendment also required that the Company achieve one of the following by January 31, 2019: enter into an asset sale agreement with a minimum unrestricted net cash proceeds to the Company of $4.0 million; enter into a binding agreement for the issuance and sale of its equity securities or unsecured convertible subordinated debt which would result in unrestricted gross cash proceeds of not less than $7.5 million; or enter into a merger agreement pursuant to which the obligations under the Loan and Security Agreement would be paid down to a level satisfactory to Oxford. The Company agreed to pay Oxford an amendment fee of $350,000 at the earlier of maturity or acceleration of the loan.

On February 13, 2019, the Company entered into a fifth amendment (the "Fifth Amendment") to the Term Loan primarily to extend the January 31, 2019 obligations under the Fourth Amendment to February 28, 2019. On March 4, 2019, the Company entered i nto a sixth amendment to the Term Loan primarily to extend the Fifth Amendment principal payment obligations to March 29, 2019. On April 29, 2019, the Company entered into a seventh amendment (the "Seventh Amendment") to the Term Loan, pursuant to which, a mong other things, Oxford agreed to interest only payments starting May 1, 2019, with amortization payments resuming on May 1, 2020. On July 15, 2019, the Company entered into an eighth amendment (the "Eighth Amendment") to the Term Loan primarily to obtai n the consent from Oxford for its name change to Plus Therapeutics, Inc.

The Term Loan, as amended, is collateralized by a security interest in substantially all of the Company's existing and subsequently acquired assets, subject to certain exceptions set forth in the Loan and Security Agreement, as amended. The intellectual property assets collateral which was directly related to the sales of cell therapy assets was released in April 2019 after partial payment of the loan principal. As of June 30, 2019, we were in compliance with all of the debt covenants under the Loan and Security Agreement.

Interest expense for the three and six months ended June 30, 2019 and 2018 was $0.6 million and $1.1 million and was $0.4 million and $0.9 million, respectively. Interest expense is calculated using the effective interest method, therefore it is inclusive of non-cash amortization in the amount of $0.1 million and $0.3 million for the three and six months ended June 30, 2019, respectively, and $0.1 million and $0.2 million for the three and six months ended June 30, 2018 , respectively, related to the amortization of the debt discount, capitalized loan costs, and accretion of final payment.

The Loan and Security Agreement, as amended, contains customary indemnification obligations and customary events of default, including, among other things, our failure to fulfill certain obligations under the Term Loan, as amended, and the occurrence of a material adverse change, which is defined as a material adverse change in our business, operations, or condition (financial or otherwise), a material impairment of the prospect of repayment of any portion of the loan. In the event of default by us or a declaration of material adverse change by our lender, under the Term Loan, the lender would be entitled to exercise its remedies thereunder, including the right to accelerate the debt, upon which we may be required to repay all amounts then outstanding under the Term Loan, which could materially harm our financial condition. As of June 30, 2019, we were in compliance with all covenants under the Term Loan and have not received any notification or indication from Oxford to invoke the material adverse change clause. However, due to our current cash flow position and the substantial doubt about our ability to continue as a going concern, the entire principal amount of the Term Loan is presented as short-term. We will continue to evaluate the debt classification on a quarterly basis and evaluate for reclassification in the future should our financial condition improve.

5. Revenue Recognition

Development Revenue

We earn revenue for performing tasks under research and development agreements with governmental agencies like BARDA which is outside of the scope of the new revenue recognition guidance. Revenues derived from reimbursement of direct out-of-pocket expenses for research costs associated with government contracts are recorded as government contracts and other within development revenues. Government contract revenue is recorded at the gross amount of the reimbursement. The costs associated with these reimbursements are reflected as a component of research and development expense in our statements of operations. We recognized $0.3 million and $1.0 million in development revenue for the three and six months ended June 30, 2019, respectively, as compared to $0.9 million and $1.8 million for the three and six months ended June 30, 2018, respectively.

On July 21, 2019, the Company received an order from the U.S. Department of Health and Human Services / Office of the Assistant Secretary for Preparedness and Response / Biomedical Advanced Research and Development Authority ("HHS/ASPR/BARDA") regarding Contract HHSO100201200008C dated September 27, 2012 (as amended, the "Agreement") to suspend all work on the Agreement, including the RELIEF clinical trial, except for certain activities related to orderly close out of the trial and contract. This order was based on previous discussions between the Company and HHS/ASPR/BARDA concerning the best path forward for both parties in the light of the difficulty of enrolling the RELIEF trial and the Company's previously disclosed restructuring plan. Pursuant to the order, within a period no longer than 180 days (or by January 17, 2020), the contract will be terminated by HHS/ASPR/BARDA.

Concentration of Significant Customers

After the sales of cell therapy business, BARDA accounted for 53% of our revenue from continuing operations which are recognized for the six months ended June 30, 2019 and accounted for 100% of total outstanding accounts receivable presented in the accompanying consolidated condensed financial statements.

6. Discontinued Operations

As explained in Note 1, on April 24, 2019 and April 25, 2019, the Company completed the sale of its cell therapy business to Lorem and Mr. Shirahama. The following table summarizes the calculation of the loss on sale of the cell therapy business, which will be finalized during the fourth quarter of 2019 (in thousands):

Consideration received	$ 7,000
Transaction costs	(1,161)
Net cash proceeds	5,839
Less:	
Carrying value of business and assets sold	12,145
Net loss on sale of business	$ 6,306

Assets and liabilities related to discontinued operations or held for sale consisted of the following:

	June 30, 2019	December 31, 2018
Assets		
Current assets held for sale:		
Accounts receivable, net	$ 230	$ 108
Inventory, net	2,635	2,841
Other current assets	351	328
Long-term assets held for sale:		
Property and equipment, net	211	260
Other noncurrent assets	1,471	1,866
Operating lease right-of-use assets	1,248	—
Goodwill	3,550	3,550
Intangible assets, net	5,540	5,957
Total assets	$ 15,236	$ 14,910
Liabilities		
Current liabilities held for sale:		
Accounts payable and accrued liabilities	$ 526	$ 580
Current lease liability	485	—
Noncurrent operating lease liability	828	—
Other noncurrent liabilities	67	78
Deferred revenues	196	167
Noncurrent liabilities	$ 2,102	$ 825

The following table summarizes the results of discontinued operations for the periods presented (in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Product revenue	$ 197	$ 660	$ 901	$ 1,391
Costs of revenue	199	630	857	1,209
Gross profit	(2)	30	44	182
Operating expenses:				
Research and development	237	684	656	1,790
Sales and marketing	97	340	411	723
General and administrative	39	176	185	413
Total operating expenses	373	1,200	1,252	2,926
Operating loss	(375)	(1,170)	(1,208)	(2,744)
Other income (expense)	(5)	(204)	142	148
Loss from discontinued operations	$ (380)	$ (1,374)	$ (1,066)	$ (2,596)

During the three and six months ended June 30, 2019 and 2018, revenues from discontinued operations were related to the cell therapy business . Because of the sale of the cell therapy business to Lorem and Mr. Shirahama , all product revenues and costs of product revenues for these periods have been removed from the consolidated condensed statem ents of operations.

Included in the statement of cash flows are the following non-cash adjustments related to the discontinued operations (in thousands):

	For the six months ended June 30	
	2019	2018
Depreciation and amortization	$ 467	$ 790
Provision for excess inventory	$ —	$ 398
Loss on asset disposal	$ —	$ 20

7. Loss per Share

Basic per share data is computed by dividing net income or loss applicable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted per share data is computed by dividing net income or loss applicable to common stockholders by the weighted average number of common shares outstanding during the period increased to include, if dilutive, the number of additional common shares that would have been outstanding as calculated using the treasury stock method. Potential common shares were related to outstanding but unexercised options, multiple series of preferred stock, and warrants for all periods presented.

We have excluded all potentially dilutive securities from the calculation of diluted loss per share attributable to common stockholders as of June 30, 2019 and 2018, as their inclusion would be antidilutive. Potentially dilutive common shares excluded from the calculations of diluted loss per share were 0.2 million as of June 30, 2019, which includes 0.1 million outstanding warrants and 0.1 million shares of preferred stock, and options and restricted stock awards.

8. Commitments

Leases

At the inception of a contractual arrangement, the Company determines whether the contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time. If both criteria are met, the Company calculates the associated lease liability and corresponding right-of-use asset upon lease commencement using a discount rate based on the rate implicit in the lease or an incremental borrowing rate commensurate with the term of the lease.

The Company records lease liabilities within current liabilities or long-term liabilities based upon the length of time associated with the lease payments. The Company records its operating lease right-of-use assets as long-term assets. Right-of-use assets for financing leases are recorded within property and equipment, net in the Balance Sheet. Leases with an initial term of 12 months or less are not recorded on the Balance Sheet. Instead, the Company recognizes lease expense for these leases on a straight-line basis over the lease term. In connection with certain operating leases, the Company has security deposits recorded and maintained as restricted cash totaling $0.4 million as of June 30, 2019.

The Company leases office and storage facilities and equipment under various operating and financing lease agreements. The initial terms of these leases range from 2 to 11 years and generally provide for periodic rent increases, and renewal and termination options. The Company’s lease agreements do not contain any material variable lease payments, residual value guarantees or material restrictive covenants.

Certain leases require the Company to pay taxes, insurance, and maintenance. Payments for the transfer of goods or services such as common area maintenance and utilities represent non-lease components. The Company elected the package of practical expedients and therefore does not separate non-lease components from lease components.

The table below summarizes the Company's lease liabilities and corresponding right-of-use assets (in thousands , except years and rates) :

	June 30, 2019
Assets	
Operating	$ 905
Financing	181
Total leased assets	$ 1,086
Liabilities	
Current:	
Operating	$ 157
Financing	127
Noncurrent:	
Operating	$ 748
Financing	54
Total lease liabilities	$ 1,086

Weighted-average remaining lease term (years) - operating leases	7.20
Weighted-average remaining lease term (years) - finance leases	1.59
Weighted-average discount rate - operating leases	7.97%
Weighted-average discount rate - finance leases	5.00%

The table below summarizes the Company's lease costs from its Unaudited Consolidated Statement of Operations, and cash payments from its Unaudited Consolidated Statement of Cash Flows during the three and six months ended June 30, 2019 (in thousands):

	Three months ended June 30, 2019	Six months ended June 30, 2019
Lease expense:		
Operating lease expense	$ 55	$ 109
Finance lease expense:		
Depreciation of right-of-use assets	28	56
Interest expense on lease liabilities	6	12
Total lease expense	$ 89	$ 177
Cash payment information:		
Operating cash used for operating leases	$ 55	$ 109
Financing cash used for financing leases	20	28
Total cash paid for amounts included in the measurement of lease liabilities	$ 75	$ 137

The Company's future minimum annual lease payments under operating and financing leases at June 30, 2019 are as follows (in thousands):

	Financing Leases	Operating Leases
Remaining 2019	$ 67	$ 109
2020	120	205
2021	7	183
2022	—	123
2023	—	100
Thereafter	—	447
Total minimum lease payments	$ 194	$ 1,167
Less: amount representing interest	(13)	(262)
Present value of obligations under leases	181	905
Less: current portion	(127)	(157)
Noncurrent lease obligations	$ 54	$ 748

Other commitments

We have entered into agreements with various research organizations for pre-clinical and clinical development studies, which have provisions for cancellation. Under the terms of these agreements, the vendors provide a variety of services including conducting research, recruiting and enrolling patients, monitoring studies and data analysis. Payments under these agreements typically include fees for services and reimbursement of expenses. The timing of payments due under these agreements is estimated based on current study progress. As of June 30, 2019 , we have clinical research study obligations of $2.5 million, $1.8 million of which is expected to be paid within a year. Should the timing of the clinical trials change, the timing of the payment of these obligations would also change.

9. Contingencies

We are subject to various claims and contingencies related to legal proceedings. Due to their nature, such legal proceedings involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. Management assesses the probability of loss for such contingencies and accrues a liability and/or discloses the relevant circumstances, as appropriate.

On July 25, 2019, Tap Advisors LLC ("Tap") filed suit against the Company in the Supreme Court of the State of New York, County of New York, alleging the Company breached an agreement made in 2017, whereby Tap would provide certain financial advisory services to the Company. Tap seeks to recover fees of approximately $3.7 million (plus attorneys' fees) that allegedly have not been paid by the Company related to the sale of its cell therapy business in April 2019. The Company believes the complaint is without merit and plans to vigorously defend itself in this matter. At June 30, 2019, the probable outcome of this litigation cannot be determined.

10. Financial Instruments

We disclose fair value information about all financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate fair value. The disclosures of estimated fair value of financial instruments at June 30, 2019 , and as of December 31, 2018, were determined using available market information and appropriate valuation methods. Considerable judgment is necessary to interpret market data and develop estimated fair value. The use of different market assumptions or estimation methods may have a material effect on the estimated fair value amounts.

The carrying amounts for cash and cash equivalents, accounts receivable, other current assets, accounts payable, accrued expenses and other liabilities approximate fair value due to the short-term nature of these instruments. Further, based on the borrowing rates currently available for loans with similar terms, we believe the fair value of long-term debt approximates its carrying value.

Fair value measurements are market-based measurements, not entity-specific measurements. Therefore, fair value measurements are determined based on the assumptions that market parti cipants would use in pricing the asset or liability. We follow a three-level hierarchy to prioritize the inputs used in the valuation techniques to derive fair values. The basis for fair value measurements for each level within the hierarchy is described below:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs are unobservable in active markets.

The changes in the fair value of liability classified warrants are included in net income (loss) for the respective periods. Because some of the inputs to our valuation model are either not observable or are not derived principally from or corroborated by observable market data by correlation or other means, the warrant liability is classified as Level 3 in the fair value hierarchy.

11. Stockholders' Equity

Preferred Stock

The Company has authorized 5,000,000 shares of preferred stock, par value $0.001 per share. The Company's Board of Directors is authorized to designate the terms and conditions of any preferred stock we issue without further action by the common stockholders. There were 13,500 shares of Series A 3.6% Convertible Preferred Stock, 10,000 Series B Convertible Preferred Stock and 6,723 Series C Convertible Preferred Stock that had been issued at June 30, 2019 and December 31, 2018, respectively. There were no shares of Series A 3.6% Convertible Preferred Stock outstanding as of either date. There were 1,112 of Series B Convertible Preferred Stock outstanding as of June 30, 2019 and December 31, 2018. There were 3,428 and 3,494 shares of Series C Preferred Stock outstanding as of June 30, 2019 and December 31, 2018, respectively.

On July 25, 2018, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of Series C Convertible Preferred Stock (the "Certificate of Designation") with the Delaware Secretary of State creating a new series of its authorized preferred stock, par value $0.001 per share, designated as the Series C Convertible Preferred Stock (the "Series C Preferred Stock"). The number of shares initially constituting the Series C Preferred Stock was set at 7,000 shares. Pursuant to a registration statement on Form S-1 originally filed on April 27, 2018, as amended, and became effective on July 17, 2018, and related prospectus (as supplemented), the Company registered and distributed to holders of its common stock and Series B Convertible Preferred Stock, at no charge, non-transferable subscription rights to purchase up to an aggregate of 20,000 units each consisting of one share of Series C Preferred Stock and 1,050 warrants for $1,000 per unit. The warrants are exercisable for an aggregate of 141,183 shares of the Company's common stock at an exercise price of $39.93 per share of common stock for 30 months from the date of issuance and each share of Series C Preferred Stock is convertible into 25 shares of the Company's common stock. Pursuant to the 2018 Rights Offering, which closed on July 25, 2018, the Company sold an aggregate of 6,723 units, resulting in total net proceeds to the Company of approximately $5.7 million. On August 2, 2019, in connection with a sale of common stock, the Company notified holders of the Company's Series C Preferred Stock that the conversion price of such stock was reduced from $0.7986 to $0.15, and the Company notified holders of the Company's Series T Warrants that the exercise price of such warrants was reduced from $0.7986 to $0.15, each before giving effect to the August 2019 Reverse Stock Split.

The fair value of the common stock into which the Series C Preferred Stock was convertible on the date of issuance exceeded the proceeds allocated to the preferred stock, resulting in the beneficial conversion feature that we recognized as a deemed dividend to the preferred stockholders and, accordingly, an adjustment to net loss to arrive at net loss allocable to common stockholders. We recorded a deemed dividend within additional paid-in capital of $2.5 million for the quarter ended December 31, 2018, related to a beneficial conversion feature included in the issuance of our Series C Convertible Preferred Stock.

Based on the relevant authoritative accounting guidance, the warrants were liability classified at the issuance date. The warrants may be redeemed by the Company at $0.01 per warrant prior to their expiration if the Company's common stock closes above $3.63 per share (or $181.50 after the August 2019 Reverse Stock Split) , subject to adjustment, for 20 consecutive trading days. The initial fair value of the liability associated with these warrants was $3.1 million, and the fair value decreased to $0.4 million as of June 30 , 2019 . The main driver for the change in the fair value of warrants at June 30, 2019, was related to the change in our stock price. All future changes in the fair value of the warrants will be recognized in our consolidated statements of operations until they are either exercised or expire. The warrants are not traded in an active securities market, and as such the estimated the fair value as of June 30, 2019 was determined by using an option pricing model with the following assumptions:

	As of June 30, 2019	As of December31, 2018
Expected term	1.6 years	2.1 years
Common stock market price	$ 0.24	$ 0.29
Risk-free interest rate	1.85%	2.48%
Expected volatility	114%	125%
Resulting fair value (per warrant)	$ 0.06	$ 0.13

Expected volatility was computed using daily pricing observations of traded shares of the Company for recent periods that correspond to the expected term of the warrants. We believe this method produces an estimate that is representative of our expectat ions of future volatility over the expected term of these warrants. We currently have no reason to believe future volatility over the expected remaining life of these warrants is likely to differ materially from historical volatility. The expected life is based on the remaining contractual term of the warrants. The risk-free interest rate is the U.S. Treasury bond rate as of the valuation date.

The following table summarizes the change in our Level 3 warrant liability value (in thousands):

Warrant liability	June 30, 2019	December 31, 2018
Beginning balance	$ 916	$ 3,148
Change in fair value	(492)	(2,233)
Ending balance	$ 424	$ 916

Common Stock

On June 1, 2018, the Company entered into a Sales Agreement with B. Riley FBR to sell shares of its common stock having an aggregate offering price of up to $6.5 million through its ATM Program. Through June 30, 2019, the Company sold a total of 0.2 million shares for proceeds of approximately $3.8 million through the ATM Program. The ATM Program financing facility has been exhausted and there is no availability remaining under this financing facility.

On September 21, 2018 , the Company entered into a Purchase Agreement (the “Lincoln Park Purchase Agreement”) with Lincoln Park pursuant to which the Company has the right to sell to Lincoln Park and Lincoln Park is obligated to purchase up to $5.0 million of shares, of the Company’s common stock, over the 24-month period following October 15, 2018. The Company may direct Lincoln Park, at its sole discretion and subject to certain conditions, to purchase up to 5,000 shares of common stock on any business day but in no event will the amount of a single Regular Purchase (as defined in the Lincoln Park Purchase Agreement) exceed $1.0 million. The purchase price of shares of common stock related to the Regular Purchases will be based on the prevailing market prices of such shares at the time of sales. The Company’s sales of shares of common stock to Lincoln Park under the Lincoln Park Purchase Agreement are limited to the number of shares that would result in the beneficial ownership by Lincoln Park and its affiliates, at any single point in time, of no more than 4.99% of the then outstanding shares of the common stock. There are no trading volume requirements or restrictions under the Lincoln Park Purchase Agreement. There is no upper limit on the price per share that Lincoln Park must pay for common stock under a Regular Purchase or an accelerated purchase and in no event under an accelerated purchase will shares be sold to Lincoln Park on a day the closing price of the Company’s common stock is less than the floor price of $12.50 per share as set forth in the Lincoln Park Purchase Agreement. Through December 31, 2018, the Company sold a total of 12,802 shares for proceeds of approximately $0.3 million through the Lincoln Park Purchase Agreement and 5,000 shares for proceeds of approximately $0.1 million were sold during the six months ended June 30, 2019. The Company believes there is less than $0.1 million remaining available under this financing facility.

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

Our Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A, includes the following sections:

- Overview that discusses our operating results and some of the trends that affect our business.
- Results of Operations that includes a more detailed discussion of our revenue and expenses.
- Liquidity and Capital Resources which discusses key aspects of our statements of cash flows, changes in our financial position and our financial commitments.
- Significant changes since our most recent Annual Report on Form 10-K in the Critical Accounting Policies and Significant Estimates that we believe are important to understanding the assumptions and judgments underlying our financial statements.

You should read this MD&A in conjunction with the financial statements and related notes in Item 1 and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains certain statements that may be deemed "forward-looking statements" within the meaning of U.S. securities laws. All statements, other than statements of historical fact, that address activities, events or developments that we intend, expect, project, believe or anticipate and similar expressions or future conditional verbs such as will, should, would, could or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate.

These statements include, without limitation, statements about our anticipated expenditures, including research and development, sales and marketing, and general and administrative expenses; the potential size of the market for our products; future development and/or expansion of our products and therapies in our markets, our ability to generate product or development revenues and the sources of such revenues; our ability to effectively manage our gross profit margins; our ability to obtain and maintain regulatory approvals; expectations as to our future performance; portions of the "Liquidity and Capital Resources" section of this report, including our potential need for additional financing and the availability thereof; our ability to continue as a going concern; our ability to remain listed on the Nasdaq Capital Market; our ability to repay or refinance some or all of our outstanding indebtedness and our ability to raise capital in the future; and the potential enhancement of our cash position through development, marketing, and licensing arrangements. Our actual results will likely differ, perhaps materially, from those anticipated in these forward-looking statements as a result of various factors, including: the early stage of our product candidates and therapies, the results of our research and development activities, including uncertainties relating to the clinical trials of our product candidates and therapies; our need and ability to raise additional cash, the outcome of our partnering/licensing efforts, risks associated with laws or regulatory requirements applicable to us, market conditions, product performance, potential litigation, and competition within the regenerative medicine field, to name a few. The forward-looking statements included in this report are subject to a number of additional material risks and uncertainties, including but not limited to the risks described under the "Risk Factors" in Item 1A of Part I below, which we encourage you to read carefully.

We encourage you to read the risks described under "Risk Factors" carefully. We caution you not to place undue reliance on the forward-looking statements contained in this report. These statements, like all statements in this report, speak only as of the date of this report (unless an earlier date is indicated) and we undertake no obligation to update or revise the statements except as required by law. Such forward-looking statements are not guarantees of future performance.

This Quarterly report on Form 10-Q refers to trademarks such as Plus Therapeutics, DocePLUS, and DoxoPLUS. Solely for convenience, our trademarks and tradenames referred to in this Form 10-Q may appear without the ® or ™ symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and tradenames.

Overview

Plus Therapeutics, Inc. is a clinical-stage pharmaceutical company focused on the discovery, development, and manufacturing scale up of complex and innovative treatments for patients battling cancer and other life-threatening diseases.

Our proprietary nanotechnology platform is currently centered around the enhanced delivery of a variety of drugs using novel liposomal encapsulation technology. Liposomal encapsulation has been extensively explored and undergone significant technical and commercial advances since it was first developed. Our platform is designed to facilitate new delivery approaches and/or formulations of safe and effective, injectable drugs, potentially enhancing the safety, efficacy and convenience for patients and healthcare providers.

We plan to exploit our nanotechnology platform and expertise using a simple multi-step model that enables us to address unm et needs or underserved conditions while managing risks and minimizing development costs through: (1) mapping of current and evolving landscape to clearly understand the clinical and commercial opportunities and design nanotechnological solutions, (2) rede sign of new nanotechnological solutions using, using in part, known, safe and effective active pharmaceutical ingredients, (3) manufacture to scale of the reformulated drug along with critical non-clinical (i.e. bench, animal) analyses, (4) evaluation of e arly-stage clinical utility with a focus on proving safety and defining efficacy over the current standard of care, and (5) partnering the innovative treatment for late-stage clinical trials, regulatory approval, and commercial launch.

Pipeline

Since the beginning of 2019, we have evaluated and transformed our pipeline to place a stronger emphasis on product candidates that can maximize returns for shareholders and make a clinically meaningful impact for patients. We plan to create and realize this value by developing drugs for niche and orphan markets, initially in oncology, that address significant unmet or substantially underserved medical needs and that represent global revenue opportunities estimated to be $250 million or more. We intend to focus our development activities in ways that can leverage the U.S. Food and Drug Administration's, or the FDA, clearly defined accelerated regulatory pathways and enable us to apply its in-house expertise in nanoparticle drug design, complex formulation, and drug manufacturing and scale-up.

All of the product candidates in our development pipeline leverage our nanotechnology platform. The versatility of the platform has thus far provided the foundation to bring two drugs into mid/late stage clinical trials.

Our lead product candidate, DocePLUS, is a patented protein-stabilized PEGylated liposomal formulation of docetaxel. Docetaxel was approved by the FDA in 1999 and today is administered as a workhorse drug for treating cancers affecting the breast, head, neck, stomach, prostate, and lung. In our nonclinical studies utilizing mouse tumor models (lung, prostate, pancreatic, and mesothelioma), DocePLUS retained the anti-tumor activity of docetaxel and was well-tolerated. In addition, our first-in-human, open-label, dose-escalation, Phase 1 clinical trial conducted under an approved FDA Investigational New Drug application to examine the safety, pharmacokinetics, and pharmacodynamics of DocePLUS in 29 patients with solid tumors has been completed and published. The trial demonstrated that DocePLUS has an acceptable tolerability, a favorable pharmacokinetics profile, as well as promising anti-tumor activity that warrants further exploration in larger Phase 2 trials.

While there are a multitude of potential disease targets for DocePLUS, we intend to initially focus on developing a new second-line treatment option for small cell lung cancer patients, an area in which there has been few advances for patients over the last 30 years. Single-agent chemotherapy with IV topotecan is currently the only FDA approved drug for platinum-sensitive patients who relapse at least 60 days after initiation of first-line treatment. However, while IV topotecan demonstrates activity in this population, overall response rate (24%), response duration (3.3 months), time to progression (3.1 months), and overall survival (5.8 months) were not statistically improved over CAV (cyclophosphamide, doxorubicin, and vincristine) treatment in a randomized comparative trial. Patients receive 1.5 mg/m2 IV infusion of topotecan over 30 minutes daily for 5 consecutive days, starting on Day 1 of a 21-day cycle. Thus, more effective and convenient treatment options are needed for patients with relapsed platinum-sensitive disease.

The proposed dosing regimen for DocePLUS in small cell lung cancer patients will be a 60-minute infusion on a single day, starting on Day 1 of a 21-day cycle. This approach will reduce the patient's number of visits to an infusion center from 5 (IV topotecan) to 1 in a given 21-day cycle. Overall, DocePLUS is intended to provide an effective, safe, and convenient therapeutic option for small cell lung cancer patients, thereby improving the quality of life for this population.

Recent key events associated with DocePLUS development include:

- In September 2018, the FDA granted DocePLUS an orphan drug designation for the treatment of small cell lung cancer.
- In the first half of 2019, we collaborated with IQVIA in mapping the current and anticipated landscape, performing primary market research with U.S. medical oncologists and payers, suggesting small cell lung cancer is an attractive and reasonable initial disease target, and identifying pancreatic cancer, breast cancer, esophageal cancer, and cholangiocarcinoma as compelling future disease targets with significant patient-benefit and revenue potential.
- In July 2019, we announced receipt of FDA feedback including confirmation that a 505(b)(2) application appears to be an acceptable regulatory path with docetaxel injection as a potentially acceptable listed drug. Furthermore, the FDA agreed that the completed nonclinical studies are sufficient to support the initiation of a clinical trial of DocePLUS in patients with platinum-sensitive small cell lung cancer who have progressed at least 60 days after initiation of first-line therapy.

We plan to conduct a Phase 2 clinical trial in small cell lung cancer under our existing, approved Investigation New Drug application. This trial will complement the nonclinical proof-of-concept, toxicity, and Phase 1 studies previously conducted with DocePLUS.

We are also developing DoxoPLUS, a generic version of Janssen's DOXIL®/CAELYX®, a PEGylated liposomal encapsulated doxorubicin for the treatment of breast and ovarian cancer, multiple myeloma, and Kaposi's sarcoma. PEGylated liposomal encapsulated doxorubicin is a heavily relied upon chemotherapeutic used globally for treating many types of cancer. We believe that data from a 60-patient European study of DoxoPLUS has met the statistical criteria for bioequivalence to CAELYX®, the current reference listed drug in Europe. We believe that these bioequivalence data for DoxoPLUS can serve as a basis for a Marketing Authorization Application to be submitted to the European Medicines Agency, or EMA.

In July 2019, we announced that, coinciding with our new focus on Do cePLUS, DoxoPLUS no longer satisfies the aforementioned development and revenue criteria. As a result, we have elected to focus on divesting DoxoPLUS and are currently presenting this opportunity to external parties.

On July 21, 2019, we received an order from the U.S. Department of Health and Human Services / Office of the Assistant Secretary for Preparedness and Response / Biomedical Advanced Research and Development Authority, or HHS/ASPR/BARDA, regarding Contract HHSO100201200008C dated September 27, 2012, as amended, to suspend all work on the referenced contract, including the RELIEF clinical trial, except for certain activities related to orderly close out of the trial and contract. This order was based on previous discussions between the Company and HHS/ASPR/BARDA concerning the best path forward for both parties in the light of the difficulty of enrolling the RELIEF trial and our previously disclosed restructuring plan. Pursuant to the order, within a period no longer than 180 days (or by January 17, 2020), the contract will be terminated by HHS/ASPR/BARDA.

On April 24, 2019 we completed the sale transaction of our UK subsidiary, Cytori Ltd., and our Cell Therapy assets, and on April 25, 2019 we completed the sale of our Japanese subsidiary, Cytori Therapeutics, K.K., and substantially all of our Cell Therapy assets used in Japan.

Results of Operations

Development revenues

Under our government contract with BARDA, we recognized a total of $0.3 million and $1.0 million in revenues for the three and six months ended June 30, 2019, respectively, which included allowable fees as well as cost reimbursements. During the three and six months ended June 30, 2019, we incurred $0.2 million and $0.9 million in qualified expenditures, respectively. During the three and six months ended June 30, 2018, we recognized revenue of $0.9 million and incurred $1.8 million in qualified expenditures, respectively. The decrease in revenues for the three and six months ended June 30, 2019 as compared to the same period in 2018 is primarily due to a minor decrease in research and development activities related to BARDA delays experienced in enrollments.

The future: On July 21, 2019, we received an order from BARDA to suspend all work related to the RELIEF clinical trial, except for certain activities related to orderly close out of the trial and contract. Pursuant to the order, within a period no longer than 180 days (or by January 17, 2020), the contract will be terminated by BARDA .

Research and development expenses

Research and development expenses relate to the development of a technology platform that involves using adipose tissue as a source of autologous regenerative cells for therapeutic applications, oncology drug program expenses, as well as the continued development efforts related to our clinical trials.

Research and development expenses include costs associated with the design, development, testing and enhancement of our product candidates, payment of regulatory fees, laboratory supplies, pre-clinical studies and clinical studies.

The following table summarizes the components of our research and development expenses for the three and six months ended June 30, 2019 and 2018 (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Research and development	$ 1,278	$ 1,247	$ 2,693	$ 2,545
Share-based compensation	11	20	22	116
Total research and development expenses	$ 1,289	$ 1,267	$ 2,715	$ 2,661

The increase in research and development expenses for the six months ended June 30, 2019 as compared to the same period in 2018 is due primarily to an increase of clinical activities on the RELIEF clinical trial. There is no material variance for the three months ended June 30, 2019 as compared to the same period in 2018.

The future: We expect aggregate research and development expenditures to remain at current levels for the balance of 2019, as we work on clinical activities on the RELIEF clinical trial and our ongoing development efforts of DocePLUS.

Sales and marketing expenses

Sales and marketing expenses include costs of sales and marketing personnel, events and tradeshows, customer and sales representative education and training, primary and secondary market research, and product and service promotion. The following table summarizes the components of our sales and marketing expenses for the three and six months ended June 30, 2019 and 2018 (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Sales and marketing	$ 95	$ 158	$ 204	$ 387
Share-based compensation	2	27	7	91
Total sales and marketing expenses	$ 97	$ 185	$ 211	$ 478

Sales and marketing expenses decreased by $0.2 million during the six months ended June 30, 2019 as compared to the same period in 2018 due primarily to decreases of $0.1 million in salaries and benefits as well as of $0.1 million in professional services because of the decreased efforts of our commercial activities. There is no material variance for the three months ended June 30, 2019 as compared to the same period in 2018.

The future: We expect sales and marketing expenditures to decrease during the balance of 2019 due to the sale of our Cell Therapy business in April 2019.

General and administrative expenses

General and administrative expenses include costs for administrative personnel, legal and other professional expenses, and general corporate expenses. The following table summarizes the general and administrative expenses for the three and six months ended June 30, 2019 and 2018 (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
General and administrative	$ 860	$ 1,201	$ 2,189	$ 2,939
Share-based compensation	15	92	48	363
Total general and administrative expenses	$ 875	$ 1,293	$ 2,237	$ 3,302

General and administrative expenses decreased by $0.3 million and $0.7 million during the three and six months ended June 30, 2019 , respectively, as compared to the same periods in 2018. The variance for three months is primarily due to the decrease of $0.3 million in salaries, benefits and professional services. The decrease for the six months period is primarily driven by one-time expenses for the six-month period ended June 30 , 2018, which includes $0.6 million related to the termination of a Lease Agreement for office space for our corporate headquarters in San Diego, California. In addition, during 2019 there was a decrease of $0.1 million in salaries and in professional services, consistent with our ongoing cost curtailment efforts.

The future: We expect general and administrative expenditures to decrease during the balance of 2019 due to the sale of our Cell Therapy business in April 2019.

Share-based compensation expense

Share-based compensation expense includes charges related to options and restricted stock awards issued to employees, directors and non-employees. We measure share-based compensation expense based on the grant-date fair value of any awards granted to our employees. Such expense is recognized over the requisite service period.

The following table summarizes the components of our share-based compensation expenses for the three and six months ended June 30, 2019 and 2018 (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Research and development-related	11	20	22	116
Sales and marketing-related	2	27	7	91
General and administrative-related	15	92	48	363
Total share-based compensation	$ 28	$ 139	$ 77	$ 570

The decrease in share-based compensation expense for the three and six months ended June 30, 2019 as compared to the same period s in 2018 is primarily related to lower annual grant activity to remaining employees caused by reductions in headcount and due to the decline in the stock price during 2019 as compared to the same period in 2018, and its corresponding impact on share-based compensation.

The future : We expect to continue to grant options and stock awards (which will result in an expense) to our employees, directors, and, as appropriate, to non-employee service providers. In addition, previously granted options will continue to vest in accordance with their original terms. As of June 30, 2019, the total compensation cost related to non-vested stock options and stock awards not yet recognized for all our plans is approximately $0.1 million which is expected to be recognized as a result of vesting under service conditions over a weighted average period of 1.6 years.

Financing items

The following table summarizes interest income, interest expense, and other income and expense for the three and six months ended June 30, 2019 and 2018 (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Interest income	$ 7	$ 5	$ 14	$ 19
Interest expense	(597)	(444)	(1,111)	(866)
Change in fair value of warrants	282	—	492	—
Total	$ (308)	$ (439)	$ (605)	$ (847)

Interest expense increased for the six months ended June 30, 2019 as compared to the same period in 2018, due to the inclusion of amendment fees added to our debt.

Changes in fair value of our warrant liability are primarily due to fluctuations in the valuation inputs. See Note 11 to the consolidated financial statements included elsewhere herein for disclosure and discussion of our warrant liability.

The future: We expect interest expense in 2019 to decrease slightly in the second half of this year. In addition, regarding to the changes in fair value of warrants, there could be material fluctuations in the value of warrants in future periods because our stock price can be volatile . Future changes in the fair value of the warrant liability will be recognized in earnings until such time as the warrants are exercised or expire.

Liquidity and Capital Resources

Short-term and long-term liquidity

The following is a summary of our key liquidity measures at June 30, 2019 and December 31, 2018 (in thousands):

	As of June 30, 2019	As of December 31, 2018
Cash and cash equivalents	$ 4,530	$ 5,261
Current assets	$ 5,260	$ 9,648
Current liabilities	13,923	17,559
Working capital deficit	$ (8,663)	$ (7,911)

We incurred net losses from continuing operations of $2.3 million and $4.7 million for the three and six months ended June 30, 2019, respectively. We have an accumulated deficit of $426.7 million as of June 30, 2019. Additionally, we used net cash of $4.8 million to fund our operating activities for the six months ended June 30, 2019. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Further, the Loan and Security Agreement (defined in Note 4 to the consolidated financial statements included elsewhere herein), with Oxford Finance, LLC, or Oxford, as further described in Note 4, requires maintenance of a minimum of $2.0 million in unrestricted cash and cash equivalents on hand to avoid an event of default under the Loan and Security Agreement. Based on our cash and cash equivalents on hand of approximately $4.5 million at June 30, 2019, the Company believes that it will need to raise additional capital and/or obtain a waiver or restructure the Loan and Security Agreement in the near term to avoid defaulting under its $2.0 million minimum cash/cash equivalents covenant.

To date, these operating losses have been funded primarily from outside sources of invested capital including our recently completed 2018 Rights Offering (defined below), our Lincoln Park Purchase Agreement (defined below) with Lincoln Park Capital Fund, LLC, or Lincoln Park, the Loan and Security Agreement and gross profits. We have had, and we will likely continue to have, an ongoing need to raise additional cash from outside sources to fund our future clinical development programs a nd other operations. Our inability to raise additional cash would have a material and adverse impact on operations and would cause us to default on our loan.

On June 1, 2018, we entered into a Sales Agreement with B. Riley FBR to sell shares of our common stock having an aggregate offering price of up to $6.5 million from time to time, through our ATM program under which B. Riley FBR will act as sales agent. Subject to the terms and conditions of the Sales Agreement, B. Riley FBR will use its commercially reasonable efforts to sell the shares, based upon our instructions, consistent with its normal trading and sales practices and applicable state and federal laws, rules and regulations and rules of Nasdaq. We will set the parameters for sales of shares through the ATM program, including the number of shares to be sold, the time period during which sales are requested to be made, any limitation on the number of shares that may be sold in one trading day, and any minimum price below which sales may not be made. Under the Sales Agreement, B. Riley FBR may sell the shares by any method permitted by law deemed to be an "at the market offering," as defined in Rule 415 of the Securities Act of 1933, as amended, or the Securities Act. We have no obligation to sell any shares and may at any time suspend offers and sales under the Sales Agreement. We and B. Riley FBR each have the right to terminate the Sales Agreement at any time upon prior written notice as provided in the Sales Agreement. We will pay to B. Riley FBR a commission, or allow a discount, in an amount equal to 3.0% of the gross sales price per share of common stock sold through it as sales agent under the Sales Agreement. We have also agreed pursuant to the Sales Agreement to indemnify and provide contribution to B. Riley FBR against certain liabilities, including liabilities under the Securities Act . Although sales of our common stock have taken place pursuant to our ATM program, there can be no assurance that we will be successful in consummating future sales based on prevailing market conditions or in the quantities or at the prices that we deem appropriate. In addition, under current SEC regulations, at any time during which the aggregate market value of our common stock held by non-affiliates, or public float, is less than $75.0 million, the amount we can raise through primary public offerings of securities in any twelve-month period using shelf registration statements, including sales under our ATM program, is limited to an aggregate of one-third of our public float. As of June 30, 2019, our public float was approximately 0.4 million shares, the value of which was $5.3 million based upon the closing price of our common stock of $12.12 on such date. The value of one-third of our public float calculated on the same basis was approximately $1.8 million.

On July 25, 2018, we closed a rights offering originally filed under a Form S-1 registration statement in April 2018, or the 2018 Rights Offering. Pursuant to the 2018 Rights Offering, the Company sold an aggregate of 6,723 units consisting of a total of 6,723 shares of Series C Convertible Preferred Stock, immediately convertible into approximately 0.2 million shares of common stock and 7,059,150 warrants, exercisable for an aggregate of 141,183 shares of common stock at an exercise price of $39.93 per share of common stock , resulting in total net proceeds to the Company of approximately $5.7 million.

On August 28, 2018, we received a written notice from Nasdaq staff indicating that, based upon the closing bid price of our common stock for the prior 30 consecutive business days, we no longer meet the requirement to maintain a minimum bid price of $1.00 per share, as set forth in Nasdaq Listing Rule 5550(a)(2). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were provided an initial period of 180 calendar days, or until February 25, 2019, in which to regain compliance. We were also granted an additional compliance period of 180 calendar days, or until August 26, 2019, in which to regain compliance after meeting the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement, and providing notice to Nasdaq staff of our intent to cure the deficiency during this second compliance period, by effecting a reverse stock split, if necessary. In order to regain compliance with the minimum bid price requirement, the closing bid price of our common stock must have been at least $1.00 per share for a minimum of 10 consecutive business days during the 180-day period. In August 2019, we consummated a 1-for-50 reverse stock split pursuant to which the minimum bid price of our common stock rose above $1.00. If the closing bid price of our common stock remains above $1.00 per share, we expect to regain compliance with the minimum bid price requirement on August 19, 2019. However, based on our stockholders' deficit of $6.3 million as of June 30, 2019, we will not meet the minimum stockholders' equity requirement for continued listing on the Nasdaq Capital Market under Nasdaq Listing Rule 5550(b)(1), which requires listed companies to maintain stockholders' equity of at least $2.5 million, and we expect to receive written notice from Nasdaq staff to that effect following the filing of this Quarterly Report on Form 10-Q. In addition, as of June 30, 2019, we do not meet the alternative compliance standards relating to the market value of listed securities or net income from continuing operations. We intend to evaluate various courses of action to regain compliance with Nasdaq Listing Rule 5550(b)(1) within the compliance period specified by Nasdaq. However, there can be no assurance that we will be able to regain compliance within such compliance period.

On September 21, 2018, we entered into a purchase agreement and a registration rights agreement, with Lincoln Park, pursuant to which we have the right to sell to Lincoln Park and Lincoln Park is obligated to purchase up to $5.0 million of shares of our common stock over the 24-month period following October 15, 2018, subject to the satisfaction of certain conditions. Through December 31, 2018, the Company sold a total of 12,802 shares for proceeds of approximately $0.3 million through the Lincoln Park Purchase Agreement and 5,000 shares for proceeds of approximately $0.1 million were sold during the six months ended June 30, 2019.

We continue to seek additional capital through product revenues, strategic transactions and from other financing alternatives. Without additional capital, current working capital and cash generated from sales will not provide adequate funding for research, sales and

marketing efforts and product development activities at their current levels. If sufficient capital is not ra ised, we will at a minimum need to significantly reduce or curtail our research and development and other operations, and this would negatively affect our ability to achieve corporate growth goals.

Should we be unable to raise additional cash from outside sources, this would have a material adverse impact on our operations.

The accompanying consolidated condensed financial statements have been prepared assuming the Company will continue to operate as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from uncertainty related to its ability to continue as a going concern.

As of June 30, 2019, there have been no material changes outside the ordinary course of our business to the contractual obligations we reported in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, except for the amendments to the Loan and Security Agreement.

On April 24, 2019 the Company received $3.4 million of net cash proceeds related to the sale of the Company's UK subsidiary, Cytori Ltd., and the Company's Cell Therapy assets, of which $1.7 million was used to pay down principal, interest and fees on the Loan and Security Agreement and on April 25, 2019 the Company received $2.5 million of net cash proceeds related to the sale of the Company's Japanese subsidiary, Cytori Therapeutics, K.K., and substantially all of the Company's Cell Therapy assets used in Japan , of which $1.4 million was used to pay down principal , interest and fees on the Loan and Security Agreement.

Cash (used in) provided by operating, investing, and financing activities for the three and six months ended June 30, 2019 and 2018 is summarized as follows (in thousands):

	For the Six Months Ended June 30,	
	2019	2018
Net cash used in operating activities	$ (4,824)	$ (6,840)
Net cash used in investing activities	2,783	(78)
Net cash provided by financing activities	1,314	(200)
Effect of exchange rate changes on cash and cash equivalents	(4)	12
Net decrease in cash and cash equivalents	$ (731)	$ (7,106)

Operating activities

Net cash used in operating activities for the six months ended June 30, 2019 was $4.8 million compared to $6.8 million in the same period of 2018. Overall, our operational cash use decreased during the six months ended June 30, 2019 as compared to the same period in 2018, due primarily to a decrease in losses from operations (when adjusted for non-cash items).

Investing activities

Net cash provided by investing activities for the six months ended June 30, 2019 were related to the sale of the cell therapy business for net proceeds of $2.8 million. Net cash used in investing activities for the six months ended June 30, 2018 is related to the purchase of fixed assets.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2019 was primarily related to the principal payment of long-term obligations of $0.6 million offset by the sales of common stock of $2.0 million. Net cash used in financing activities for the six months ended June 30, 2018 is primarily related to costs from sale of common stock in 2017 which were paid in 2018.

Critical Accounting Policies and Significant Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amounts of our assets, liabilities, revenues and expenses, and that affect our recognition and disclosure of contingent assets and liabilities.

While our estimates are based on assumptions we consider reasonable at the time they were made, our actual results may differ from our estimates, perhaps significantly. If results differ materially from our estimates, we will make adjustments to our financial statements prospectively as we become aware of the necessity for an adjustment.

We believe it is important for you to understand our most critical accounting policies. Our critical accounting policies and estimates are discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and there have been no material changes, other than the adoption of Accounting Standards Codification 842, *Leases,* during the six months ended June 30, 2019 .

Item 3. Quantitative and Qualitat ive Disclosures about Market Risk

As of June 30, 2019, there have been no material changes in our market risks from those described in Item 7A "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, except that the Company no longer has ongoing operations outside of the United States following the sale of our cell therapy.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or furnished pursuant to 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 principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the foregoing, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2019 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

From time to time, we have been involved in routine litigation incidental to the conduct of our business.

On July 25, 2019, Tap Advisors LLC ("Tap") filed suit against the Company in the Supreme Court of the State of New York, County of New York, alleging the Company breached an agreement made in 2017, whereby Tap would provide certain financial advisory services to the Company. Tap seeks to recover fees of approximately $3.7 million (plus attorneys' fees) that allegedly have not been paid by the Company related to the sale of its cell therapy business in April 2019. The Company believes the complaint is without merit and plans to vigorously defend itself in this matter. At June 30, 2019, the probable outcome of this litigation cannot be determined.

We are not currently a party to any other material legal proceeding.

Item 1A. Risk Factors

Our business is subject to various risks, including those described in Item 1A "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the U.S. Securities and Exchange Commission on March 29, 2019, which we strongly encourage you to review with all other information contained or incorporated by reference in this report before you decide to invest in our common stock. In addition to those risk factors, we identified the following new risks or substantive changes from the risks described in our Annual Report on Form 10-K. If any of the risks described in our Annual Report on Form 10-K or discussed below actually occurs, our business, financial condition, results of operations and our future growth prospects could be materially and adversely affected. Under these circumstances, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to our Financial Position and Capital Requirements

We have incurred losses since inception, we expect to incur significant net losses in the foreseeable future and we may never become profitable.

We have almost always had negative cash flows from operations and have incurred net operating losses each year since we started business. For the six months ended June 30, 2019 and year ended December 31, 2018, we incurred net losses of $12.3 million and $12.6 million, respectively, and our net cash used in operating activities was $4.8 million and $12.0 million, respectively. As of December 31, 2018 and our accumulated deficit was $414.4 million. As of June 30, 2019, our accumulated deficit was $426.7 million. We expect to continue to incur net losses and negative cash flow from operating activities for at least the next year. As our focus on development of Nanomedicine and the development of therapeutic applications has increased, losses have resulted primarily from expenses associated with research and development and clinical trial-related activities, as well as general and administrative expenses. While we have implemented and continue to implement cost reduction measures where possible, we nonetheless expect to continue operating in a loss position on a consolidated basis and expect that recurring operating expenses will continue at similar levels as compared to the second quarter for the remainder of this year and are anticipated to be at higher levels next year as we prepare for and perform clinical trial and other development activities for our Nanomedicine product candidates.

Our ability to generate sufficient revenues from any of our product candidates or technologies to achieve profitability will depend on a number of factors including, but not limited to:

- our ability to manufacture, test and validate our product candidates in compliance with applicable laws and as required for submission to applicable regulatory bodies, including manufacturing, testing and validation of our DocePLUS and DoxoPLUS product candidates;
- our or our partners' ability to successfully complete clinical trials of our product candidates;
- our ability to obtain necessary regulatory approvals for our product candidates;
- our or our partners' ability to negotiate and receive favorable reimbursement for our product candidates, including for our product candidates that have been granted or may be granted orphan drug status or otherwise command currently anticipated pricing levels;
- our ability to negotiate favorable arrangements with third parties to help finance the development of, and market and distribute, our product candidates; and
- the degree to which our approved products, if any, are accepted in the marketplace.

Because of the numerous risks and uncertainties associated with our commercialization and product development efforts, we are unable to predict the extent of our future losses or when or if we will become profitable and it is possible we will never become profitable. If we do not generate significant sales from any of our product candidates that may receive regulatory approval, there would be a material adverse effect on our business, results of operations, financial condition and prospects which could result in our inability to continue operations.

We will need substantial additional funding to develop our product candidates and for our future operations. If we are unable to obtain the funds necessary to do so, we will be required to delay, scale back or eliminate our product development activities or may be unable to continue our business.

We have had, and we will continue to have, an ongoing need to raise additional cash from outside sources to continue funding our operations, including our continuing substantial research and development expenses. We do not currently believe that our cash balance will be sufficient to fund the development and marketing efforts required to reach profitability without raising additional capital from accessible sources of financing in the near future. Although it is difficult to predict future liquidity requirements, we believe that our $4.5 million in cash and cash equivalents on hand as of June 30, 2019 will be insufficient to fund our currently contemplated operations. Our future capital requirements will depend on many factors, including:

- our ability to raise capital to fund our operations on terms acceptable to us, or at all;
- our perceived capital needs with respect to our development programs, and any delays in, adverse events of, and excessive costs of such programs beyond what we currently anticipate;
- our ability to establish and maintain collaborative and other arrangements with third parties to assist in bringing our products to market and the cost of such arrangements at the time;
- costs associated with the operations at our San Antonio, Texas facility;
- the cost of manufacturing our product candidates, including compliance with good manufacturing practices applicable to our product candidates;
- expenses related to the establishment of sales and marketing capabilities for product candidates awaiting approval or products that have been approved;
- the level of our sales and marketing expenses;

- competing technological and market develo pments; and
- our ability to introduce and sell new products.

We have secured capital historically from grant revenues, collaboration proceeds, and debt and equity offerings. We will need to secure substantial additional capital to fund our future operations. We cannot be certain that additional capital will be available on terms acceptable to us, or at all. If we are unsuccessful in our efforts to raise any such additional capital, we may be required to take actions that could materially and adversely harm our business, including a possible significant reduction in our research, development and administrative operations (including reduction of our employee base), surrendering of our rights to some technologies or product opportunities, delaying of our clinical trials or regulatory and reimbursement efforts, or curtailing of or even ceasing operations.

Our financing plans include pursuing additional cash through use of offering programs, strategic corporate partnerships, licensing and sales of assets and equity. In July 2018, we completed a public offering in which we distributed to holders of our common stock and Series B Convertible Preferred Stock, at no charge, non-transferable subscription rights to purchase up to an aggregate of 20,000 units each consisting of one share of Series C Preferred Stock and 1,050 warrants to purchase one share of our common stock at a subscription price of $1,000 per unit, or the 2018 Rights Offering. Each share of Series C Preferred Stock is convertible into 25 shares of our common stock subject to adjustment. We sold an aggregate of 6,723 units as part of the 2018 Rights Offering.

In addition, in September 2018, we entered into a purchase agreement, or the Lincoln Park Purchase Agreement, with Lincoln Park Capital Fund, LLC, or Lincoln Park, pursuant to which we may direct Lincoln Park to purchase up to $5.0 million in shares of our common stock from time to time over the 24-month period following October 15, 2018, subject to the satisfaction of certain conditions. There is no guarantee that adequate funds will be available when needed from additional debt or equity financing, development and commercialization partnerships or from other sources or on terms acceptable to us. Through December 31, 2018, the Company sold a total of 12,000 shares for proceeds of approximately $0.3 million through the Lincoln Park Purchase Agreement and 5,000 shares for proceeds of approximately $0.1 million were sold during the six months ended June 30, 2019. The Company believes there is less than $0.1 million remaining available under this financing facility.

Further, the Loan and Security Agreement, as amended, with Oxford Finance, LLC, or Oxford, requires maintaining a minimum of $2.0 million in unrestricted cash and cash equivalents on hand to avoid an event of default under the Loan and Security Agreement. Based on our cash and cash equivalents on hand of approximately $4.5 million at June 30, 2019, we estimate that we will need to raise additional capital and/or obtain a waiver or restructure the Loan and Security Agreement in the near term to avoid defaulting under our $2.0 million minimum cash/cash equivalents covenant. If we are unable to avoid an event of default under the Loan and Security Agreement, our business could be severely harmed.

In addition to the funding sources previously mentioned, we continue to seek additional capital through product revenues and state and federal development programs.

Our level of indebtedness, and covenant restrictions under such indebtedness, could adversely affect our operations and liquidity.

Under our Loan and Security Agreement with Oxford, as collateral agent and lender, Oxford made a term loan to us in an aggregate principal amount of $17,700,000, or the Term Loan, subject to the terms and conditions set forth in the Loan and Security Agreement. The outstanding principal balance of the Term Loan is $9.3 million as of June 30, 2019.

The Term Loan accrues interest at a floating rate equal to the three-month LIBOR rate (with a floor of 1.00%) plus 7.95% per annum. On April 29, 2019, we and Oxford amended the Loan and Security Agreement to extend the interest-only period. Beginning May 2020, we will be required to make payments of principal (in the amount of approximately $0.7 million per month) and accrued interest in equal monthly installments of approximately $1.3 million to amortize the Term Loan through June 1, 2021, the maturity date.

As security for our obligations under the Loan and Security Agreement, we granted a security interest in substantially all of our existing and after-acquired assets, excluding our intellectual property assets, subject to certain exceptions set forth in the Loan and Security Agreement. If we are unable to discharge these obligations, Oxford could foreclose on these assets, which would, at a minimum, have a severe material adverse effect on our ability to operate our business.

Our indebtedness to Oxford could adversely affect our operations and liquidity, by, among other things:

- causing us to use a larger portion of our cash flow to fund interest and principal payments, reducing the availability of cash to fund working capital and capital expenditures and other business activities;
- making it more difficult for us to take advantage of significant business opportunities, such as acquisition opportunities, and to react to changes in market or industry conditions; and

- limiting our ability to borrow additional monies in the future to fund working capital and capital expenditures and for other general corporate purposes.

The Loan and Security Agreement, as amended, requires us to maintain at least $2.0 million in unrestricted cash and/or cash equivalents and includes certain reporting and other covenants, that, among other things, restrict our ability to (i) dispose of assets, (ii) change the business we conduct, (iii) make acquisitions, (iv) engage in mergers or consolidations, (v) incur additional indebtedness, (vi) create liens on assets, (vii) maintain any collateral account, (viii) pay dividends, (ix) make investments, loans or advances, (x) engage in certain transactions with affiliates, and (xi) prepay certain other indebtedness or amend other financing arrangements. If we fail to comply with any of these covenants or restrictions, such failure may result in an event of default, which if not cured or waived, could result in Oxford causing the outstanding loan amount ($9.3 million as of June 30, 2019) to become immediately due and payable. If the maturity of our indebtedness is accelerated, we may not have, or be able to timely procure, sufficient cash resources to satisfy our debt obligations, and such acceleration would adversely affect our business and financial condition.

We may not be able to correctly estimate or control our future operating expenses, which could lead to cash shortfalls.

Our budgeted expense levels are based in part on our expectations concerning future research and development activities. We may be unable to reduce our expenditures in a timely manner to compensate for any unexpected events. Accordingly, unexpected events could have an immediate and material impact on our business and financial condition.

Risks Related to Our Business and Industry

Our future success is in large part dependent upon our ability to successfully integrate and develop our Nanomedicine platform and commercialize our DoxoPLUS and DocePLUS Nanomedicine product candidates, and any failure to do so could significantly harm our business and prospects.

In February 2017, we acquired substantially all of the assets of Azaya Therapeutics Inc., or Azaya, including Azaya's two product candidates, DoxoPLUS and DocePLUS, and related manufacturing equipment and inventory. Our ability to successfully integrate, develop and commercialize these assets is subject to a number of risks, including the following:

- We do not have substantive drug development, manufacturing, and commercialization experience, and thus we may be required to hire and rely on significant numbers of scientific, quality, regulatory and other technical personnel with the experience and expertise necessary to develop, manufacture, and commercialize our Plus Therapeutics Nanomedicine product candidates. We may be unable to identify, hire and retain personnel with the requisite experience to conduct the operations necessary to obtain regulatory approval and commercialize our DoxoPLUS and DocePLUS product candidates, in which case our business would be materially harmed;
- We intend to find a commercialization partner to share or assume responsibility for marketing, sales, and distribution activities and related costs and expenses for our DocePLUS product candidate. There can be no assurance that we would obtain sufficient capital to fund the development, manufacturing, and commercialization of our Nanomedicine program ourselves, or if we do obtain such capital, that our development, manufacturing, and commercialization efforts would be successful;
- Conduct of this acquired business will require significant capital, and to the extent that we incur unanticipated expenses in our business, are unable to timely obtain sufficient additional capital on terms acceptable to us (or at all) to fund this business, our ability to develop our DocePLUS product candidate could be materially and adversely impacted;
- We have discontinued development activities for DoxoPlus and are actively seeking to monetize this asset. New competitive products become commercially available before we launch DocePLUS;
- We are not experienced in acquiring and integrating new businesses.

If we are unable to successfully partner with other companies to commercialize our product candidates, our business could materially suffer.

A key part of our business strategy is to leverage strategic partnerships/collaborations to commercialize our product candidates. We do not have the financial, human or other resources necessary to develop, commercialize, launch or sell our therapeutic offerings in all of the geographies that we are targeting, and thus it is important that we identify and partner with third parties who possess the necessary resources to bring our products to market. We expect that any such partners will provide regulatory and reimbursement/pricing expertise, sales and marketing resources, and other expertise and resources vital to the success of our product offerings in their territories. We further expect, but cannot guarantee, that any such partnering arrangements will include upfront cash payments to us in return for the rights to develop, manufacture, and/or sell our products in specified territories, as well as downstream revenues in the form of milestone payments and royalties.

Our current business strategy is high-risk.

Our current business strategy is to aggressively develop our Nanomedicine platforms, while simultaneously controlling expenses, which is a high-risk strategy for a number of reasons including the following:

- we do not have an operating history as a drug company, or prior experience with obtaining regulatory, reimbursement or other approvals for product candidates such as DocePLUS;
- our Nanomedicine product candidates, if commercialized, will compete against established competitive drugs that are marketed and sold by large companies with significant human, technical and financial resources;
- we are not experienced in acquiring and integrating new assets, such as those acquired from Azaya;
- there is an intense and rapidly evolving competitive landscape for our Nanomedicine product candidates, including chemotherapies, targeted therapies and immuno-oncology therapies, and as such key assumptions regarding market entry, pricing, and revenue/unit share may not be realized;
- our product candidates may never become commercially viable; and
- we may not be able to prevent other companies from depriving us of market share and profit margins by selling products based on our intellectual property and developments.

We face intense competition, and if our competitors market and/or develop products that are marketed more effectively, approved more quickly than our product candidates or demonstrated to be safer or more effective than our products, our commercial opportunities could be reduced or eliminated .

The life science industry is characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary therapeutics. We face competition from a number of sources, some of which may target the same indications as our products or product candidates, including small and large, domestic and multinational, medical device, biotechnology and pharmaceutical companies, academic institutions, government agencies and private and public research institutions, many of which have greater financial resources, sales and marketing capabilities, including larger, well-established sales forces, manufacturing capabilities, experience in obtaining regulatory approvals for product candidates and other resources than we do.

We expect that product candidates in our pipeline, if approved, to compete on the basis of, among other things, product efficacy and safety, time to market, price, coverage and reimbursement by third-party payers, extent of adverse side effects and convenience of treatment procedures. One or more of our competitors may develop other products that compete with ours, obtain necessary approvals for such products from the FDA, EMA, Ministry of Health, Labour and Welfare or other agencies, if required, more rapidly than we do or develop alternative products or therapies that are safer, more effective and/or more cost effective than any products developed by us. The competition that we encounter with respect to any of our product candidates that receive the requisite regulatory approval and classification and are marketed may have an effect on our product prices, market share and results of operations. We may not be able to differentiate any products that we are able to market from those of our competitors, successfully develop or introduce new products that are less costly or offer better results than those of our competitors, or offer purchasers of our products payment and other commercial terms as favorable as those offered by our competitors. In addition, competitors may seek to develop alternative formulations of or technological approaches to our product candidates and/or drug delivery technologies that address our targeted indications.

We may face competition for our DocePLUS product candidate (which is intended for the treatment of small cell lung cancer) from multiple drug classes.

Companies that are developing or have commercialized nanoparticle-docetaxel products, including both oral and intravenous formulations, and may be future competitors for our DocePLUS product candidate include, but are not limited to, Adocia, Athenex, Bind Therapeutics, Cerulean, Cristal Therapeutics, Intas, LIDDS, Merrimack, Modra, NanOlogy, Oasmia, and Starpharma.

Competitors may have greater experience in developing drugs, conducting clinical trials, obtaining regulatory clearances or approvals, manufacturing and commercialization. It is possible that competitors may obtain patent protection, approval, or clearance from the FDA or achieve commercialization earlier than we can, any of which could have a substantial negative effect on our business. Compared to us, many of our potential competitors have substantially greater:

- capital resources;
- research and development resources and experience, including personnel and experience;
- product development, clinical trial and regulatory resources and experience;
- sales and marketing resources and experience;
- manufacturing and distribution resources and experience;
- name, brand and product recognition; and
- resources, experience and expertise in prosecution and enforcement of intellectual property rights.

As a result of these factors, our competitors may obtain regulatory approval of their products more quickly than we are able to or may obtain patent pro tection or other intellectual property rights that limit or block us from developing or commercializing our product candidates. Our competitors may also develop products that are more effective, more useful, better tolerated, subject to fewer or less sever e side effects, more widely prescribed or accepted or less costly than ours and may also be more successful than we are in manufacturing and marketing their products. If we are unable to compete effectively with the marketed therapeutics of our competitors or if such competitors are successful in developing products that compete with any of our product candidates that are approved, our business, results of operations, financial condition and prospects may be materially adversely affected.

Our clinical trials may fail to demonstrate acceptable levels of safety and efficacy for any of our product candidates, which could prevent or significantly delay their regulatory approval and commercialization, which would have a material and adverse impact on our business.

Clinical testing of our product candidates is a long, expensive and uncertain process, and the failure or delay of a clinical trial can occur at any stage. Many factors, currently known and unknown, can adversely affect clinical trials and the ability to evaluate a product candidate's efficacy. During the course of treatment, patients can die or suffer other adverse events for reasons that may or may not be related to the proposed product being tested. Even if initial results of preclinical and nonclinical studies or clinical trial results are promising, we may obtain different results in subsequent trials or studies that fail to show the desired levels of safety and efficacy, or we may not obtain applicable regulatory approval for a variety of other reasons.

Further, with respect to the conduct and results of clinical trials generally, in the United States, Europe, Japan and other jurisdictions, the conduct and results of clinical trials can be delayed, limited suspended, or otherwise adversely affected for many reasons, including, among others:

- clinical results may not meet prescribed endpoints for the studies or otherwise provide sufficient data to support the efficacy of our product candidates;
- clinical and nonclinical test results may reveal side effects, adverse events or unexpected safety issues associated with the use of our product candidates;
- lack of adequate funding to continue the clinical trial, including the incurrence of unforeseen costs due to enrollment delays, requirements to conduct additional trials and studies and increased expenses associated with the services of our contract research organizations, or CROs, and other third parties;
- inability to design appropriate clinical trial protocols;
- slower than expected rates of subject recruitment and enrollment rates in clinical trials;
- regulatory review may not find a product safe or effective enough to merit either continued testing or final approval;
- regulatory review may not find that the data from preclinical testing and clinical trials justifies approval;
- regulatory authorities may require that we change our studies or conduct additional studies which may significantly delay or make continued pursuit of approval commercially unattractive;
- a regulatory agency may reject our trial data or disagree with our interpretations of either clinical trial data or applicable regulations;
- the cost of clinical trials required for product approval may be greater than what we originally anticipate, and we may decide to not pursue regulatory approval for such a product;
- a regulatory agency may identify problems or other deficiencies in our existing manufacturing processes or facilities or the existing processes or facilities of our collaborators, our contract manufacturers or our raw material suppliers;
- a regulatory agency may change its formal or informal approval requirements and policies, act contrary to previous guidance, adopt new regulations or raise new issues or concerns late in the approval process;
- a product candidate may be approved only for indications that are narrow or under conditions that place the product at a competitive disadvantage, which may limit the sales and marketing activities for such products or otherwise adversely impact the commercial potential of a product; and
- a regulatory agency may ask us to put a clinical study on hold pending additional safety data; (and there can be no assurance that we will be able to satisfy the regulator agencies' requests in a timely manner, which can lead to significant uncertainty in the completion of a clinical study).

We also face clinical trial-related risks with regard to our reliance on other third parties in the performance of many of the clinical trial functions, including CROs, that help execute our clinical trials, the hospitals and clinics at which our t rials are conducted, the clinical investigators at the trial sites, and other third-party service providers. Failure of any third-party service provider to adhere to applicable trial protocols, laws and regulations in the conduct of one of our clinical tri als could adversely affect the conduct and results of such trial (including possible data integrity issues), which could seriously harm our business.

Our success depends in substantial part on our ability to obtain regulatory approvals for our DocePLUS product candidate. However, we cannot be certain that we will receive regulatory approval for this product candidate or our other product candidates.

We have only a limited number of product candidates in development, and our business depends substantially on their successful development and commercialization. Our product candidates will require development, regulatory review and approval in multiple jurisdictions, substantial investment, access to sufficient commercial manufacturing capacity and significant marketing efforts before we can generate any revenues from sales of our product candidates. The research, testing, manufacturing, labeling, approval, sale, marketing and distribution of products are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries, whose regulations differ from country to country.

We are not permitted to market our product candidates in the United States until we receive approval from the FDA, or in any foreign countries until we receive the requisite approval from the regulatory authorities of such countries (including centralized marketing authorization from the European Medicines Agency), and we may never receive such regulatory approvals. Obtaining regulatory approval for a product candidate is a lengthy, expensive and uncertain process, and may not be obtained. Any failure to obtain regulatory approval of any of our product candidates would limit our ability to generate future revenues (and any failure to obtain such approval for all of the indications and labeling claims we deem desirable could reduce our potential revenue), would potentially harm the development prospects of our product candidates and would have a material and adverse impact on our business.

Even if we successfully obtain regulatory approvals to market our product candidates, our revenues will be dependent, in part, on our ability to commercialize such products as well as the size of the markets in the territories for which we gain regulatory approval. If the markets for our product candidates are not as significant as we estimate, our business and prospects will be harmed.

If a product candidate is not approved in a timely fashion on commercially viable terms, or if development of any product candidate is terminated due to difficulties or delays encountered in the regulatory approval process, it could have a material adverse effect on our business, and we may become more dependent on the development of other proprietary products and/or our ability to successfully acquire other products and technologies. There can be no assurance that any product candidate will receive regulatory approval in a timely manner, or at all.

If our product candidates and technologies receive regulatory approval but do not achieve broad market acceptance, especially by physicians, the revenues that we generate will be limited.

The commercial success of any of our approved products or technologies will depend upon the acceptance of these products and technologies by physicians, patients and the medical community. The degree of market acceptance of these products and technologies will depend on a number of factors, including, among others:

- acceptance by physicians and patients of the product as a safe and effective treatment;
- any negative publicity or political action related to our or our competitors' products or technologies;
- the relative convenience and ease of administration;
- the prevalence and severity of adverse side effects;
- demonstration to authorities of the pharmacoeconomic benefits;
- demonstration to authorities of the improvement in burden of illness;
- limitations or warnings contained in a product's approved labeling;
- payers' level of restrictions and/or barriers to coverage;
- the clinical indications for which a product is approved;
- availability and perceived advantages of alternative treatments;
- the effectiveness of our or any current or future collaborators' sales, marketing and distribution strategies; and
- pricing and cost effectiveness.

Our DocePLUS product candidate, if developed and commercialized, would compete against a number of established drugs, including Taxotere® (Sanofi S.A.) and Hycamtin® (Novartis), as well as other products being developed and commercialized by competitors for the same target clinical indication.

We expect physicians' inertia and skepticism to also be a significant barrier as we attempt to gain market penetration with our future products. We believe we will continue to need to finance lengthy time-consuming clinical studies to provide evidence of t he medical benefit of our products and resulting therapies in order to overcome this inertia and skepticism.

Overall, our efforts to educate the medical community on the benefits of any of our products or technologies for which we obtain marketing approval from the FDA or other regulatory authorities and gain broad market acceptance may require significant resources and may never be successful. If our products and technologies do not achieve an adequate level of acceptance by physicians, pharmacists and patients, we may not generate sufficient revenue from these products to become or remain profitable.

Many potential applications of our product candidates are pre-commercial, which subjects us to development and marketing risks.

Our product candidates are at various stages of development. Successful development and market acceptance of our products is subject to developmental risks, including risk of negative clinical data from current and anticipated trials, failure of inventive imagination, ineffectiveness, lack of safety, unreliability, manufacturing hurdles, failure to receive necessary regulatory clearances or approvals, high commercial cost, preclusion or obsolescence resulting from third parties' proprietary rights or superior or equivalent products, competition from copycat products and general economic conditions affecting purchasing patterns. There can be no assurance that we or our partners will successfully develop and commercialize our product candidates, or that our competitors will not develop competing technologies that are less expensive or superior. Failure to successfully develop and market our product candidates would have a substantial negative effect on our results of operations and financial condition.

If we or any party to a key collaboration, licensing, development, acquisition or similar arrangement fails to perform material obligations under such arrangement, or any arrangement is terminated for any reason, there could be an adverse effect on our business .

We are currently party to certain licensing, collaboration and acquisition agreements under which we may make or receive future payments in the form of milestone payments, maintenance fees, royalties and/or minimum product purchases. Our collaborators may not devote the attention and resources to such efforts to be successful. The termination of a key collaboration agreement by one of our collaborators could materially impact our ability to enter into additional collaboration agreements with new collaborators on favorable terms.

Risks relating to our current material collaborations (excluding our BARDA partnership, which is discussed below in these "Risk Factors") include the following:

- Under our asset purchase agreement with Azaya, we are required to use commercial reasonable efforts to develop our DoxoPLUS and DocePLUS product candidates, and we have future milestone, earn-out and other payments to Azaya tied to our commercialization and sale activities for these product candidates. If we are unsuccessful in our efforts to develop our DoxoPLUS and DocePLUS drug assets, or if Azaya and we were to enter into a dispute over the terms of our agreement, then our business could be seriously harmed.

If we or collaborators fail to comply with regulatory requirements applicable to the development, manufacturing, and marketing of our products, regulatory agencies may take action against us or them, which could significantly harm our business.

Our product candidates, along with the clinical development process, the manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for these products, are subject to continual requirements and review by the FDA and state and foreign regulatory bodies. Regulatory authorities subject a marketed product, its manufacturer and the manufacturing facilities to continual review and periodic inspections. We, our collaborators, and our and their respective contractors, suppliers and vendors, will be subject to ongoing regulatory requirements, including complying with regulations and laws regarding advertising, promotion and sales of products, required submissions of safety and other post-market information and reports, registration requirements, Clinical Good Manufacturing Practices (cGMP) regulations (including requirements relating to quality control and quality assurance, as well as the corresponding maintenance of records and documentation), and the requirements regarding the distribution of samples to physicians and recordkeeping requirements. Regulatory agencies may change existing requirements or adopt new requirements or policies. We, our collaborators, and our and their respective contractors, suppliers and vendors, may be slow to adapt or may not be able to adapt to these changes or new requirements.

Failure to comply with regulatory requirements may result in any of the following:

- restrictions on our products or manufacturing processes;
- warning letters;
- withdrawal of the products from the market;
- voluntary or mandatory recall;
- fines;

- suspension or withdrawal of regulatory approvals;
- suspension or termination of any of our ongoing clinical trials;
- refusal to permit the import or export of our products;
- refusal to approve pending applications or supplements to approved applications that we submit;
- product seizure;
- injunctions; or
- imposition of civil or criminal penalties.

We and our product candidates are subject to extensive regulation, and the requirements to obtain regulatory approvals in the United States and other jurisdictions can be costly, time-consuming and unpredictable. If we or our partners are unable to obtain timely regulatory approval for our product candidates, our business may be substantially harmed.

The worldwide regulatory process for our Nanomedicine product candidates can be lengthy and expensive, with no guarantee of approval.

Before any new drugs may be introduced to the U.S. market, the manufacturer generally must obtain FDA approval through either an abbreviated new drug application, or ANDA, process for generic drugs off patent that allow for bioequivalence to an existing reference listed drug, or RLD, or the lengthier new drug approval, or NDA, process, which typically requires multiple successful and successive clinical trials to generate clinical data supportive of safety and efficacy along with extensive pharmacodynamic and pharmacokinetic preclinical testing to demonstrate safety. Our lead product candidate under development (DocePLUS) is subject to the FDA's 505(b)(2) NDA process. NDA drugs can take significant time due to the preclinical and clinical trial requirements.

There are numerous risks arising out of the regulation of our Nanomedicine product candidates include the following:

- We can provide no assurances that our current and future oncology drugs will meet all of the stringent government regulation in the United States, by the FDA under the Federal Food, Drug and Cosmetic Act, and/or in international markets such as Europe, by the EMA under its Medicinal Products Directive.
- Our Nanomedicine product candidates, if approved, will still be subject to post-market reporting requirements for deaths or serious injuries when the drug may have caused or contributed to the death or serious injury, or serious adverse events. There are no assurances that our product candidates will not have safety or effectiveness problems occurring after the drugs reach the market. There are no assurances that regulatory authorities will not take steps to prevent or limit further marketing of the drug due to safety concerns.
- It is possible that the new legislation in our priority markets, such as the 21st Century Cures Act in the United States, will yield additional regulatory requirements for therapeutic drugs for our Nanomedicine product candidates (the FDA's interpretation and implementation of the 21st Century Cures Act has yet to be published).

Changing, new and/or emerging government regulations may adversely affect us.

Any regulatory review committees and advisory groups and any contemplated new guidelines may lengthen the regulatory review process, require us to perform additional studies, increase our development costs, lead to changes in regulatory positions and interpretations, delay or prevent approval and commercialization of our product candidates or lead to significant post-approval limitations or restrictions. As we advance our product candidates, we may be required to consult with these regulatory and advisory groups and comply with applicable guidelines. If we fail to do so, we may be required to delay or discontinue development of our product candidates. Delay or failure to obtain, or unexpected costs in obtaining, the regulatory approval necessary to bring a product candidate to market could decrease our ability to generate sufficient revenue to maintain our business. Divergence in regulatory criteria for different regulatory agencies around the globe could result in the repeat of clinical studies and/or preclinical studies to satisfy local territory requirements, resulting in the repeating of studies and/or delays in the regulatory process. Some territories may require clinical data in their indigenous population, resulting in the repeat of clinical studies in whole or in part. Some territories may object to the formulation ingredients in the final finished product and may require reformulation to modify or remove objectionable components; resulting in delays in regulatory approvals. Such objectionable reformulations include, but are not limited to, human or animal components, BSE/TSE risks, banned packaging components, prohibited chemicals, banned substances, etc. There can be no assurances that the FDA or foreign regulatory authorities will accept our pre-clinical and/or clinical data.

Anticipated or unanticipated changes in the way or manner in which the FDA or other regulators regulate products or classes/groups of products can delay, further burden, or alleviate regulatory pathways that were once available to other products. There are no guarantees that such changes in the FDA's or other regulators' approach to the regulatory process will not deleteriously affect some or all of our products or product applications.

Our nanoparticle technology is subject to government regulations that are subject to change.

Our pipeline oncology products, such as DocePLUS, are being developed under existing government criteria, which are subject to change in the future. Clinical and/or pre-clinical criteria in addition to cGMP manufacturing requirements may change and impose additional regulatory burdens. Clinical requirements are subject to change which may result in delays in completing the regulatory process. Divergence in regulatory criteria for different regulatory agencies around the globe could result in the repeat of c linical studies and/or preclinical studies to satisfy local jurisdictional requirements, which would significantly lengthen the regulatory process and increase uncertainty of outcome. Some jurisdictions may require clinical data in their indigenous popula tion, resulting in the repeat of clinical studies in whole or in part. Some jurisdictions may object to the formulation ingredients in the final finished product and may require reformulation to modify or remove objectionable components; resulting in delay s in regulatory approvals. Such objectionable reformulations include, but are not limited to, human or animal components, bovine spongiform encephalopathy/ transmissible spongiform encephalopathy risks, banned packaging components, prohibited chemicals, b anned substances, etc. There can be no assurance that the FDA or foreign regulatory authorities will accept our pre-clinical and/or clinical data.

Orphan drug designation may not ensure that we will enjoy market exclusivity in a particular market, and if we fail to obtain or maintain orphan drug designation or other regulatory exclusivity for some of our product candidates, our competitive position would be harmed.

A product candidate that receives orphan drug designation can benefit from potential commercial benefits following approval. Under the U.S. Orphan Drug Act, the FDA may designate a product candidate as an orphan drug if it is intended to treat a rare disease or condition, defined as affecting a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the European Union, or EU, the EMA's Committee for Orphan Medicinal Products, or COMP, grants orphan drug designation to promote the development of products that are intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than 10,000 persons in the EU. Currently, this designation provides market exclusivity in the U.S. and the European Union for seven years and ten years, respectively, if a product is the first such product approved for such orphan indication. This market exclusivity does not, however, pertain to indications other than those for which the drug was specifically designated in the approval, nor does it prevent other types of drugs from receiving orphan designations or approvals in these same indications. Further, even after an orphan drug is approved, the FDA can subsequently approve a drug with similar chemical structure for the same condition if the FDA concludes that the new drug is clinically superior to the orphan product or a market shortage occurs. In the EU, orphan exclusivity may be reduced to six years if the drug no longer satisfies the original designation criteria or can be lost altogether if the marketing authorization holder consents to a second orphan drug application or cannot supply enough drug, or when a second applicant demonstrates its drug is "clinically superior" to the original orphan drug.

If we experience an interruption in supply from a material sole source supplier, our business may be harmed

We acquire some our components and other raw materials from sole source suppliers. If there is an interruption in supply of our raw materials from a sole source supplier, there can be no assurance that we will be able to obtain adequate quantities of the raw materials within a reasonable time or at commercially reasonable prices. Interruptions in supplies due to pricing, timing, availability or other issues with our sole source suppliers could have a negative impact on our ability to manufacture products and product candidates, which in turn could adversely affect the development and commercialization of our Nanomedicine product candidates and cause us to potentially breach our supply or other obligations under our agreements with certain other counterparties.

We are dependent on sole source suppliers to manufacture the API (active pharmaceutical ingredient) and certain other components of our Nanomedicine product candidates. There are no assurances that these sole source suppliers will enter into supply agreements with us to provide contractual assurance to us around supply and pricing. Regardless whether a sole source supplier enters into a written supply arrangement with us, such supplier could still delay, suspend or terminate supply of raw materials to us for a number of reasons, including manufacturing or quality issues, payment disputes with us, bankruptcy or insolvency, or other occurrences.

If a sole source supplier ceases supply of raw materials necessary there is no guarantee that we will find an alternative supplier for the necessary raw materials on terms acceptable to us, or at all. Further the qualification process for a new vendor could take months or even years, and any such day in qualification could significantly harm our business.

If we are unable to identify, hire and/or retain key personnel, we may not be able to sustain or grow our business.

Our ability to operate successfully and manage our potential future growth depends significantly upon our ability to attract, retain, and motivate highly skilled and qualified research, technical, clinical, regulatory, sales, marketing, managerial and financial personnel. We compete for talent with numerous companies, as well as universities and non-profit research organizations. In the future, we may hire a significant number of scientists, quality and regulatory personnel, and other technical staff with the requisite expertise to support and expand our Nanomedicine business. The manufacturing of our oncology drug assets is a highly complex process that requires significant experience and know-how. If we are unable to attract personnel with the necessary skills and experience to reestablish and expand our Nanomedicine business, which is currently conducted out of our San Antonio, Texas facility, our business could be harmed.

Our future success also depends on the personal efforts and abilities of the principal members of our senior management and scientific staff to provide strategic direction, manage our operations, and maintain a cohesive and stable environment. In particular, we are highly dependent on our executive officers, especially Marc Hedrick, M.D., our Chief Executive Officer. Given his leadership, extensive technical, scientific and financial expertise and management and operational experience, Dr. Hedrick would be difficult to replace. Consequently, the loss of services of Dr. Hedrick or any other executive officer could result in product development delays or the failure of our collaborations with current and future collaborators, which, in turn, may hurt our ability to develop and commercialize products and generate revenues. We have not entered into any employment agreements with our executive officers or key personnel, nor do we maintain key man life insurance on the lives of any of the members of our senior management. The loss of key personnel for any reason or our inability to hire, retain, and motivate additional qualified personnel in the future could prevent us from sustaining or growing our business.

Our restructuring activities may not be successful, and our restructuring activities may cause uncertainty regarding the future of our business and may adversely impact employee hiring and retention, our stock price and our results of operations and financial condition.

On July 1, 2019, we announced a corporate restructuring, including reducing combined staffing in our Texas and California facilities by 46% overall, reducing our office space in San Diego, California and streamlining and outsourcing our operations to better focus on our drug pipeline, and in particular DocePLUS, in order to extend our cash resources. As a result, we expect to incur a restructuring charge of approximately $0.1 million in connection with one-time employee termination costs, including severance and other benefits, which costs are expected to be incurred primarily in the third quarter of 2019. We are not yet able to make a determination of each other major type of cost associated with the restructuring. The estimates of costs that we expect to incur and the timing thereof are subject to a number of assumptions and actual results may differ from initial estimates.

Our ability to achieve the anticipated benefits, including the anticipated cost savings, of our restructuring activities within expected timeframes is subject to many estimates, assumptions and uncertainties. Additional restructuring or reorganization activities may also be required in the future, which could further increase the risks associated with these activities. There is no assurance that we will successfully implement, or fully realize the anticipated impact of, our restructuring or execute successfully on our restructuring plan, in the timeframes we desire or at all. If we fail to realize the anticipated benefits from these measures, or if we incur charges or costs in amounts that are greater than anticipated, our financial condition and operating results may be adversely affected. Additionally, our restructuring efforts, including a significant reduction in our employee headcount, may disrupt our staff and our business, and we may not be successful, or as successful, in advancing our existing Nanomedicine candidates, or in discovering or developing new Nanomedicine candidates as a result of lower staffing levels and potential reductions in our spending on these programs due to the restructuring.

The changes and potential changes to our operations and the workforce reduction measures as a result of the restructuring, may introduce uncertainty regarding our prospects and may result in disruption of our business. As a result of these actions, we incurred significant expenses and charges, including the approximately $570,000 charge incurred as a result of restructuring and cancelation of our San Diego headquarters lease announced on February 2018, and we may incur additional expenses and charges related to these actions. In addition, these changes and measures could distract our employees, decrease employee morale and make it more difficult to retain and hire new talent, and harm our reputation. These changes and activities caused our stock price to decline and may cause it to further decline in the future. As a result of these or other similar risks, our business, results of operations and financial condition may be adversely affected.

We face potential product liability exposure, and if successful claims are brought against us, we may incur substantial liability if our insurance coverage for those claims is inadequate.

The clinical use of our product candidates exposes us to the risk of product liability claims. This risk exists even if a product or product candidate is approved for commercial sale by applicable regulatory authorities and manufactured in facilities regulated by such authorities. Our product candidates are designed to affect important bodily functions and processes. Any side effects, manufacturing defects, misuse or abuse associated with our product candidates could result in injury to a patient or even death. For example, DoxoPLUS is cytotoxic, or toxic to living cells, and, if incorrectly or defectively manufactured or labeled, or incorrectly dosed or otherwise used in a manner not contemplated by its label, could result in patient harm and even death. In addition, a liability claim may be brought against us even if our product candidates merely appear to have caused an injury.

Product liability claims may be brought against us by consumers, health care providers, pharmaceutical companies or others selling or otherwise coming into contact with our products or product candidates, if approved, among others. If we cannot successfully defend ourselves against product liability claims, we will incur substantial liabilities. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- the inability to commercialize our product candidates;
- decreased demand for our product candidates, if approved;
- impairment of our business reputation;
- product recall or withdrawal from the market;
- withdrawal of clinical trial participants;
- costs of related litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to patients or other claimants; or
- loss of revenues.

We have obtained product liability insurance coverage for clinical trials with a $10 million per occurrence and annual aggregate coverage limit. Our insurance coverage may not be sufficient to cover all of our product liability related expenses or losses and may not cover us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive, and, in the future, we may not be able to maintain insurance coverage at a reasonable cost, in sufficient amounts or upon adequate terms to protect us against losses due to product liability. If we determine that it is prudent to increase our product liability coverage, we may be unable to obtain this increased product liability insurance on commercially reasonable terms or at all. Large judgments have been awarded in class action or individual lawsuits based on drugs that had unanticipated side effects. A successful product liability claim or series of claims brought against us could cause our stock price to decline and, if judgments exceed our insurance coverage, could decrease our cash and have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Relating to Our Intellectual Property

Our success depends in part on our ability to protect our intellectual property. It is difficult and costly to protect our proprietary rights and technology, and we may not be able to ensure their protection.

Our success depends in part on our ability to obtain and maintain patent, trademark and trade secret protection of our platform technology and current product candidates, including but not limited to our Nanomedicine product candidates, including DoxoPLUS and DocePLUS, as well as successfully defending our intellectual property against third-party challenges. Our ability to stop unauthorized third parties from making using selling, offering to sell or importing our platform technology and/or our product candidates is dependent upon the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- we, or Azaya, as the case may be, might not have been the first to file patent applications for the covered inventions;
- it is possible that our pending patent applications will not result in issued patents;
- it is possible that there are dominating patents to our products of which we are not aware;
- it is possible that there are prior public disclosures that could invalidate our patents, of which we are not aware;
- it is possible that others may circumvent our patents;
- it is possible that there are unpublished applications or patent applications maintained in secrecy that may later issue with claims covering our products or technology similar to ours;
- the claims of our patents or patent applications, if and when issued, may not cover our system or products, or our system or product candidates;
- our owned or in-licensed issued patents may not provide us with any competitive advantages, or may be narrowed in scope, be held invalid or unenforceable as a result of legal administrative challenges by third parties;
- others may be able to make or use compounds that are the same or similar to the DocePLUS product but that are not covered by the claims of our patents;

- we may not be able to detect infringement against our patents, which may be especially difficult for manufacturing processes or formulation patents, such as the patents/applications related to DocePLUS;
- the API in DoxoPLUS and DocePLUS are commercially available in generic drug products;
- we may not develop additional proprietary technologies for which we can obtain patent protection; or
- the patents of others may have an adverse effect on our business.

The patent positions of pharmaceutical, biopharmaceutical and medical device companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the breadth of claims allowed in patents in these fields has emerged to date in the United States. There have been recent changes regarding how patent laws are interpreted, and both the U.S. Patent and Trademark Office, or the USPTO, and Congress have recently made significant changes to the patent system. There have been three U.S. Supreme Court decisions that now show a trend of the Supreme Court which is distinctly negative on patents. The trend of these decisions along with resulting changes in patentability requirements being implemented by the USPTO could make it increasingly difficult for us to obtain and maintain patents on our products. We cannot accurately predict future changes in the interpretation of patent laws or changes to patent laws which might be enacted into law. Those changes may materially affect our patents, our ability to obtain patents and/or the patents and applications of our collaborators and licensors. The patent situation in these fields outside the United States is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property or narrow the scope of our patent protection. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in the patents we own or to which we have a license or third-party patents.

Intellectual property law outside the United States is uncertain and in many countries is currently undergoing review and revisions. The laws of some countries do not protect our patent and other intellectual property rights to the same extent as United States laws. Third parties may attempt to oppose the issuance of patents to us in foreign countries by initiating opposition proceedings. Opposition proceedings against any of our patent filings in a foreign country could have an adverse effect on our corresponding patents that are issued or pending in the United States. It may be necessary or useful for us to participate in proceedings to determine the validity of our patents or our competitors' patents that have been issued in countries other than the United States. This could result in substantial costs, divert our efforts and attention from other aspects of our business, and could have a material adverse effect on our results of operations and financial condition. We currently have pending patent applications in Europe, Australia, Japan, Canada, China, South Korea, Brazil, South Africa, among other jurisdictions.

Our intellectual property related to Nanomedicine was acquired from Azaya. As DoxoPLUS is a generic drug, we did not acquire any patents related to DoxoPLUS. We acquired two issued patents and one patent application related to DocePLUS from Azaya, and intend to file additional patent applications around our DocePLUS product candidate. There is no guaranty that any patent applications we file on DocePLUS will issue, or if issued, that we will be to use and enforce these patents as an effective component of our intellectual property strategy.

Failure to obtain or maintain patent protection or protect trade secrets, for any reason (or third-party claims against our patents, trade secrets, or proprietary rights, or our involvement in disputes over our patents, trade secrets, or proprietary rights, including involvement in litigation), could have a substantial negative effect on our results of operations and financial condition.

Risks Relating to the Securities Markets and an Investment in Our Stock

We could be delisted from Nasdaq, which could seriously harm the liquidity of our stock and our ability to raise capital.

Following notice from Nasdaq staff in June 2015 and December 2015, we had a hearing in January 2016 relating to our noncompliance with the $1.00 minimum bid price per share requirement. The Nasdaq Hearing Panel granted us until May 31, 2016 to come into compliance with the minimum bid price requirement, including requirements relating to obtaining stockholders approval of a reverse stock split that would bring our stock price above $1.00 per share for a minimum of 10 consecutive trading days. We transferred the listing of our common stock from the Nasdaq Global Market to the Nasdaq Capital Market in February 2016. In May 2016, we consummated a 1-for-15 reverse stock split pursuant to which the minimum bid price per share of our common stock rose above $1.00. Pursuant to a letter dated May 26, 2016, the Nasdaq staff delivered notice to us that we had regained compliance with Nasdaq's minimum bid price rule.

On September 5, 2017, we received a written notice from Nasdaq staff indicating that, based upon the closing bid price of our common stock for the prior 30 consecutive business days, we no longer met the requirement to maintain a minimum bid price of $1.00 per share, as set forth in Nasdaq Listing Rule 5550(a)(2). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were provided a period of 180 calendar days, or until March 5, 2018, in which to regain compliance. We were granted an additional compliance period of 180 calendar days, or until September 4, 2018, in which to regain compliance after meeting the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement, and providing notice to Nasdaq staff of our intent to cure the deficiency during this second compliance period, by

effecting a reverse stock split, if necessary. In May 2018, we consummated a 1-for-10 reverse stock split pursuant to which the minimum bid price of our common stock rose above $1.00. On June 8, 2018, we received written notice from Nasdaq that we had regained compliance with the Nasdaq Stock Market Listing Rule 5500(a)(2) concerning our minimum bid price per share of our common stock.

On August 28, 2018, we received a written notice from Nasdaq staff indicating that, based upon the closing bid price of our common stock for the prior 30 consecutive business days, we no longer meet the requirement to maintain a minimum bid price of $1.00 per share, as set forth in Nasdaq Listing Rule 5550(a)(2). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were provided an initial period of 180 calendar days, or until February 25, 2019, in which to regain compliance. We were also granted an additional compliance period of 180 calendar days, or until August 26, 2019, in which to regain compliance after meeting the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement, and providing notice to Nasdaq staff of our intent to cure the deficiency during this second compliance period, by effecting a reverse stock split, if necessary. In order to regain compliance with the minimum bid price requirement, the closing bid price of our common stock must have been at least $1.00 per share for a minimum of 10 consecutive business days during the 180-day period. In August 2019, we consummated a 1-for-50 reverse stock split pursuant to which the minimum bid price of our common stock rose above $1.00. If the closing bid price of our common stock remains above $1.00 per share, we expect to regain compliance with the minimum bid price requirement on August 19, 2019. However, based on our stockholders' deficit of $6.3 million as of June 30, 2019, we will not meet the minimum stockholders' equity requirement for continued listing on the Nasdaq Capital Market under Nasdaq Listing Rule 5550(b)(1), which requires listed companies to maintain stockholders' equity of at least $2.5 million, and we expect to receive written notice from Nasdaq staff to that effect following the filing of this Quarterly Report on Form 10-Q. In addition, as of June 30, 2019, we do not meet the alternative compliance standards relating to the market value of listed securities or net income from continuing operations. We intend to evaluate various courses of action to regain compliance with Nasdaq Listing Rule 5550(b)(1) within the compliance period specified by Nasdaq. However, there can be no assurance that we will be able to regain compliance within such compliance period.

If we cease to be eligible to trade on Nasdaq:

- We may have to pursue trading on a less recognized or accepted market, such as the OTC Bulletin Board or the "pink sheets."

- Shares of our common stock could be less liquid and marketable, thereby reducing the ability of stockholders to purchase or sell our shares as quickly and as inexpensively as they have done historically. If our stock is traded as a "penny stock," transactions in our stock would be more difficult and cumbersome.

- We may be unable to access capital on favorable terms or at all, as companies trading on alternative markets may be viewed as less attractive investments with higher associated risks, such that existing or prospective institutional investors may be less interested in, or prohibited from, investing in our common stock. This may also cause the market price of our common stock to decline.

Absence of a public trading market for our Series S warrants may limit the ability to resell the Series S warrants.

Our Series S warrants, or PSTVZ Warrants, are listed for trading on Nasdaq under the symbol "PSTVZ," but there can be no assurance that a robust market will exist for the PSTVZ Warrants. Even if a market for the PSTVZ Warrants does develop, the price of the PSTVZ Warrants may fluctuate and liquidity may be limited. If the PSTVZ Warrants cease to be eligible for continued listing on Nasdaq, or if the market for the PSTVZ Warrants does not fully develop (or subsequently weakens), then holders of the PSTVZ Warrants may be unable to resell the PSTVZ Warrants or sell them only at an unfavorable price for an extended period of time, if at all. Future trading prices of the PSTVZ Warrants will depend on many factors, including:

- our operating performance and financial condition;
- our ability to continue the effectiveness of the registration statement covering the PSTVZ Warrants and the common stock issuable upon exercise of the PSTVZ Warrants;
- the interest of securities dealers in making and maintaining a market; and
- the market for similar securities.

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

None

Item 3. Defaults Upo n Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

None

Item 6. Exhibits

EXHIBIT INDEX

PLUS THERAPEUTICS, INC.
(previously known as Cytori Therapeutics, Inc.)

Exhibit Number	Exhibit Title	Filed with this Form 10-Q	Incorporated by Reference		
			Form	File No.	Date Filed
2.1	Asset and Share Sale and Purchase Agreement, dated as of April 19, 2019, by and between Cytori Therapeutics, Inc. and Seijirō Shirahama. (1)		8-K	001-34375 Exhibit 2.1	04/23/2019
3.1	Composite Certificate of Incorporation.		10-K	001-34375 Exhibit 3.1	03/11/2016
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation, as amended.		8-K	001-34375 Exhibit 3.1	07/29/2019
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation, as amended.		8-K	001-34375 Exhibit 3.1	08/06/2019
3.4	Amended and Restated Bylaws of Cytori Plus Therapeutics, Inc.		8-K	001-34375 Exhibit 3.2	07/29/2019
3.5	Certificate of Designation of Preferences, Rights and Limitations of Series A 3.6% Convertible Preferred Stock		8-K	001-34375 Exhibit 3.1	10/08/2014
3.6	Certificate of Amendment to Amended and Restated Certificate of Incorporation, as amended		8-K	001-34375 Exhibit 3.1	05/10/2016
3.7	Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock		8-K	001-34375 Exhibit 3.1	11/28/2017
3.8	Certificate of Amendment to Amended and Restated Certificate of Incorporation, as amended		8-K	001-34375 Exhibit 3.1	05/23/2018
3.9	Certificate of Designation of Preferences, Rights and Limitations of Series C Convertible Preferred Stock		8-K	001-34375 Exhibit 3.1	07/25/2018
10.1	Seventh Amendment to Loan and Security Agreement, effective as of April 24, 2019, by and between Cytori Therapeutics, Inc. and Oxford Finance, LLC	X			
10.2	Eighth Amendment to Loan and Security Agreement, effective as of July 15, 2019, by and between Plus Therapeutics, Inc. and Oxford Finance, LLC	X			
10.3	2014 Equity Incentive Plan of Plus Therapeutics, Inc., as Amended and Restated	X			
31.1	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Securities Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1*	Certification Pursuant to 18 U.S.C. Section 1350/ Securities Exchange Act Rule 13a-14(b), as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002	X			
101.INS	XBRL Instance Document				
101.SCH	XBRL Schema Document				
101.CAL	XBRL Calculation Linkbase Document				
101.DEF	XBRL Definition Linkbase Document				
101.LAB	XBRL Label Linkbase Document				
101.PRE	XBRL Presentation Linkbase Document				

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

(1) The schedules and similar attachments to the Asset Purchase Agreement have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. The Company will furnish copies of any such schedules and exhibits to the U.S. Securities and Exchange Commission upon request.

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.

PLUS THERAPEUTICS, INC.

By: /s/ Marc H. Hedrick
Marc H. Hedrick
President & Chief Executive Officer
(principal executive and financial officer)

Dated: August 15, 2019

EXHIBIT 10.1

SEV E NTH AMEND M ENT TO L OAN AND SECURI T Y AGR EE MENT

THIS SEVENTH AMENDMENT t o Lo a n and Security Agree m ent (this " **Amendmen t** ") is m ade eff e ctive as of April 24, 2019 (the " **Amendment Date** ") and m ade, by and among OXFORD FINANCE L LC, a Delaware li m ited liability co m pany with a n office located at 133 North Fairfax Street, Alexandria, Virginia 22314 (in its indiv i dual capacity, " **Oxford** "; and in its capacity as Collat e ral A gent, " **Coll a teral Agen t** "), the Lenders listed on Schedule 1.1 thereof from ti m e to ti m e including Ox f ord in its capacity as a Lender (each a " **L ender** " and collectively, the " **Lenders** ") and CYTORI THERAPEUTICS, I NC., a Delaware corporation with offices located at 3020 C allan R oad, San Diego, CA 92121 (" **Borr o w er** ").

WHEREAS, Collateral Agent, Borrower and Lenders party thereto f rom ti m e to ti m e have entered into that certain L oan and Security Agree m ent, dated as of May 29, 2015 (as a m ended, supple m ented or otherwise m odified from ti m e to ti m e, the " **Loan Agreement** ") pursuant to which Lenders have p rovided to Borrower certain loans in accordance with the ter m s and conditions thereof; and

WHEREAS, Borrower, Lenders and Collateral Agent desire to a m end certain provisions of the Loan Agree m ent as provided herein and subject to the ter m s and conditions set forth herein.

NOW, THEREFORE, in consideration of the pro m ises, covenants and agree m ents contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower, L enders and Collateral Agent hereby agree as follows:

1. Capitalized ter m s used herein b u t not otherwise defined shall h ave the re s pecti v e m eanings given to them in the Loan Agree m ent.

2. Section 2.2(b) of the Loan Agree m e nt is hereby a m ended and rest a t ed i n it s e n t i re t y as f ollows:

(b) Repay m ent . Borrower shall m ake monthly pay m ents of interest only commencing on the first (1 st) Pay m ent Date following the Funding Date of each Term Loan, and continuing on the Pay m ent Date of each successive m o n th thereafter through and including the Pay m e nt Date immediately preceding the Amortization Date. Borr o wer agrees t o pay, on t h e Funding Date of each Term Loan, any initial partial monthly interest pay m ent other w ise due for the period between the Funding Date of such Term Loan and the first Pay m ent Date thereof. Com m encing on the Amortization Date, and contin ui ng on the Pay m ent Date of each m onth thereafter until April 30, 2019, Borrower shall m ake consecutive m onthly pay m ents of principal (except that no pay m ents of principal shall be m ade on the Payment Dates from S epte m b er 1, 2017 through Dece m ber 1, 2017; provid e d, further, that upon the occ u rrence of the I/O Extension E vent pay m ents of principal shall also not be m a de on the Pay m ent Dates from January 1, 2018 through August 1, 2018) and applicable interest (regardless of whether or not on any given Pay m e nt Date a p r incipal payment is due hereu n der), in arrears, to each Lender, as calculated by Collater a l A gent (which calculations s hall be dee m ed correct absent m anifest error) based upon: (1) the a m ount of such Lender's T erm Loan, (2) the effective rate of interest, a s deter m ined in Section 2.3(a), a n d (3) a repay m ent schedule

equal to forty-two (42) months (except that as set forth above, no pay m e nts of principal shall be m ade on the Pay m ent D ates from Sept e m ber 1, 2017 through August 1, 2018; provided, further, that pay m ents of principal shall also not be m ade on the Pay m ent Dates from September 1, 2018 through March 1, 2019). Thereafter, co m m enc i ng on May 1, 2019, Borrower shall m ake m onthly pay m ents of interest only on the Pa y m ent Date of each successive m onth through and including the Pay m ent Date i m m ediately preceding the Second A m ortization Date. C ommencing on the Second A m orti z ation Date, and contin u i ng o n each successive Pay m ent Date t h ereafter, Borr o wer shall m ake consecutive equal m onthly pay m ents of principal, together with applicable i nterest, in arrears, to each Lender, as calculated by Collater a l A gent (which calculations s hall be dee m ed correct absent m anifest error) based upon: (1) the a m ount of such Lender's T erm Loan, (2) the effective rate of interest, a s deter m ined in Section 2.3(a), a n d (3) a repay m ent schedule with respect to the Term Loans as set forth on the A m ortization Table (as a m ended from ti m e to ti m e) attached t o the Disburse m ent Letter entered into as of the Effective Date. The Final Pay m ent and all unp a id principal and accrued and unp a id interest with respect to each Term Loan are due and pay a ble in full on the Maturity D ate. Each Term Loan m ay only be prepaid in accordance with Sections 2.2(c) and 2.2(d).

3 . Section 2.2(d) of the Loan Agree m e nt is hereby a m ended and rest a t ed a s f ollows:

(d) **Permitted Prepayment of Term L oa n** . Borrower shall have the option to prepay all, but, subject to the second paragraph of this Secti o n 2.2(d), not less than all, of the Term Loan advanced by the Lenders under this Agree m ent, pr o vided B orrower, subject to the second paragraph of this Section 2.2(d), (i) pr o vides written notice to Collateral A gent of its election to prepay the Term Loan at le a st fifteen (15) days prior to such prepay m ent, and (ii) pays to the Lenders on the date of such prepay m ent, payable to each Lender in acc o rda n ce with its respective Pro Rata Share, an a m ount equal to the sum of (A) all outstanding principal of the Term Loan plus accrued and unpaid interest thereon through the prepay m ent date, (B) the Final Pay m ent, (C) the Prepay m ent Fee, plus (D) all other Obligations that are due and payable, including Lenders' Expenses and interest at the Default Rate w ith respect to any past due a m ou n ts.

Notwithstanding anything herein t o the contrary, Borrower shall pro m ptly pay to each Lender (in accordance with i ts Pro Rata Share) (i) 75% of all proceeds received by Borrower from the issuance and sale by Borrower of its unsecur e d subordinated convertible debt, (ii) 7 5 % of all pr o ceeds recei v ed by Borr o wer in connection with a joint venture, collaboration or other partnering transaction, (iii) 75 % of all pr o ceeds recei v ed by Borrower in connection with any licenses, (i v) 75% of all proceeds received by Borrower in the form of dividends (other than non-cash dividen d s received from who l ly owned Subsidiaries of Borrower) a n d (v) all net proceeds re c ei v ed by Borrower from sale or transfer of any assets of Borr o wer (provided, that strictly f or (a) the L o rem Transaction, Borrower shall obligated to pay hereunder only One Million Sixty Hundred Fifty Thousand Dollars ($1,650,000) and (b) the Shiraha m a Transaction, Borrower shall obligated to pay hereunder only O ne Million Four Hundred Thousand Dollars ($1,400,000); provided, further, that nothing in this Section 2 .2(d) is a consent to or m eant to be construed as a consent to any disposition of any assets of Borrower not otherwise pe r m itted by this Agree m ent, includin g , without li m i t ation pursuant to the Lorem Transaction or the Shiraha m a Transaction). For the purposes of clarification,

proceeds received from s ale and issuance by Borrower of its equity securities (which are not in the form of convertible d e bt) shall not be subject to the pay m ent obligations of Borrower under the immediately preceding sent e nce. All such pay m ents shall be applied to (A) payment of a portion of the outstanding principal of the Term Loans plus all accrued and unpaid i n t erest t h ereon o utstan d i ng o n such portion being prepaid, (B) the applicable F inal Pay m ent with respect to the portion of such T e rm Loans being prepaid, and (C) the applicable P repay m ent Fee with respect to the portion of such Term Loans being prepaid. For the purposes of clarity, any partial prepa ym ent of Term Loans hereunder shall be applied pro-rata to all outstanding a m ounts under each Term Loan, and shall be applied pro-rata wit h in each Term Loan tranche to reduce amortization pay m ents under Section 2.2(b) on a pro-rata basis.

4 . Section 2.5 of the Loan Agree m ent is hereby a m ended by deleting the word “and” im m ediately following Section 2.5(i), replacing “.” at the end of Section 2.5(j) with “; and” and adding Section 2.5(k) thereto as follows:

(k) Seventh Amend m ent F e e . A fully earned and non-refundable seventh a m endment fee in the amount of Six H undred Thousand Dollars ($600,000.00) which shall beco m e due and payable upon the earlier of: (i) the Maturity Date, (ii) the acceleration of any Term Loan, or (iii) the prepay m ent of a Term Loan pursuant to Section 2.2(c) or (d); provided, however, in lieu of paying the afore m entioned fee of Six Hundred Thousand Dollars ($600,000.00), Borrower m ay pay on April 26, 2019 and also notify Collateral Agent of such pay m ent on such date, a fully earned and non-refundable seventh a m end m ent fee in the amount of T hree Hundred Sixty Five Thousa n d Dollars ($365,000.00).

5 . The a m ortization table attac h ed a s E xhibit A to the Disburse m ent Letter entered into on the Effective Date, is hereby a m ended and restated as set forth on Exhibit A hereto.

6 . Section 13.1 of the Loan Agree m ent is hereby a m ended by adding the f ollowing de f i nitio n s therein i n al p habetical or der:

“ **Lorem Transaction** ” is the sale of certain assets of Borrower as set forth in the Asset and Equity Purchase Agree m ent, dated as of March 29, 2019, by a nd a m o ng Borrower, Lorem Vascular Pte. Ltd., a co m p a ny incorporated in Singapore, and with respect to Section 6.06 only, Cytori Therapeutics, K.K., a kabushiki kaisha organized under the laws of Japan.

“ **Shirahama Transaction** ” is the sale of certain assets of Borrower as set forth in the Asset and S hare Sale and Purchase Agree m ent, dated on or about April 24, 2019, by and between Borrower and S eijirō S hiraha m a, an individual with an address at 1-6-15 Hazawa, Neri m a-ku, Tokyo, 176-0003 Japan.

7 . Section 13.1 of the Loan Agree m ent is hereby further a m ended by a m end i ng and restating the following definitio n s t h erein as follows:

“ **Maturity D ate** ” is June 1, 2021.

“ **Second Amorti z ation Date** ” is May 1, 2020.

8. Limitation of Amendment.

a. The amendments set forth above are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right, remedy or obligation which Lenders or Borrower may now have or may have in the future under or in connection with any Loan Document, as amended hereby.

b. This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

9. To induce Collateral Agent and Lenders to enter into this Amendment, Borrower hereby represents and warrants to Collateral Agent and Lenders as follows:

a. Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

b. Borrower has the power and due authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

c. The organizational documents of Borrower delivered to Collateral Agent on the Effective Date, and updated pursuant to subsequent deliveries by Borrower to Collateral Agent, remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect; The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (i) any material law or regulation binding on or affecting Borrower, (ii) any material contractual restriction with a Person binding on Borrower, (iii) any material order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (iv) the organizational documents of Borrower;

d. The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

e. This A m end m ent has been duly executed and delivered by B orrower and is the binding obligation of Borrower, en fo rcea b le against Borrower in accordance with its ter m s, except as s u ch enforceability m ay be li m ited by ban k ruptcy, insolvency, reorganization, liquidation, m or a torium or other si m ilar laws of general application and equitable princ i ples relating to or affecting c reditors' ri g hts.

10. Borrower hereby re m ises, releas e s, acquits, satisfies and fore v er discharges the Lenders and Collateral Agent, their agents, employees, officers, direc t ors, predecessors, attorneys and all others acting or purporting to act on behalf of or at the direction of the Lenders and Collateral Agent (" **Releasee s** "), of and from any and all m a nner of a ctions, causes of action, suit, debts, accounts, covenants, contracts, controver s ies, agree m e nts, variances, da m ages, judg m ents, clai m s and d e mands whatsoever, in law or in equity, which any of such parties ever had, now has or, to the extent arising from o r in connection with any act, o m ission or state of facts taken or existing on or prior to the date hereof, m ay have after the date hereof against the Releasees, for, upon or by r e ason of any m atter, cause or thing whatsoever relating to or arising out of the Loan Agree m ent or the other Loan Docu m ents on or prior to the date hereof through the date hereof. W ithout li m iting t h e generality of the foregoing, Borr o wer waives and affi r m atively agrees not to allege or otherwise pursue any defenses, affir m ative defenses, countercl a i m s, clai m s, causes of action, seto f f s or other rights they do, shall or m a y have as o f the date hereof, including the rights to contest: (a) the r i ght of Collateral Agent and e a ch Lender to exercise its rights and re m edies described i n the Loan Docu m ents; (b) any provision of this A m end m ent or the Loan Docu m ents; or (c) any conduct of the Lenders or other Releasees relating to or arising o u t of the Loan Agree m ent or the other Loan Docu m ents on or prior to the date hereof.

11. Except as expressly set f orth her e in, the Loan Agree m ent shall continue in full force and effect without alteration or a m end m e nt. This Amend m ent and the Loan Docu m ents represent the entire agree m ent about this subject m atter and s u persede prior negotiations or agree m ents.

12. This A m end m ent shall be dee m ed effective as of the A m end m ent D a te upon (a) the due execution and delivery to Collater a l Agent of this A m end m e nt by each party hereto, (b) Borrower's pay m ent of all Lenders' Expenses incurred through the date hereof, which m ay be debited from any of Borrower's accounts and (c) Borrowe r 's pay m ent, in accorda n ce with Section 2.2(d) of t h e Loan Agree m ent, of the p o rtion of the net proceeds received by Borrower pursuant to the Lorem Transaction the S hiraha m a Transaction as required to be repaid pu r suant to Section 2.2(d).

13. This A m end m ent m ay be executed in any nu m ber of counterparts, e ach of which shall be dee m ed an original, and all of w hich, taken together, shall co n stit u te one and the sa m e instru m ent.

14. This A m end m ent and the rights and obligations of the parties h e reto shall be governed by and constr ue d in acc o rdance with t h e laws of the State of Cali f ornia.

[*Balance of Page Intentionally Left Blan k*]

IN WITNESS WHEREOF , the parties hereto have caused this Seventh Amendment to Loan and Security Agreement to be executed as of the date first set forth above.

BORROWER:

CYTORI THERAPEUTICS, INC.

By: /s/ Marc Hedrick
Name: Marc Hedrick
Title: President and CEO

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By: /s/ Joshua Friedman
Name: Joshua Friedman
Title: Vice President

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Exhibit A

Amorti z ation Table

Please see a ttached

Oxford Finance LLC Amortization Table Cytori L5 AA01

Start Date:	5/29/2015	
Interest Rate:	8.95%	
Term: Payment:	48	18 IO + 30 PI
1st Amendment Fee:	Varies $25,000.00	
2nd Amendment Fee:	$250,000.00	
3rd Amendment Fee:	$50,000.00	
Fourth Amendment Fee:	$350,000.00	
Fifth Amendment Fee:	$5,000.00	
Sixth Amendment Fee:	$5,000.00	
Final Payment:	$994,463.88	6.15%
Amount:	17,700,000.00	
Interim Interest Days:	3	
Interim Interest:	$13,201.25	

Disclaimer :

THIS IS A STANDARD AMORTIZATION SCHEDULE. IT IS NOT INTENDED TO BE USED FOR PAYOFF PURPOSES.

PMT No.	Payment Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
	6/1/15		**Interim interest due**			$17,700,000.00
1	7/1/15	$17,700,000.00	$132,012.50	$132,012.50	$0.00	$17,700,000.00
2	8/1/15	$17,700,000.00	$136,412.92	$136,412.92	$0.00	$17,700,000.00
3	9/1/15	$17,700,000.00	$136,412.92	$136,412.92	$0.00	$17,700,000.00
4	10/1/15	$17,700,000.00	$132,012.50	$132,012.50	$0.00	$17,700,000.00
5	11/1/15	$17,700,000.00	$136,412.92	$136,412.92	$0.00	$17,700,000.00
6	12/1/15	$17,700,000.00	$132,012.50	$132,012.50	$0.00	$17,700,000.00
7	1/1/16	$17,700,000.00	$136,412.92	$136,412.92	$0.00	$17,700,000.00
8	2/1/16	$17,700,000.00	$136,412.92	$136,412.92	$0.00	$17,700,000.00
9	3/1/16	$17,700,000.00	$127,612.08	$127,612.08	$0.00	$17,700,000.00
10	4/1/16	$17,700,000.00	$136,412.92	$136,412.92	$0.00	$17,700,000.00
11	5/1/16	$17,700,000.00	$132,012.50	$132,012.50	$0.00	$17,700,000.00
12	6/1/16	$17,700,000.00	$136,412.92	$136,412.92	$0.00	$17,700,000.00
13	7/1/16	$17,700,000.00	$132,012.50	$132,012.50	$0.00	$17,700,000.00
14	8/1/16	$17,700,000.00	$136,412.92	$136,412.92	$0.00	$17,700,000.00
15	9/1/16	$17,700,000.00	$136,412.92	$136,412.92	$0.00	$17,700,000.00
16	10/1/16	$17,700,000.00	$132,012.50	$132,012.50	$0.00	$17,700,000.00
17	11/1/16	$17,700,000.00	$136,412.92	$136,412.92	$0.00	$17,700,000.00
18	12/1/16	$17,700,000.00	$132,012.50	$132,012.50	$0.00	$17,700,000.00
19	1/1/17	$17,700,000.00	$726,412.92	$136,412.92	$590,000.00	$17,110,000.00
20	2/1/17	$17,110,000.00	$721,865.82	$131,865.82	$590,000.00	$16,520,000.00
21	3/1/17	$16,520,000.00	$704,997.56	$114,997.56	$590,000.00	$15,930,000.00
22	4/1/17	$15,930,000.00	$712,771.63	$122,771.63	$590,000.00	$15,340,000.00
23	5/1/17	$15,340,000.00	$704,410.83	$114,410.83	$590,000.00	$14,750,000.00
24	6/1/17	$14,750,000.00	$703,677.43	$113,677.43	$590,000.00	$14,160,000.00
25	7/1/17	$14,160,000.00	$695,610.00	$105,610.00	$590,000.00	$13,570,000.00
26	8/1/17	$13,570,000.00	$694,583.24	$104,583.24	$590,000.00	$12,980,000.00
27	9/1/17	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
28	10/1/17	$12,980,000.00	$96,809.17	$96,809.17	$0.00	$12,980,000.00
29	11/1/17	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
30	12/1/17	$12,980,000.00	$96,809.17	$96,809.17	$0.00	$12,980,000.00
31	1/1/18	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
32	2/1/18	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
33	3/1/18	$12,980,000.00	$90,355.22	$90,355.22	$0.00	$12,980,000.00
34	4/1/18	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
35	5/1/18	$12,980,000.00	$96,809.17	$96,809.17	$0.00	$12,980,000.00
36	6/1/18	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
37	7/1/18	$12,980,000.00	$96,809.17	$96,809.17	$0.00	$12,980,000.00
38	8/1/18	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
39	9/1/18	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
40	10/1/18	$12,980,000.00	$96,809.17	$96,809.17	$0.00	$12,980,000.00
41	11/1/18	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
42	12/1/18	$12,980,000.00	$96,809.17	$96,809.17	$0.00	$12,980,000.00
43	1/1/19	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
44	2/1/19	$12,980,000.00	$100,036.14	$100,036.14	$0.00	$12,980,000.00
45	3/1/19	$12,980,000.00	$90,355.22	$90,355.22	$0.00	$12,980,000.00
46	4/1/19	$12,980,000.00	$965,369.47	$100,036.14	$865,333.33	$12,114,666.67
	4/24/19	$12,114,666.67	$1,599,127.98	$69,272.34	$1,529,855.64	$10,584,811.03
47	5/1/19	$10,584,811.03	$18,420.51	$18,420.51	$0.00	$10,584,811.03
48	6/1/19	$10,584,811.03	$81,576.55	$81,576.55	$0.00	$10,584,811.03
49	7/1/19	$10,584,811.03	$78,945.05	$78,945.05	$0.00	$10,584,811.03

	50	8/1/19	$10,584,811.03	$81,576.55	$81,576.55	$0.00	$10,584,811.03
	51	9/1/19	$10,584,811.03	$81,576.55	$81,576.55	$0.00	$10,584,811.03
	52	10/1/19	$10,584,811.03	$78,945.05	$78,945.05	$0.00	$10,584,811.03
	53	11/1/19	$10,584,811.03	$81,576.55	$81,576.55	$0.00	$10,584,811.03
	54	12/1/19	$10,584,811.03	$78,945.05	$78,945.05	$0.00	$10,584,811.03
	55	1/1/20	$10,584,811.03	$81,576.55	$81,576.55	$0.00	$10,584,811.03
	56	2/1/20	$10,584,811.03	$81,576.55	$81,576.55	$0.00	$10,584,811.03
	57	3/1/20	$10,584,811.03	$76,313.55	$76,313.55	$0.00	$10,584,811.03
	58	4/1/20	$10,584,811.03	$81,576.55	$81,576.55	$0.00	$10,584,811.03
	59	5/1/20	$10,584,811.03	$835,002.98	$78,945.05	$756,057.93	$9,828,753.10
	60	6/1/20	$9,828,753.10	$831,807.58	$75,749.65	$756,057.93	$9,072,695.17
	61	7/1/20	$9,072,695.17	$823,725.12	$67,667.18	$756,057.93	$8,316,637.24
	62	8/1/20	$8,316,637.24	$820,153.79	$64,095.86	$756,057.93	$7,560,579.30
	63	9/1/20	$7,560,579.30	$814,326.90	$58,268.96	$756,057.93	$6,804,521.37
	64	10/1/20	$6,804,521.37	$806,808.32	$50,750.39	$756,057.93	$6,048,463.44
	65	11/1/20	$6,048,463.44	$802,673.10	$46,615.17	$756,057.93	$5,292,405.51
	66	12/1/20	$5,292,405.51	$795,530.45	$39,472.52	$756,057.93	$4,536,347.58
	67	1/1/21	$4,536,347.58	$791,019.31	$34,961.38	$756,057.93	$3,780,289.65
	68	2/1/21	$3,780,289.65	$785,192.41	$29,134.48	$756,057.93	$3,024,231.72
	69	3/1/21	$3,024,231.72	$777,109.94	$21,052.01	$756,057.93	$2,268,173.79
	70	4/1/21	$2,268,173.79	$773,538.62	$17,480.69	$756,057.93	$1,512,115.86
	71	5/1/21	$1,512,115.86	$767,335.79	$11,277.86	$756,057.93	$756,057.93
	72	6/1/21	$756,057.93	$761,884.83	$5,826.90	$756,057.93	$0.00
Final		6/1/21	Final Payment	$1,679,463.88	$1,679,463.88	$0.00	
				$26,274,796.68	$8,574,796.68	$17,700,000.00	

EIGHTH AMENDMENT TO LOAN AND SECURITY AGREEMENT

THIS EIGHTH AMENDMENT to Loan and Security Agreement (this " **Amendment** ") is made effective as of July 15, 2019 (the " **Amendment Date** ") and made, by and among OXFORD FINANCE LLC, a Delaware limited liability company with an office located at 133 North Fairfax Street, Alexandria, Virginia 22314 (in its individual capacity, " **Oxford** "; and in its capacity as Collateral Agent, " **Collateral Agent** "), the Lenders listed on Schedule 1.1 thereof from time to time including Oxford in its capacity as a Lender (each a " **Lender** " and collectively, the " **Lenders** ") and CYTORI THERAPEUTICS, INC., a Delaware corporation with offices located at 12526 High Bluff Drive, Suite 300, San Diego, CA 92130-2067 (" **Borrower** ").

WHEREAS, Collateral Agent, Borrower and Lenders party thereto from time to time have entered into that certain Loan and Security Agreement, dated as of May 29, 2015 (as amended, supplemented or otherwise modified from time to time, the " **Loan Agreement** ") pursuant to which Lenders have provided to Borrower certain loans in accordance with the terms and conditions thereof;

WHEREAS, Borrower desires to change its name to "PLUS THERAPEUTICS, INC.," effective as of the Amendment Date (" **Name Change** ") and has requested that Collateral Agent and Lenders consent to the Name Change and Collateral Agent and the Lenders are willing to consent to the Name Change; and

WHEREAS, Borrower, Lenders and Collateral Agent desire to amend certain provisions of the Loan Agreement as provided herein and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises, covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower, Lenders and Collateral Agent hereby agree as follows:

1. Capitalized terms used herein but not otherwise defined shall have the respective meanings given to them in the Loan Agreement.

2. Subject to the terms and conditions hereof, Collateral Agent and Lenders hereby consent to the Name Change.

3. Borrower hereby authorizes Collateral Agent to file one or more amendments to the existing financing statements and to any security filings made by Collateral Agent with the United States Patent and Trademark Office securing Collateral Agent's Lien in the Collateral and to take any other action required to continue perfection of Collateral Agent's security interest in the Collateral and to reflect the Name Change.

4. The Loan Agreement is hereby amended such that the text "CYTORI THERAPEUTICS, INC." in all instances is hereby replaced by "PLUS THERAPEUTICS, INC." All other applicable Loan Documents are also hereby amended by such that the text "CYTORI

THERAPEUTICS, INC." in all instances is hereby replaced by "PLUS THERAPEUTICS, INC." where the context so requires.

5. Section 10 of the Loan Agreement is hereby amended and restated in its entirety as follows:

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication (collectively, " **Communication** ") by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by facsimile transmission;
(c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Any of Collateral Agent, Lender or Borrower may change its mailing address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: Plus Therapeutics, Inc.
12526 High Bluff Drive Suite
300
San Diego, CA 92130-2067
Attn: Gary Titus, Chief Financial Officer Fax: (858)
450-4355
Email: gtitus@plustherapeutics.com

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

Plus Therapeutics, Inc. 12526 High Bluff Drive
Suite 300
San Diego, CA 92130-2067
Attn: In-House Counsel Fax: (858) 450-4355

If to Collateral Agent or Oxford:

OXFORD FINANCE LLC
133 North Fairfax Street Alexandria, Virginia 22314
Attention: Legal Department Fax: (703) 519-5225
Email: LegalDepartment@oxfordfinance.com

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

Greenberg Traurig, LLP One International Place
Boston, MA 02110
Attn: Jonathan Bell, Esq.

Fax: (617) 279-8438
Email: Bellj@gtlaw.com

6. Limitation of Amendment.

   a. The amendments and consent set forth above are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right, remedy or obligation which Lenders or Borrower may now have or may have in the future under or in connection with any Loan Document, as amended hereby.

   b. This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

7. To induce Collateral Agent and Lenders to enter into this Amendment, Borrower hereby represents and warrants to Collateral Agent and Lenders as follows:

   a. Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

   b. Borrower has the power and due authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

   c. The organizational documents of Borrower delivered to Collateral Agent on the Effective Date, and updated pursuant to subsequent deliveries by Borrower to Collateral Agent, remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect; The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (i) any material law or regulation binding on or affecting Borrower, (ii) any material contractual restriction with a Person binding on Borrower, (iii) any material order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (iv) the organizational documents of Borrower;

d. The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

e. This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

8. Borrower shall no later than seven (7) days after the Amendment Date, (i) file appropriate amendments with the United States Patent and Trademark Office to its Intellectual Property registrations to update Borrower's name and (ii) enter into an appropriate amendment to the IP Agreement with Collateral Agent and Lenders, which amendment must be in such form and substance as are satisfactory to Collateral Agent in its discretion.

9. Borrower hereby remises, releases, acquits, satisfies and forever discharges the Lenders and Collateral Agent, their agents, employees, officers, directors, predecessors, attorneys and all others acting or purporting to act on behalf of or at the direction of the Lenders and Collateral Agent (" **Releasees** "), of and from any and all manner of actions, causes of action, suit, debts, accounts, covenants, contracts, controversies, agreements, variances, damages, judgments, claims and demands whatsoever, in law or in equity, which any of such parties ever had, now has or, to the extent arising from or in connection with any act, omission or state of facts taken or existing on or prior to the date hereof, may have after the date hereof against the Releasees, for, upon or by reason of any matter, cause or thing whatsoever relating to or arising out of the Loan Agreement or the other Loan Documents on or prior to the date hereof through the date hereof. Without limiting the generality of the foregoing, Borrower waives and affirmatively agrees not to allege or otherwise pursue any defenses, affirmative defenses, counterclaims, claims, causes of action, setoffs or other rights they do, shall or may have as of the date hereof, including the rights to contest: (a) the right of Collateral Agent and each Lender to exercise its rights and remedies described in the Loan Documents; (b) any provision of this Amendment or the Loan Documents; or (c) any conduct of the Lenders or other Releasees relating to or arising out of the Loan Agreement or the other Loan Documents on or prior to the date hereof.

10. Except as expressly set forth herein, the Loan Agreement shall continue in full force and effect without alteration or amendment. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements.

11. This Amendment shall be deemed effective as of the Amendment Date upon (a) the due execution and delivery to Collateral Agent of this Amendment by each party hereto, (b) Borrower's payment of all Lenders' Expenses incurred through the date hereof, which may be debited from any of Borrower's accounts and (c) Borrower's delivery of a filed copy of an amendment to its certificate of incorporation effecting the Name Change (which amendment Borrower shall deliver to Collateral Agent promptly upon its receipt by Borrower).

12. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument.

13. This Amendment and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of California.

[*Balance of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Eighth Amendment to Loan and Security Agreement to be executed as of the date first set forth above.

BORROWER:

CYTORI THERAPEUTICS, INC.

By _____
Name: Alan Lins
Title: VP of Finance & Controller

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By _____

Name: _____ Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Eighth Amendment to Loan and Security Agreement to be executed as of the date first set forth above.

BORROWER:

CYTORI THERAPEUTICS, INC.

By -
Name:
Title:

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By_____
Name: Colette H. Featherly
Title: Senior Vice President

EXHIBIT 10.3

2014 EQUITY INCENTIVE PLAN
of
PLUS THERAPEUTICS, INC.

(As Amended and Restated May 28, 2019) [1]

[1] Plan reflects the amendments to the Company's Certificate of Incorporation on July 29, 2019 and August 5, 2019 to change the Company's corporate name from Cytori Therapeutics, Inc. to Plus Therapeutics, Inc. and effectuate a one-for-fifty reverse stock split of its common stock, respectively.

2014 Equity Incentive Plan
Of
Plus Therapeutics, Inc.

(As Amended and Restated May 28, 2019)

1. **ESTABLISHMENT, PURPOSE AND TERM OF PLAN .**

1.1 **Establishment .** This Plan constitutes an amendment and restatement of the 2014 Equity Incentive Plan of Plus Therapeutics, Inc. (as amended to date, the " ***Original Plan*** "), which was first approved by the Board on February 27, 2014, and approved by the stockholders of the Company on July 31, 2014, as amended by the Board on June 12, 2015, which amendment was approved by the stockholders of the Company on August 13, 2015, and as further amended by the Board on March 3, 2016, which amendment was approved by the stockholders of the Company on May 10, 2016, and as further amended by the Board on January 26, 2017, and as further amended by the Board on March 31, 2017, which amendment was approved by the stockholders of the Company on May 22, 2017, and as further amended by the Board on March 19, 2018, which amendment was approved by the stockholders of the Company on May 18, 2018. This amended and restated Plan (the " ***Plan*** ") was approved by the Board on April 5, 2019, subject to stockholder approval. The date on which this amended and restated Plan is approved by the stockholders of the Company will be the " ***Restatement Effective Date*** ."

1.2 **Purpose .** The purpose of the Plan is to advance the interests of the Participating Company Group and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan seeks to achieve this purpose by providing for Awards in the form of Options, Stock Appreciation Rights, Restricted Stock Purchase Rights, Restricted Stock Bonuses, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards, Other Stock-Based Awards, and Deferred Compensation Awards.

1.3 **Term of Plan.** The Plan shall continue in effect until its termination by the Committee; provided, however, that all Awards shall be granted, if at all, on or before ten (10) years from April 5, 2019, the date the Board approved this amended and restated Plan.

1.4 **Stockholder Approval** . This amended and restated Plan shall be submitted for the approval of the Company's stockholders within twelve (12) months after April 5, 2019, the date the Board approved this amended and restated Plan. In the event the Restatement Effective Date does not occur because the stockholders of the Company have not approved this amended and restated Plan within said 12-month period, the Original Plan shall continue in full force and effect in accordance with its terms and conditions as in effect immediately prior to the date this amended and restated Plan was approved by the Board.

2. **DEFINITIONS AND CONSTRUCTION .**

2.1 **Definitions.** Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) *" **Affiliate** "* means (i) a parent entity, other than a Parent Corporation, that directly, or indirectly through one or more intermediary entities, controls the Company or (ii) a subsidiary entity, other than a Subsidiary Corporation, that is controlled by the Company directly or indirectly through one or more intermediary entities. For this purpose, the terms "parent," "subsidiary," "control" and "controlled by" shall have the meanings assigned such terms for the purposes of registration of securities on Form S-8 under the Securities Act.

(b) *" **Award** "* means any Option, Stock Appreciation Right, Restricted Stock Purchase Right, Restricted Stock Bonus, Restricted Stock Unit, Performance Share, Performance Unit, Cash-Based Award, Other Stock-Based Award or Deferred Compensation Award granted under the Plan.

(c) *" **Award Agreement** "* means a written or electronic agreement between the Company and a Participant setting forth the terms, conditions and restrictions applicable to an Award. Award Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code.

(d) *" **Board** "* means the Board of Directors of the Company.

(e) *" **Cash-Based Award** "* means an Award denominated in cash and granted pursuant to Section 11.

(f) *" **Cashless Exercise** "* means a Cashless Exercise as defined in Section 6.3(b)(i).

(g) *" **Cause** "* means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or other written agreement between a Participant and a Participating Company applicable to an Award, any of the following: (i) the Participant's theft, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any Participating Company documents or records; (ii) the Participant's material failure to abide by a Participating Company's code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iii) the Participant's unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Participating Company (including, without limitation, the Participant's improper use or disclosure of a Participating Company's confidential or proprietary information); (iv) any intentional act by the Participant which has a material detrimental effect on a Participating Company's reputation or business; (v) the Participant's repeated failure or inability to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure or inability; (vi) any material breach by the Participant of any employment, service, non-disclosure, non-competition, non-solicitation or other similar agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; or (vii) the Participant's conviction (including any plea of guilty or *nolo contendere*) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant's ability to perform his or her duties with a Participating Company.

(h) *" **Change in Control** "* means the occurrence of any one or a combination of the following :

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total Fair Market Value or total combined voting power of the Company's then-outstanding securities entitled to vote generally in the election of Directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition by any person who on the Restatement Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (B) any acquisition directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition by the Company, (D) any acquisition by a trustee or other fiduciary under an employee benefit plan of a Participating Company or (E) any acquisition by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) an Ownership Change Event or series of related Ownership Change Events (collectively, a *" **Transaction** "*) in which the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding securities entitled to vote generally in the election of Directors or, in the case of an Ownership Change Event described in Section 2.1(ff)(iii), the entity to which the assets of the Company were transferred (the *" **Transferee** "*), as the case may be; or

(iii) approval by the stockholders of a plan of complete liquidation or dissolution of the Company.

For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Committee shall determine whether multiple acquisitions of the voting securities of the Company and/or multiple Ownership Change Events are related and to be treated in the aggregate as a single Change in Control, and its determination shall be final, binding and conclusive.

(i) *" **Code** "* means the Internal Revenue Code of 1986, as amended, and any applicable regulations or administrative guidelines promulgated thereunder.

(j) *" **Committee** "* means the Compensation Committee and such other committee or subcommittee of the Board, if any, duly appointed to administer the Plan and having such powers in each instance as shall be specified by the Board. If, at any time, there is no committee of the Board then authorized or properly constituted to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers.

(k) *" **Company** "* means Plus Therapeutics, Inc., a Delaware corporation, or any successor corporation thereto.

(l) *" **Consultant** "* means a person engaged to provide consulting or advisory services (other than as an Employee or a member of the Board) to a Participating Company, provided that the identity of such person, the nature of such services or the entity to which such services are provided would not preclude the Company from offering or selling securities to such person pursuant to the Plan in reliance on registration on Form S-8 under the Securities Act.

(m) *" **Deferred Compensation Award** "* means an Award granted to a Participant pursuant to Section 12.

(n) *" **Director** "* means a member of the Board.

(o) *" **Disability** "* means the permanent and total disability of the Participant, within the meaning of Section 22(e)(3) of the Code.

(p) *" **Dividend Equivalent Right** "* means the right of a Participant, granted at the discretion of the Committee or as otherwise provided by the Plan, to receive a credit for the account of such Participant in an amount equal to the cash dividends paid on one share of Stock for each share of Stock represented by an Award (other than an Option or SAR) held by such Participant. Notwithstanding anything to the contrary contained in the Plan, no dividends or Dividend Equivalent Rights that are paid prior to the vesting of any Award subject to Vesting Conditions shall be paid to a Participant with respect to such Award unless and until such Vesting Conditions are subsequently satisfied and the Award vests.

(q) *" **Employee** "* means any person treated as an employee (including an Officer or a member of the Board who is also treated as an employee) in the records of a Participating Company and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a member of the Board nor payment of a director's fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in good faith and in the exercise of its discretion, whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the terms of the Plan as of the time of the Company's determination of whether or not the individual is an Employee, all such determinations by the Company shall be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual's status as an Employee.

(r) *" **ERISA** "* means the Employee Retirement Income Security Act of 1974 and any applicable regulations or administrative guidelines promulgated thereunder.

(s) *" **Exchange Act** "* means the Securities Exchange Act of 1934, as amended.

(t) *" **Fair Market Value** "* means, as of any date, the value of a share of Stock or other property as determined by the Committee, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated to the Company herein, subject to the following:

(i) Except as otherwise determined by the Committee, if, on such date, the Stock is listed or quoted on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be the closing price of a share of Stock as quoted on the national or regional securities exchange or quotation system constituting the primary market for the Stock, as reported in *The Wall Street Journal* or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or quotation system, the date on which the Fair Market Value shall be established shall be the last day on which the Stock was so traded or quoted prior to the relevant date.

(ii) Notwithstanding the foregoing, the Committee may, in its discretion, determine the Fair Market Value of a share of Stock on the basis of the opening, closing, or average of the high and low sale prices of a share of Stock on such date or the preceding trading day, the actual sale price of a share of Stock received by a Participant, any other reasonable basis using actual transactions in the Stock as reported on a national or regional securities exchange or quotation system, or on any other basis consistent with the requirements of Section 409A. The Committee may vary its method of determination of the Fair Market Value as provided in this Section for different purposes under the Plan to the extent consistent with the requirements of Section 409A.

(iii) If, on such date, the Stock is not listed or quoted on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be as determined by the Committee in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse, and in a manner consistent with the requirements of Section 409A.

(u) *" **Full Value Award** "* means any Award settled in Stock, other than (i) an Option, (ii) a Stock Appreciation Right, or (iii) a Restricted Stock Purchase Right or an Other Stock-Based Award under which the Company will receive monetary consideration equal to the Fair Market Value (determined on the effective date of grant) of the shares subject to such Award.

(v) *" **Incentive Stock Option** "* means an Option intended to be (as set forth in the Award Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

(w) *" **Insider** "* means an Officer, Director or any other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

(x) *" **Net Exercise** "* means a Net Exercise as defined in Section 6.3(b)(ii).

(y) *" **Nonemployee Director** "* means a Director who is not an Employee.

(z) *" **Nonemployee Director Award** "* means any Award granted to a Nonemployee Director.

(aa) *" **Nonstatutory Stock Option** "* means an Option not intended to be (as set forth in the Award Agreement) or which does not qualify as an incentive stock option within the meaning of Section 422(b) of the Code.

(bb) *" **Officer** "* means any person designated by the Board as an officer of the Company.

(cc) *" **Option** "* means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to the Plan.

(dd) *" **Other Stock-Based Award** "* means an Award denominated in shares of Stock and granted pursuant to Section 11.

(ee) *" **Ownership Change Event** "* means the occurrence of any of the following with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of securities of the Company representing more than fifty percent (50%) of the total combined voting power of the Company's then outstanding securities entitled to vote generally in the election of Directors; (ii) a merger or consolidation in which the Company is a party; or (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).

(ff) *" **Parent Corporation** "* means any present or future "parent corporation" of the Company, as defined in Section 424(e) of the Code.

(gg) *" **Participant** "* means any eligible person who has been granted one or more Awards.

(hh) *" **Participating Company** "* means the Company or any Parent Corporation, Subsidiary Corporation or Affiliate.

(ii) *" **Participating Company Group** "* means, at any point in time, the Company and all other entities collectively which are then Participating Companies.

(jj) *" **Performance Award** "* means an Award of Performance Shares or Performance Units.

(kk) *" **Performance Award Formula** "* means, for any Award, a formula or table established by the Committee pursuant to Section 10.3 which provides the basis for computing the value of an Award at one or more levels of attainment of the applicable Performance Goal(s) measured as of the end of the applicable Performance Period.

(ll) " ***Performance-Based Compensation*** " means compensation under an Award granted under the Plan prior to November 2, 2017 that is intended to qualify as "performance-based compensation" as described in Section 162(m)(4)(C) of the Code prior to its repeal.

(mm) *" **Performance Goal** "* means a performance goal established by the Committee pursuant to Section 10.3.

(nn) *" **Performance Period** "* means a period established by the Committee pursuant to Section 10.3 at the end of which one or more Performance Goals are to be measured.

(oo) *" **Performance Share** "* means a right granted to a Participant pursuant to Section 10 to receive a payment equal to the value of a Performance Share, as determined by the Committee, based upon attainment of applicable Performance Goal(s).

(pp) *" **Performance Unit** "* means a right granted to a Participant pursuant to Section 10 to receive a payment equal to the value of a Performance Unit, as determined by the Committee, based upon attainment of applicable Performance Goal(s).

(qq) *" **Restricted Stock Award** "* means an Award of a Restricted Stock Bonus or a Restricted Stock Purchase Right.

(rr) *" **Restricted Stock Bonus** "* means Stock granted to a Participant pursuant to Section 8.

(ss) *" **Restricted Stock Purchase Right** "* means a right to purchase Stock granted to a Participant pursuant to Section 8.

(tt) *" **Restricted Stock Unit** "* means a right granted to a Participant pursuant to Section 9 to receive on a future date or event a share of Stock or cash in lieu thereof, as determined by the Committee.

(uu) *" **Rule 16b-3** "* means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(vv) *" **SAR** "* or *" **Stock Appreciation Right** "* means a right granted to a Participant pursuant to Section 7 to receive payment, for each share of Stock subject to such Award, of an amount equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the Award over the exercise price thereof.

(ww) *" **Section 162(m)** "* means Section 162(m) of the Code.

(xx) *" **Section 409A** "* means Section 409A of the Code.

(yy) *" **Section 409A Deferred Compensation** "* means compensation provided pursuant to an Award that constitutes nonqualified deferred compensation within the meaning of Section 409A.

(zz) *" **Securities Act** "* means the Securities Act of 1933, as amended.

(aaa) *" **Service** "* means a Participant's employment or service with the Participating Company Group, whether as an Employee, a Director or a Consultant. Unless otherwise provided by the Committee, a Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders such Service or a change in the Participating Company for which the Participant renders such Service, provided that there is no interruption or termination of the Participant's Service. Furthermore, a Participant's Service shall not be deemed to have been interrupted or terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company. However, unless otherwise provided by the Committee, if any such leave taken by a Participant exceeds ninety (90) days, then on the ninety-first (91st) day following the commencement of such leave the Participant's Service shall be deemed to have terminated, unless the Participant's right to return to Service is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, an unpaid leave of absence shall not be treated as Service for purposes of determining vesting under the Participant's Award Agreement. A Participant's Service shall be deemed to have terminated either upon an actual termination of Service or upon the business entity for which the Participant performs Service ceasing to be a Participating Company. Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination .

(bbb) Subject to the provisions of Section 409A, the term " ***Short-Term Deferral Period*** *"* means the 2½ month period ending on the later of (i) the 15th day of the third month following the end of the Participant's taxable year in which the right to payment under the applicable portion of the Award is no longer subject to a substantial risk of forfeiture or (ii) the 15th day of the third month following the end of the Company's taxable year in which the right to payment under the applicable portion of the Award is no longer subject to a substantial risk of forfeiture. For this purpose, the term "substantial risk of forfeiture" shall have the meaning provided by Section 409A.

(ccc) *" **Stock** "* means the common stock of the Company, as adjusted from time to time in accordance with Section 4.3.

(ddd) *" **Subsidiary Corporation** "* means any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

(eee) *" **Ten Percent Owner** "* means a Participant who, at the time an Option is granted to the Participant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of a Participating Company (other than an Affiliate) within the meaning of Section 422(b)(6) of the Code.

(fff) *" **Trading Compliance Policy** "* means the written policy of the Company pertaining to the purchase, sale, transfer or other disposition of the Company's equity securities by Directors, Officers, Employees or other service providers who may possess material, nonpublic information regarding the Company or its securities.

(ggg) *" **Vesting Conditions** "* mean those conditions established in accordance with the Plan prior to the satisfaction of which an Award or shares subject to an Award remain subject to forfeiture or a repurchase option in favor of the Company exercisable for the Participant's monetary purchase price, if any, for such shares upon the Participant's termination of Service.

2.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. **ADMINISTRATION .**

3.1 **Administration by the Committee.** The Plan shall be administered by the Committee. All questions of interpretation of the Plan, of any Award Agreement or of any other form of agreement or other document employed by the Company in the administration of the Plan or of any Award shall be determined by the Committee, and such determinations shall be final, binding and conclusive upon all persons having an interest in the Plan or such Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or Award Agreement or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest therein. All expenses incurred in the administration of the Plan shall be paid by the Company.

3.2 **Authority of Officers.** Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided that the Officer has apparent authority with respect to such matter, right, obligation, determination or election.

3.3 **Administration with Respect to Insiders.** With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

3.4 **Committee Complying with Section 162(m).** Should any Awards made under the Plan prior to November 2, 2017, be intended to qualify as Performance-Based Compensation within the meaning of Section 162(m)(4)(C) of the Code prior to its repeal, then all such determinations regarding such Awards will be made solely by a Committee comprised solely of two of more "outside directors" within the meaning of Section 162(m) of the Code.

3.5 **Powers of the Committee .** In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, including, but not limited to the prohibitions on Option or SAR repricings set forth in Section 3.6, the Committee shall have the full and final power and authority, in its discretion:

(a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock, units or monetary value to be subject to each Award;

(b) to determine the type of Award granted;

(c) to determine the Fair Market Value of shares of Stock or other property;

(d) to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares acquired pursuant thereto, including, without limitation, (i) the exercise or purchase price of shares pursuant to any Award, (ii) the method of payment for shares purchased pursuant to any Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with any Award, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability or vesting of any Award or any shares acquired pursuant thereto, (v) the Performance Measures, Performance Period, Performance Award Formula and Performance Goals applicable to any Award and the extent to which such Performance Goals have been attained, (vi) the time of the expiration of any Award, (vii) the effect of the Participant's termination of Service on any of the foregoing, and (viii) all other terms, conditions and restrictions applicable to any Award or shares acquired pursuant thereto not inconsistent with the terms of the Plan;

(e) to determine whether an Award will be settled in shares of Stock, cash, other property or in any combination thereof;

(f) to approve one or more forms of Award Agreement;

(g) to amend, modify, or cancel any Award or to waive any restrictions or conditions applicable to any Award or any shares acquired pursuant thereto;

(h) to accelerate, continue, extend or defer the exercisability or vesting of any Award or any shares acquired pursuant thereto, including with respect to the period following a Participant's termination of Service;

(i) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt sub-plans or supplements to, or alternative versions of, the Plan, including, without limitation, as the Committee deems necessary or desirable to comply with the laws or regulations of or to accommodate the tax policy, accounting principles or custom of, foreign jurisdictions whose citizens may be granted Awards; and

(j) to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Committee may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

3.6 **Option or SAR Repricing** . Without the affirmative vote of holders of a majority of the shares of Stock cast in person or by proxy at a meeting of the stockholders of the Company at which a quorum representing a majority of all outstanding shares of Stock is present or represented by proxy, the Committee shall not approve a program providing for either (a) the cancellation of outstanding Options or SARs having exercise prices per share greater than the then Fair Market Value of a share of Stock (*" **Underwater Awards** "*) and the grant in substitution therefore of new Options or SARs having a lower exercise price, Full Value Awards, or payments in cash, or (b) the amendment of outstanding Underwater Awards to reduce the exercise price thereof. This Section shall not apply to adjustments pursuant to the assumption of or substitution for an Option or SAR in a manner that would comply with Section 424(a) or Section 409A of the Code or to an adjustment pursuant to Section 4.3.

3.7 **Indemnification.** In addition to such other rights of indemnification as they may have as members of the Board or the Committee or as officers or employees of the Participating Company Group, to the extent permitted by applicable law, members of the Board or the Committee and any officers or employees of the Participating Company Group to whom authority to act for the Board, the Committee or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. **SHARES SUBJECT TO PLAN.**

4.1 **Maximum Number of Shares Issuable.** Subject to adjustment as provided in Section 4.3, as of the Restatement Effective Date, the maximum number of shares of Stock that may be issued under the Plan pursuant to Awards shall be equal to One Hundred Thousand and Eight Hundred (100,800) shares. Shares of Stock that may be issued under the Plan pursuant to Awards shall consist of authorized or reacquired shares of Stock or any combination thereof.

4.2 **Share Counting.**

(a) If an outstanding Award for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares of Stock acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the Participant's purchase price, then in each case the shares of Stock allocable to the terminated portion of such Award or such forfeited or repurchased shares of Stock shall again be available for issuance under the Plan. Shares of Stock shall not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash. Shares withheld or reacquired by the Company in satisfaction of tax withholding obligations applicable to SARs and Options pursuant to Section 17.2, shall not again be available for issuance under the Plan. Shares withheld by the Company in satisfaction of tax withholding obligations described in Section 17.2 with respect to Full Value Awards, shall again be available for issuance under the Plan. Upon payment in shares of Stock pursuant to the exercise of a SAR, the number of shares available for issuance under the Plan shall be reduced by the gross number of shares subject to the SAR. If the exercise price of an Option is paid by means of a Net-Exercise, the number of shares available for issuance under the Plan shall be reduced by the gross number of shares for which the Option is exercised. Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options shall not be added to the shares of Stock authorized for grant under this Plan.

(b) Any shares of Stock that again become available for grant pursuant to this Section shall be added back as one (1) share of Stock for every one share subject to an Award.

4.3 **Adjustments for Changes in Capital Structure .** Subject to any required action by the stockholders of the Company and the requirements of Sections 409A and 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting regular, periodic cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number and kind of shares subject to the Plan and to any outstanding Awards, the Award limits set forth in Section 5.3, and in the exercise or purchase price per share under any outstanding Award in order to prevent dilution or enlargement of Participants' rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." If a majority of the shares which are of the same class as the shares that are subject to outstanding Awards are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the *" New Shares "*), the Committee may unilaterally amend the outstanding Awards to provide that such Awards are for New Shares. In the event of any such amendment, the number of shares subject to, and the exercise or purchase price per share of, the outstanding Awards shall be adjusted in a fair and equitable manner as determined by the Committee, in its discretion. Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number, and in no event may the exercise or purchase price under any Award be decreased to an amount less than the par value, if any, of the stock subject to such Award. The Committee in its discretion, may also make such adjustments in the terms of any Award to reflect, or related to, such changes in the capital structure of the Company or distributions as it deems appropriate, including modification of Performance Goals, Performance Award Formulas and Performance Periods. The adjustments determined by the Committee pursuant to this Section shall be final, binding and conclusive. Unless otherwise determined by the Committee, no adjustment or action described in this Section 4.3 or in any other provision of the Plan shall be authorized to the extent it would (i) with respect to Awards which are intended to qualify as Performance-Based Compensation, cause such Awards to fail to so qualify as Performance-Based Compensation, (ii) cause the Plan to violate Section 422(b)(1) of the Code, (iii) result in short-swing profits liability under Section 16 of the Exchange Act or violate the exemptive conditions of Rule 16b-3 of the Exchange Act, or (iv) cause an Award to fail to be exempt from or comply with Section 409A.

4.4 **Assumption or Substitution of Awards.** The Committee may, without affecting the number of shares of Stock reserved or available hereunder, authorize the issuance or assumption of benefits under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate, subject to compliance with Section 409A and any other applicable provisions of the Code. In addition, subject to compliance with applicable laws, and listing requirements, shares available for grant under a stockholder approved plan of an acquired company (as appropriately adjusted to reflect the transaction) may be used for awards under the Plan to individuals who were not Employees or Directors of the Participating Company Group prior to the transaction and shall not reduce the share reserve set forth above. Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options shall not be added to the shares of Stock authorized for grant under this Plan.

5. **ELIGIBILITY, PARTICIPATION AND AWARD LIMITATIONS .**

5.1 **Persons Eligible for Awards.** Awards may be granted only to Employees, Consultants and Directors.

5.2 **Participation in the Plan.** Awards are granted solely at the discretion of the Committee. Eligible persons may be granted more than one Award. However, eligibility in accordance with this Section shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

5.3 **Award Limitations.**

(a) ***Incentive Stock Option Limitations.***

(i) **Maximum Number of Shares Issuable Pursuant to Incentive Stock Options.** Subject to adjustment as provided in Section 4.3, the maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to the exercise of Incentive Stock Options shall not exceed One Hundred Thousand and Eight Hundred (100,800) shares.

(ii) **Persons Eligible.** An Incentive Stock Option may be granted only to a person who, on the effective date of grant, is an Employee of the Company, a Parent Corporation or a Subsidiary Corporation (each being an *" **ISO-Qualifying Corporation** "*). Any person who is not an Employee of an ISO-Qualifying Corporation on the effective date of the grant of an Option to such person may be granted only a Nonstatutory Stock Option.

(iii) **Fair Market Value Limitation.** To the extent that options designated as Incentive Stock Options (granted under all stock option plans of the Participating Company Group, including the Plan) become exercisable by a Participant for the first time during any calendar year for stock having a Fair Market Value greater than One Hundred Thousand Dollars ($100,000), the portion of such options which exceeds such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section, options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of stock shall be determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a limitation different from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Upon exercise, shares issued pursuant to each such portion shall be separately identified.

(b) ***Limit on Awards to Nonemployee Directors*** . Notwithstanding any other provision of the Plan to the contrary, the Board may establish compensation for None mployee D irectors from time to time, subject to the limitations in the Plan. The Board will from time to time determine the terms, cond itions and amounts of all such None mployee D irector compensation in its discretion and pursuant to the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, provided that the sum of any cash compensation, or other compensation, and the value (determined as of the grant date in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor t hereto) of Awards granted to a None mployee D irector as compensation for services as a None mployee D irector during any calendar year of the Company may not exceed $ 5 00,000 (increased to $ 7 00,000 in the calendar year of his or her initial service as a None mployee D irector). The Board may make exceptions to this limit for individual None mployee D irectors in extraordinary circumstances, as the Board may determine in its discretion, provided that the None mployee D irector receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving None mployee D irectors.

6. **STOCK OPTIONS .**

Options shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Committee shall from time to time establish. Award Agreements evidencing Options may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

6.1 **Exercise Price.** The exercise price for each Option shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the Option and (b) no Incentive Stock Option granted to a Ten Percent Owner shall have an exercise price per share less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be granted with an exercise price lower than the minimum exercise price set forth above if such Option is granted pursuant to an assumption or substitution for another option in a manner that would qualify under the provisions of Section 409A or 424(a) of the Code.

6.2 **Exercisability and Term of Options.** Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option, (b) no Incentive Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five (5) years after the effective date of grant of such Option and (c) no Option granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable until at least six (6) months following the date of grant of such Option (except in the event of such Employee's death, disability or retirement, upon a Change in Control, or as otherwise permitted by the Worker Economic Opportunity Act). Subject to the foregoing, unless otherwise specified by the Committee in the grant of an Option, each Option shall terminate ten (10) years after the effective date of grant of the Option, unless earlier terminated in accordance with its provisions.

6.3 **Payment of Exercise Price.**

(a) ***Forms of Consideration Authorized.*** Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check or in cash equivalent; (ii) if permitted by the Committee and subject to the limitations contained in Section 6.3(b), by means of (1) a Cashless Exercise, or (2) a Net Exercise; (iii) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (iv) by any combination thereof. The Committee may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) ***Limitations on Forms of Consideration.***

(i) **Cashless Exercise.** A *" **Cashless Exercise** "* means the delivery of a properly executed notice of exercise together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System). The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

(ii) **Net Exercise.** A *" **Net Exercise** "* means the delivery of a properly executed exercise notice followed by a procedure pursuant to which (1) the Company will reduce the number of shares otherwise issuable to a Participant upon the exercise of an Option by the largest whole number of shares having a Fair Market Value that does not exceed the aggregate exercise price for the shares with respect to which the Option is exercised, and (2) the Participant shall pay to the Company in cash the remaining balance of such aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued.

6.4 **Effect of Termination of Service.**

(a) ***Option Exercisability.*** Subject to earlier termination of the Option as otherwise provided by this Plan and unless otherwise provided by the Committee, an Option shall terminate immediately upon the Participant's termination of Service to the extent that it is then unvested and shall be exercisable after the Participant's termination of Service to the extent it is then vested only during the applicable time period determined in accordance with this Section and thereafter shall terminate. Except as otherwise provided in the Award Agreement, or other agreement governing the Option, and subject to Section 6.2 above, vested Options shall remain exercisable following a termination of Service as follows:

(i) **Disability.** If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of two (2) years after the date on which the Participant's Service terminated, but in any event no later than the date of expiration of the Option's term as set forth in the Award Agreement evidencing such Option (the *" **Option Expiration Date** "*).

(ii) **Death.** If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of two (2) years after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(iii) **Termination for Cause.** Notwithstanding any other provision of the Plan to the contrary, if the Participant's Service is terminated for Cause or if, following the Participant's termination of Service and during any period in which the Option otherwise would remain exercisable, the Participant engages in any act that would constitute Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service or act.

(iv) **Other Termination of Service.** If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of ninety (90) days after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) ***Extension if Exercise Prevented.*** Notwithstanding the foregoing, other than with respect to a termination of Service for Cause, and subject to the requirements of Section 409A, if the exercise of an Option within the applicable time periods set forth in Section 6.4(a) is prevented by the provisions of Section 15 below because such exercise would violate applicable securities laws, the Option shall remain exercisable until the later of (i) thirty (30) days after the date such exercise first would no longer violate applicable securities laws or (ii) the end of the applicable time period under Section 6.4(a), but in any event no later than the Option Expiration Date.

6.5 **Transferability of Options.** During the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. An Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Option, a Nonstatutory Stock Option may be assignable or transferable subject to the applicable limitations, described in the General Instructions to Form S-8 under the Securities Act; provided that no consideration may be received for any transfer. An Incentive Stock Option shall not be assignable or transferable in any manner.

7. **STOCK APPRECIATION RIGHTS.**

Stock Appreciation Rights shall be evidenced by Award Agreements specifying the number of shares of Stock subject to the Award, in such form as the Committee shall from time to time establish. Award Agreements evidencing SARs may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

7.1 **Exercise Price.** The exercise price for each SAR shall be established in the discretion of the Committee; provided, however, that the exercise price per share subject to a SAR shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the SAR. Notwithstanding the foregoing, a SAR may be granted with an exercise price lower than the minimum exercise price set forth above if such SAR is granted pursuant to an assumption or substitution for another stock appreciation right in a manner that would qualify under the provisions of Section 409A of the Code.

7.2 **Exercisability and Term of SARs.** SARs shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such SAR; provided, however, that (i) no SAR shall be exercisable after the expiration of ten (10) years after the effective date of grant of such SAR, and (ii) no SAR granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable until at least six (6) months following the date of grant of such SAR (except in the event of such Employee's death, disability or retirement, upon a Change in Control, or as otherwise permitted by the Worker Economic Opportunity Act). Subject to the foregoing, unless otherwise specified by the Committee in the grant of a SAR, each SAR shall terminate ten (10) years after the effective date of grant of the SAR, unless earlier terminated in accordance with its provisions.

7.3 **Exercise of SARs.** Upon the exercise of a SAR, the Participant (or the Participant's legal representative or other person who acquired the right to exercise the SAR by reason of the Participant's death) shall be entitled to receive payment of an amount for each share with respect to which the SAR is exercised equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the SAR over the exercise price. Payment of such amount shall be made in cash, shares of Stock, or any combination thereof as determined by the Committee, in a lump sum upon the date of exercise of the SAR. When payment is to be made in shares of Stock, the number of shares to be issued shall be determined on the basis of the Fair Market Value of a share of Stock on the date of exercise of the SAR. For purposes of Section 7, a SAR shall be deemed exercised on the date on which the Company receives notice of exercise from the Participant.

7.4 **Effect of Termination of Service.** Subject to earlier termination of the SAR as otherwise provided herein and unless otherwise provided by the Committee, a SAR shall be exercisable after a Participant's termination of Service only to the extent and during the applicable time period determined in accordance with Section 6.4 (treating the SAR as if it were an Option) and thereafter shall terminate.

7.5 **Transferability of SARs.** During the lifetime of the Participant, a SAR shall be exercisable only by the Participant or the Participant's guardian or legal representative. A SAR shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Award, a SAR may be assignable or transferable subject to the applicable limitations, described in the General Instructions to Form S -8 under the Securities Act ; provided that no consideration may be received for any transfer.

8. **RESTRICTED STOCK AWARDS .**

Restricted Stock Awards shall be evidenced by Award Agreements specifying whether the Award is a Restricted Stock Bonus or a Restricted Stock Purchase Right and the number of shares of Stock subject to the Award, in such form as the Committee shall from time to time establish. Award Agreements evidencing Restricted Stock Awards may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

8.1 **Types of Restricted Stock Awards Authorized.** Restricted Stock Awards may be granted in the form of either a Restricted Stock Bonus or a Restricted Stock Purchase Right. Restricted Stock Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 10.4.

8.2 **Purchase Price.** The purchase price for shares of Stock issuable under each Restricted Stock Purchase Right shall be established by the Committee in its discretion. No monetary payment (other than applicable tax withholding) shall be required as a condition of receiving shares of Stock pursuant to a Restricted Stock Bonus, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock subject to a Restricted Stock Award.

8.3 **Purchase Period.** A Restricted Stock Purchase Right shall be exercisable within a period established by the Committee, which shall in no event exceed thirty (30) days from the effective date of the grant of the Restricted Stock Purchase Right.

8.4 **Payment of Purchase Price.** Except as otherwise provided below, payment of the purchase price for the number of shares of Stock being purchased pursuant to any Restricted Stock Purchase Right shall be made (a) in cash, by check or in cash equivalent, (b) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (c) by any combination thereof.

8.5 **Vesting and Restrictions on Transfer .** Shares issued pursuant to any Restricted Stock Award may (but need n ot) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. During any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, such shares may not be sold, exchanged, transferred, pledged, assigned or otherwise disposed of other than pursuant to an Ownership Change Event or as provided in Section 8.8. The Committee, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Award that, if the satisfaction of Vesting Conditions with respect to any shares subject to such Restricted Stock Award would otherwise occur on a day on which the sale of such shares would violate the provisions of the Trading Compliance Policy, then satisfaction of the Vesting Conditions automatically shall be determined on the next trading day on which the sale of such shares would not violate the Trading Compliance Policy. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

8.6 **Voting Rights; Dividends and Distributions.** Except as provided in this Section, Section 8.5 and any Award Agreement, during any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, the Participant shall have all of the rights of a stockholder of the Company holding shares of Stock, including the right to vote such shares and to receive all dividends and other distributions paid with respect to such shares; provided, however, that such dividends and distributions shall vest and become nonforfeitable only if the underlying shares of Stock subject to the Restricted Stock Award become vested (including, but not limited to, the satisfaction of any performance related Vesting Condition). In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.3, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant is entitled by reason of the Participant's Restricted Stock Award shall be immediately subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid or adjustments were made.

8.7 **Effect of Termination of Service.** Unless otherwise provided by the Committee in the Award Agreement evidencing a Restricted Stock Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or Disability), then (a) the Company shall have the option to repurchase for the purchase price paid by the Participant any shares acquired by the Participant pursuant to a Restricted Stock Purchase Right which remain subject to Vesting Conditions as of the date of the Participant's termination of Service and (b) the Participant shall forfeit to the Company any shares acquired by the Participant pursuant to a Restricted Stock Bonus which remain subject to Vesting Conditions as of the date of the Participant's termination of Service. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company.

8.8 **Nontransferability of Restricted Stock Award Rights .** Rights to acquire shares of Stock pursuant to a Restricted Stock Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or the laws of descent and distribution. All rights with respect to a Restricted Stock Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

9. **RESTRICTED STOCK UNIT AWARDS .**

Restricted Stock Unit Awards shall be evidenced by Award Agreements specifying the number of Restricted Stock Units subject to the Award, in such form as the Committee shall from time to time establish. Award Agreements evidencing Restricted Stock Units may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

9.1 **Grant of Restricted Stock Unit Awards.** Restricted Stock Unit Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 10.4.

9.2 **Purchase Price.** No monetary payment (other than applicable tax withholding, if any) shall be required as a condition of receiving a Restricted Stock Unit Award, the consideration for which shall be services actually rendered to a Participating Company or for its benefit . Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Restricted Stock Unit Award .

9.3 **Vesting.** Restricted Stock Unit Awards may (but need not) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. The Committee, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Unit Award that, if the satisfaction of Vesting Conditions with respect to any shares subject to the Award would otherwise occur on a day on which the sale of such shares would violate the provisions of the Trading Compliance Policy, then the satisfaction of the Vesting Conditions automatically shall be determined on the first to occur of (a) the next trading day on which the sale of such shares would not violate the Trading Compliance Policy or (b) the later of (i) last day of the calendar year in which the original vesting date occurred or (ii) the last day of the Company's taxable year in which the original vesting date occurred.

9.4 **Voting Rights, Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Restricted Stock Units until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Restricted Stock Unit Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date such Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date the Award is settled or the date on which it is terminated. Such Dividend Equivalent Rights, if any, shall be paid by crediting the Participant with additional whole Restricted Stock Units as of the date of payment of such cash dividends on Stock. The number of additional Restricted Stock Units (rounded to the nearest whole number) to be so credited shall be determined by dividing (a) the amount of cash dividends paid on such date with respect to the number of shares of Stock represented by the Restricted Stock Units previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Such additional Restricted Stock Units shall be subject to the same terms and conditions, including any Vesting Conditions, and shall be settled in the same manner and at the same time as the Restricted Stock Units originally subject to the Restricted Stock Unit Award. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.3, appropriate adjustments shall be made in the Participant's Restricted Stock Unit Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of the Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions as are applicable to the Award.

9.5 **Effect of Termination of Service.** Unless otherwise provided by the Committee and set forth in the Award Agreement evidencing a Restricted Stock Unit Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or Disability), then the Participant shall forfeit to the Company any Restricted Stock Units pursuant to the Award which remain subject to Vesting Conditions as of the date of the Participant's termination of Service.

9.6 **Settlement of Restricted Stock Unit Awards.** The Company shall issue to a Participant on the date on which Restricted Stock Units subject to the Participant's Restricted Stock Unit Award vest or on such other date determined by the Committee, in its discretion (but in any event within the Short-Term Deferral Period, except as otherwise provided by the Committee or consistent with the requirements of Section 409A), and set forth in the Award Agreement, one (1) share of Stock (and/or any other new, substituted or additional securities or other property pursuant to an adjustment described in Section 9.4) for each Restricted Stock Unit then becoming vested or otherwise to be settled on such date, subject to the withholding of applicable taxes, if any. If permitted by the Committee, the Participant may elect, consistent with the requirements of Section 409A, to defer receipt of all or any portion of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section, and such deferred issuance date(s) and amount(s) elected by the Participant shall be set forth in the Award Agreement. Notwithstanding the foregoing, the Committee, in its discretion, may provide for settlement of any Restricted Stock Unit Award by payment to the Participant in cash of an amount equal to the Fair Market Value on the payment date of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section.

9.7 **Nontransferability of Restricted Stock Unit Awards.** The right to receive shares pursuant to a Restricted Stock Unit Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Restricted Stock Unit Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

10. **PERFORMANCE AWARDS .**

Performance Awards shall be evidenced by Award Agreements in such form as the Committee shall from time to time establish. Award Agreements evidencing Performance Awards may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

10.1 **Types of Performance Awards Authorized.** Performance Awards may be granted in the form of either Performance Shares or Performance Units. Each Award Agreement evidencing a Performance Award shall specify the number of Performance Shares or Performance Units subject thereto, the Performance Award Formula, the Performance Goal(s) and Performance Period applicable to the Award, and the other terms, conditions and restrictions of the Award.

10.2 **Initial Value of Performance Shares and Performance Units.** Unless otherwise provided by the Committee in granting a Performance Award, each Performance Share shall have an initial monetary value equal to the Fair Market Value of one (1) share of Stock, subject to adjustment as provided in Section 4.3, on the effective date of grant of the Performance Share, and each Performance Unit shall have an initial monetary value established by the Committee at the time of grant. The final value payable to the Participant in settlement of a Performance Award determined on the basis of the applicable Performance Award Formula will depend on the extent to which Performance Goals established by the Committee are attained within the applicable Performance Period established by the Committee.

10.3 **Establishment of Performance Period, Performance Goals and Performance Award Formula.** In granting each Performance Award, the Committee shall establish in writing the applicable Performance Period, Performance Award Formula and one or more Performance Goals which, when measured at the end of the Performance Period, shall determine on the basis of the Performance Award Formula the final value of the Award to be paid to the Participant. The Company shall notify each Participant granted a Performance Award of the terms of such Award, including, if applicable, the Performance Period, Performance Goal(s) and Performance Award Formula.

10.4 **Measurement of Performance Goals.** Performance Goals shall be established by the Committee on the basis of targets to be attained (*" Performance Targets "*) with respect to one or more measures of business or financial performance (each, a *" Performance Measure "*):

(a) ***Performance Measures.*** Performance Measures shall be calculated in accordance with a methodology established by the Committee. Performance Measures may be calculated with respect to the Company and each Subsidiary Corporation consolidated therewith for financial reporting purposes or such division or other business unit as may be selected by the Committee. Performance Measures may be one or more performance criteria determined by the Committee, which may include, but are not limited to, the following: (i) revenue; (ii) sales; (iii) expenses; (iv) operating income; (v) gross margin; (vi) operating margin; (vii) earnings before any one or more of: stock-based compensation expense, interest, taxes, depreciation and amortization; (viii) pre-tax profit; (ix) net operating income; (x) net income; (xi) economic value added; (xii) free cash flow; (xiii) operating cash flow; (xiv) balance of cash, cash equivalents and marketable securities; (xv) stock price; (xvi) earnings per share; (xvii) return on stockholder equity; (xviii) return on capital; (xix) return on assets; (xx) return on investment; (xxi) total stockholder return; (xxii) employee satisfaction; (xxiii) employee retention; (xxiv) market share; (xxv) customer satisfaction; (xxvi) product development; (xxvii) research and development expenses; (xxviii) completion of an identified special project; and (xxix) completion of a joint venture or other corporate transaction.

(b) ***Performance Targets.*** Performance Targets may include a minimum, maximum, target level and intermediate levels of performance, with the final value of a Performance Award determined under the applicable Performance Award Formula by the level attained during the applicable Performance Period. A Performance Target may be stated as an absolute value, an increase or decrease in a value, or as a value determined relative to an index, budget or other standard selected by the Committee.

10.5 **Settlement of Performance Awards.**

(a) ***Determination of Final Value.*** As soon as practicable following the completion of the Performance Period applicable to a Performance Award, the Committee shall determine the extent to which the applicable Performance Goals have been attained and the resulting final value of the Award earned by the Participant and to be paid upon its settlement in accordance with the applicable Performance Award Formula.

(b) ***Discretionary Adjustment of Award Formula.*** In its discretion, the Committee may, either at the time it grants a Performance Award or at any time thereafter, provide for the positive or negative adjustment of the Performance Award Formula applicable to a Performance Award granted to any Participant to reflect such Participant's individual performance in his or her position with the Company or such other factors as the Committee may determine. In determining amounts payable under Awards intended to qualify as Performance-Based Compensation (other than an Option or Stock Appreciation Right), unless otherwise provided under an Award Agreement, the Committee shall have the discretion, on the basis of such criteria as may be established by the Committee, to reduce (but not increase) some or all of the value of the Award that would otherwise be paid to the Participant upon its settlement notwithstanding the attainment of any Performance Goal and the resulting value of the Award determined in accordance with the Performance Award Formula. No such reduction may result in an increase in the amount payable upon settlement of another Participant's Award that is intended to qualify as Performance-Based Compensation.

(c) ***Effect of Leaves of Absence.*** Unless otherwise required by law or a Participant's Award Agreement, payment of the final value, if any, of a Performance Award held by a Participant who has taken in excess of thirty (30) days in unpaid leaves of absence during a Performance Period shall be prorated on the basis of the number of days of the Participant's Service during the Performance Period during which the Participant was not on an unpaid leave of absence.

(d) ***Notice to Participants.*** As soon as practicable following the Committee's determination and certification in accordance with Sections 10.5(a) and (b), the Company shall notify each Participant of the determination of the Committee.

(e) **Additional Limitations for Performance-Based Compensation** . Notwithstanding any other provision of the Plan or any Award, with respect to any Award which is intended to continue to qualify as Performance-Based Compensation (as described in Section 162(m)(4)(C) of the Code prior to its repeal) (or which was not subject to the deduction limitation of Section 162(m) of the Code) pursuant to the transition relief rules in the Tax Cuts and Jobs Act of 2017, to the extent any of the provisions of the Plan or any Award (or any amendments hereto pursuant to this amendment and restatement of the Plan) would cause such Awards to fail to so qualify or be so exempt, any such provisions shall not apply to such Awards to the extent necessary to ensure the such Awards continue to so qualify or be so exempt. In addition, any Award which is intended to continue to qualify as Performance-Based Compensation (as described in Section 162(m) (4)(C) of the Code prior to its repeal) (or to otherwise not be subject to the deduction limitation of Section 162(m) of the Code) pursuant to the transition relief rules in the Tax Cuts and Jobs Act of 2017 shall be subject to any additional limitations as the Committee determines necessary for such Award to continue to so qualify or be so exempt. To the extent permitted by applicable law, and the Plan and any such Awards shall be deemed amended to the extent necessary to conform to such requirements.

10.6 **Payment in Settlement of Performance Awards .** As soon as practicable following the Committee's determination and certification in accordance with Sections 10.5(a) and (b), but in any event within the Short-Term Deferral Period (except as otherwise provided by the Committee or consistent with the requirements of Section 409A), payment shall be made to each eligible Participant (or such Participant's legal representative or other person who acquired the right to receive such payment by reason of the Participant's death) of the final value of the Participant's Performance Award. Payment of such amount shall be made in cash, shares of Stock, or a combination thereof as determined by the Committee. Unless otherwise provided in the Award Agreement evidencing a Performance Award, payment shall be made in a lump sum. If permitted by the Committee, the Participant may elect, consistent with the requirements of Section 409A, to defer receipt of all or any portion of the payment to be made to the Participant pursuant to this Section, and such deferred payment date(s) elected by the Participant shall be set forth in the Award Agreement. If any payment is to be made on a deferred basis, the Committee may, but shall not be obligated to, provide for the payment during the deferral period of Dividend Equivalent Rights or interest. If payment is to be made in shares of Stock, the number of such shares shall be determined by dividing the final value of the Performance Award by the Fair Market Value of a share of Stock determined by the method specified in the Award Agreement. Shares of Stock issued in payment of any Performance Award may be fully vested and freely transferable shares or may be shares of Stock subject to Vesting Conditions as provided in Section 8.5. Any shares subject to Vesting Conditions shall be evidenced by an appropriate Award Agreement and shall be subject to the provisions of Sections 8.5 through 8.8 above.

10.7 **Voting Rights; Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Performance Share Awards until the date of the issuance of such shares, if any (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Performance Share Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date the Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date on which the Performance Shares are settled or the date on which they are forfeited. Such Dividend Equivalent Rights, if any, shall be credited to the Participant in the form of additional whole Performance Shares as of the date of payment of such cash dividends on Stock. The number of additional Performance Shares (rounded down to the nearest whole number) to be so credited shall be determined by dividing (a) the amount of cash dividends paid on the dividend payment date with respect to the number of shares of Stock represented by the Performance Shares previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Dividend Equivalent Rights shall be accumulated and paid to the extent that Performance Shares become nonforfeitable, as determined by the Committee. Settlement of Dividend Equivalent Rights may be made in cash, shares of Stock, or a combination thereof as determined by the Committee, and may be paid on the same basis as settlement of the related Performance Share as provided in Section 10.6. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.3, appropriate adjustments shall be made in the Participant's Performance Share Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of the Performance Share Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Performance Goals and Vesting Conditions as are applicable to the Award.

10.8 **Effect of Termination of Service.** Unless otherwise provided by the Committee and set forth in the Award Agreement evidencing a Performance Award or in the Participant's employment agreement, if any, referencing such Awards, the effect of a Participant's termination of Service on the Performance Award shall be as follows:

(a) ***Death or Disability.*** If the Participant's Service terminates because of the death or Disability of the Participant before the completion of the Performance Period applicable to the Performance Award, the final value of the Participant's Performance Award shall be determined by the extent to which the applicable Performance Goals have been attained with respect to the entire Performance Period and shall be prorated based on the number of months of the Participant's Service during the Performance Period. Payment shall be made following the end of the Performance Period in any manner permitted by Section 10.6.

(b) ***Other Termination of Service.*** If the Participant's Service terminates for any reason except death or Disability before the completion of the Performance Period applicable to the Performance Award, such Award shall be forfeited in its entirety.

10.9 **Nontransferability of Performance Awards.** Prior to settlement in accordance with the provisions of the Plan, no Performance Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Performance Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

11. **CASH-BASED AWARDS AND OTHER STOCK-BASED AWARDS .**

Cash-Based Awards and Other Stock-Based Awards shall be evidenced by Award Agreements in such form as the Committee shall from time to time establish. Award Agreements evidencing Cash-Based Awards and Other Stock-Based Awards may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

11.1 **Grant of Cash-Based Awards** . Subject to the provisions of the Plan, the Committee, at any time and from time to time, may grant Cash-Based Awards to Participants in such amounts and upon such terms and conditions, including the achievement of performance criteria, as the Committee may determine.

11.2 **Grant of Other Stock-Based Awards** . The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted securities, stock-equivalent units, stock appreciation units, securities or debentures convertible into common stock or other forms determined by the Committee) in such amounts and subject to such terms and conditions as the Committee shall determine. Other Stock-Based Awards may be made available as a form of payment in the settlement of other Awards or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may involve the transfer of actual shares of Stock to Participants, or payment in cash or otherwise of amounts based on the value of Stock and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

11.3 **Value of Cash-Based and Other Stock-Based Awards** . Each Cash-Based Award shall specify a monetary payment amount or payment range as determined by the Committee. Each Other Stock-Based Award shall be expressed in terms of shares of Stock or units based on such shares of Stock, as determined by the Committee. The Committee may require the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. If the Committee exercises its discretion to establish performance criteria, the final value of Cash-Based Awards or Other Stock-Based Awards that will be paid to the Participant will depend on the extent to which the performance criteria are met.

11.4 **Payment or Settlement of Cash-Based Awards and Other Stock-Based Awards** . Payment or settlement , if any, with respect to a Cash-Based Award or an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash , s hares of Stock or other securities or any combination thereof as the Committee determines. To the extent applicable, payment or settlement with respect to each Cash-Based Award and Other Stock-Based Award shall be made in compliance with the requirements of Section 409A .

11.5 **Voting Rights; Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Other Stock-Based Awards until the date of the issuance of such shares of Stock (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), if any, in settlement of such Award. However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Other Stock-Based Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date such Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date the Award is settled or the date on which it is terminated. Such Dividend Equivalent Rights, if any, shall be subject to the same Vesting Conditions and performance criteria, if any, as are applicable to the underlying Award and shall be paid in accordance with the provisions set forth in Section 9.4. Dividend Equivalent Rights shall not be granted with respect to Cash-Based Awards. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.3, appropriate adjustments shall be made in the Participant's Other Stock-Based Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of such Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions and performance criteria, if any, as are applicable to the Award.

11.6 **Effect of Termination of Service** . Each Award Agreement evidencing a Cash-Based Award or Other Stock-Based Award shall set forth the extent to which the Participant shall have the right to retain such Award following termination of the Participant's Service. Such provisions shall be determined in the discretion of the Committee, need not be uniform among all Cash-Based Awards or Other Stock-Based Awards, and may reflect distinctions based on the reasons for termination, subject to the requirements of Section 409A, if applicable.

11.7 **Nontransferability of Cash-Based Awards and Other Stock-Based Awards.** Prior to the payment or settlement of a Cash-Based Award or Other Stock-Based Award, the Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. The Committee may impose such additional restrictions on any shares of Stock issued in settlement of Cash-Based Awards and Other Stock-Based Awards as it may deem advisable, including, without limitation, minimum holding period requirements, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such shares of Stock are then listed and/or traded, or under any state securities laws or foreign law applicable to such shares of Stock.

12. DEFERRED COMPENSATION AWARDS .

12.1 **Establishment of Deferred Compensation Award Programs** . This Section 12 shall not be effective unless and until the Committee determines to establish a program pursuant to this Section. If the Committee determines that any such program may constitute an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA, the Committee shall adopt and implement such program through a separate subplan to this Plan. Eligibility to participate in such subplan shall be limited to Directors and a select group of management or highly compensated employees, and the Committee shall take all additional actions required to qualify such subplan as a "top-hat" unfunded deferred compensation plan, including filing with the U.S. Department of Labor within 120 days following the adoption of such subplan a notice pursuant to Department of Labor Regulations Section 2520.104-23.

12.2 **Terms and Conditions of Deferred Compensation Awards** . Deferred Compensation Awards shall be evidenced by Award Agreements in such form as the Committee shall from time to time establish. Award Agreements evidencing Deferred Compensation Awards may incorporate all or any of the terms of the Plan by reference and, except as provided below, shall comply with and be subject to the terms and conditions applicable to the appropriate form of Award as set forth in the applicable section of this Plan.

(a) ***Limitation on Elections.*** Notwithstanding any Participant's prior election to reduce cash compensation pursuant to a program established in accordance with this Section 12, no Deferred Compensation Award may be granted to the Participant after termination of the Plan or termination of the Participant's Service, and any such cash compensation shall be paid at the normal time and in accordance with the terms of the applicable cash compensation arrangement.

(b) ***Election Irrevocable.*** A Participant's election to reduce cash compensation pursuant to a program established in accordance with this Section 12 shall become irrevocable on the last day of the calendar year prior to the year in which the services are to be rendered with respect to which such cash compensation would otherwise become payable, or at the time otherwise required by Section 409A.

(c) ***Vesting.*** Deferred Compensation Awards may be fully vested at grant or may be subject to such Vesting Conditions as the Committee determines.

13. **STANDARD FORMS OF AWARD AGREEMENT .**

13.1 **Award Agreements .** Each Award shall comply with and be subject to the terms and conditions set forth in the appropriate form of Award Agreement approved by the Committee and as amended from time to time. No Award or purported Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement, which execution may be evidenced by electronic means.

13.2 **Authority to Vary Terms .** The Committee shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

14. **CHANGE IN CONTROL .**

14.1 **Effect of Change in Control on Awards.** Subject to the requirements and limitations of Section 409A, if applicable, the Committee may provide for any one or more of the following:

(a) ***Accelerated Vesting.*** In its discretion, the Committee may provide in the grant of any Award or at any other time may take such action as it deems appropriate to provide for acceleration of the exercisability, vesting and/or settlement in connection with a Change in Control of each or any outstanding Award or portion thereof and shares acquired pursuant thereto upon such conditions, including termination of the Participant's Service prior to, upon, or following such Change in Control, and to such extent as the Committee shall determine.

(b) ***Assumption, Continuation or Substitution.*** In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the *" **Acquiror** "*), may, without the consent of any Participant, assume or continue the Company's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change in Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock, as applicable. For purposes of this Section, if so determined by the Committee in its discretion, an Award denominated in shares of Stock shall be deemed assumed if, following the Change in Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and the applicable Award Agreement, for each share of Stock subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise or settlement of the Award , for each share of Stock subject to the Award , to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. Any Award or portion thereof which is not assumed, substituted for, or otherwise continued by the Acquiror in connection with the Change in Control nor exercised or settled as of the time of consummation of the Change in Control shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control.

(c) ***Cash-Out of Outstanding Stock-Based Awards .*** The Committee may, in its discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Award denominated in shares of Stock or portion thereof outstanding immediately prior to the Change in Control and not previously exercised or settled shall be canceled in exchange for a payment with respect to each vested share (and each unvested share, if so determined by the Committee) of Stock subject to such canceled Award in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control, reduced (but not below zero) by the exercise or purchase price per share, if any, under such Award. In the event such determination is made by the Committee, an Award having an exercise or purchase price per share equal to or greater than the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control may be canceled without payment of consideration to the holder thereof. Except as otherwise provided by the Committee, payment pursuant to this Section (reduced by applicable withholding taxes, if any) shall be made to Participants in respect of the vested portions of their canceled Awards as soon as practicable following the date of the Change in Control and in respect of the unvested portions of their canceled Awards in accordance with the vesting schedules applicable to such Awards.

14.2 **Federal Excise Tax Under Section 4999 of the Code.**

(a) ***Excess Parachute Payment.*** In the event that any acceleration of vesting pursuant to an Award and any other payment or benefit received or to be received by a Participant would subject the Participant to any excise tax pursuant to Section 4999 of the Code due to the characterization of such acceleration of vesting, payment or benefit as an "excess parachute payment" under Section 280G of the Code, the Participant, subject to compliance with applicable law (including, but not limited to the rules imposed by Section 409A), may elect to reduce the amount of any acceleration of vesting called for under the Award in order to avoid such characterization.

(b) ***Determination by Independent Accountants.*** To aid the Participant in making any election called for under Section 14.2(a), no later than the date of the occurrence of any event that might reasonably be anticipated to result in an "excess parachute payment" to the Participant as described in Section 14.2(a), the Company may request a determination in writing by independent public accountants selected by the Company (the *" **Accountants** "*). As soon as practicable thereafter, the Accountants shall determine and report to the Company and the Participant the amount of such acceleration of vesting, payments and benefits which would produce the greatest after-tax benefit to the Participant. For the purposes of such determination, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants charge in connection with their services contemplated by this Section.

15. **COMPLIANCE WITH SECURITIES LAW .**

The grant of Awards and the issuance of shares of Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Award may be exercised or shares issued pursuant to an Award unless (a) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the shares issuable pursuant to the Award, or (b) in the opinion of legal counsel to the Company, the shares issuable pursuant to the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares under the Plan shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Stock, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

16. **COMPLIANCE WITH SECTION 409A .**

16.1 **Awards Subject to Section 409A.** The Company intends that Awards granted pursuant to the Plan shall either be exempt from or comply with Section 409A, and the Plan shall be so construed. The provisions of this Section 16 shall apply to any Award or portion thereof that constitutes or provides for payment of Section 409A Deferred Compensation. To the extent that the Committee determines that any Award granted under the Plan is Section 409A Deferred Compensation, the Plan, and the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A. In that regard, to the extent any Award under the Plan or any other compensatory plan or arrangement of the Company or any of the Participating Companies is Section 409A Deferred Compensation, and such Award or other amount is payable on account of a Participant's termination of Service (or any similarly defined term), then such Award or amount shall only be paid to the extent such termination of Service qualifies as a "separation from service" as defined in Section 409A,

16.2 **Installment Payments** . It is the intent of this Plan that any right of a Participant to receive installment payments (within the meaning of Section 409A) shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.

16.3 **Required Delay in Payment to Specified Employee Pursuant to Separation from Service .** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, except as otherwise permitted by Section 409A, no payment in settlement of an Award providing for Section 409A Deferred Compensation may be made to a Participant who is a "specified employee" (as defined by Section 409A) on account of his or her termination of Service (or any similarly defined term) before the date (the *" **Delayed Payment Date** "*) that is six (6) months after the date of such Participant's separation from service, or, if earlier, the date of the Participant's death. All such amounts that would, but for this paragraph, become payable prior to the Delayed Payment Date shall be accumulated and paid on the Delayed Payment Date.

16.4 **Payment Upon Change in Control .** Notwithstanding any provision of the Plan or an Award Agreement to the contrary , to the extent that any amount constituting Section 409A Deferred Compensation would become payable under this Plan by reason of a Change in Control, such amount shall become payable only if the event constituting a Change in Control would also constitute a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A. Any Award which constitutes Section 409A Deferred Compensation and which would vest and otherwise become payable upon a Change in Control as a result of the failure of the Acquiror to assume, continue or substitute for such Award in accordance with Section 14.1(b) shall vest to the extent provided by such Award but shall be converted automatically at the effective time of such Change in Control into a right to receive, in cash on the date or dates such award would have been settled in accordance with its then existing settlement schedule (or as required by Section 409A), an amount or amounts equal in the aggregate to the intrinsic value of the Award at the time of the Change in Control.

16.5 **Prohibition of Acceleration of Payments .** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, this Plan does not permit the acceleration of the time or schedule of any payment under an Award providing Section 409A Deferred Compensation, except as permitted by Section 409A.

16.6 **No Representation Regarding Section 409A Compliance** . Notwithstanding any other provision of the Plan, the Company makes no representation that Awards shall be exempt from or comply with Section 409A. No Participating Company shall be liable for any tax, penalty or interest imposed on a Participant by Section 409A.

17. **TAX WITHHOLDING .**

17.1 **Tax Withholding in General.** The Company shall have the right to deduct from any and all payments made under the Plan, or to require the Participant, through payroll withholding, cash payment or otherwise, to make adequate provision for, the federal, state, local and foreign taxes (including social insurance), if any, required by law to be withheld by any Participating Company with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock, to release shares of Stock from an escrow established pursuant to an Award Agreement, or to make any payment in cash under the Plan until the Participating Company Group's tax withholding obligations have been satisfied by the Participant.

17.2 **Withholding in or Directed Sale of Shares.** The Company shall have the right, but not the obligation, to deduct from the shares of Stock issuable to a Participant upon the exercise or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of any Participating Company. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates. The Company may require a Participant to direct a broker, upon the vesting, exercise or settlement of an Award, to sell a portion of the shares subject to the Award determined by the Company in its discretion to be sufficient to cover the tax withholding obligations of any Participating Company and to remit an amount equal to such tax withholding obligations to such Participating Company in cash.

18. **AMENDMENT , SUSPENSION OR TERMINATION OF PLAN .**

The Committee may amend, suspend or terminate the Plan at any time. However, without the approval of the Company's stockholders, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Section 4.3), (b) no change in the class of persons eligible to receive Incentive Stock Options, (c) any amendment to Section 3.6, and (d) no other amendment of the Plan that would require approval of the Company's stockholders under any applicable law, regulation or rule, including the rules of any stock exchange or quotation system upon which the Stock may then be listed or quoted. No amendment, suspension or termination of the Plan shall affect any then outstanding Award unless expressly provided by the Committee. Except as provided by the next sentence, no amendment, suspension or termination of the Plan may adversely affect any then outstanding Award without the consent of the Participant. Notwithstanding any other provision of the Plan to the contrary, the Committee may, in its sole and absolute discretion and without the consent of any Participant, amend the Plan or any Award Agreement, to take effect retroactively or otherwise, as it deems necessary or advisable for the purpose of conforming the Plan or such Award Agreement to any present or future law, regulation or rule applicable to the Plan, including, but not limited to, Section 409A.

19. **MISCELLANEOUS PROVISIONS .**

19.1 **Repurchase Rights .** Shares issued under the Plan may be subject to one or more repurchase options, or other conditions and restrictions as determined by the Committee in its discretion at the time the Award is granted. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

19.2 **Forfeiture Events.**

(a) The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of Service for Cause or any act by a Participant, whether before or after termination of Service, that would constitute Cause for termination of Service.

(b) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, any Participant who knowingly or through gross negligence engaged in the misconduct, or who knowingly or through gross negligence failed to prevent the misconduct, and any Participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, shall reimburse the Company for (i) the amount of any payment in settlement of an Award received by such Participant during the

twelve- (12-) month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement, and (ii) any profits realized by such Participant from the sale of securities of the Company during such twelve- (12-) month period. In addition, to the extent claw-back or similar provisions applicable to Awards are required by applicable law, listing standards and/or policies adopted by the Company, Awards granted under the Plan shall be subject to such provisions.

19.3 **Provision of Information.** Each Participant shall be given access to information concerning the Company equivalent to that information generally made available to the Company's common stockholders.

19.4 **Rights as Employee, Consultant or Director.** No person, even though eligible pursuant to Section 5, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. Nothing in the Plan or any Award granted under the Plan shall confer on any Participant a right to remain an Employee, Consultant or Director or interfere with or limit in any way any right of a Participating Company to terminate the Participant's Service at any time. To the extent that an Employee of a Participating Company other than the Company receives an Award under the Plan, that Award shall in no event be understood or interpreted to mean that the Company is the Employee's employer or that the Employee has an employment relationship with the Company.

19.5 **Rights as a Stockholder.** A Participant shall have no rights as a stockholder with respect to any shares covered by an Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 4.3 or another provision of the Plan.

19.6 **Delivery of Title to Shares.** Subject to any governing rules or regulations, the Company shall issue or cause to be issued the shares of Stock acquired pursuant to an Award and shall deliver such shares to or for the benefit of the Participant by means of one or more of the following: (a) by delivering to the Participant evidence of book entry shares of Stock credited to the account of the Participant, (b) by depositing such shares of Stock for the benefit of the Participant with any broker with which the Participant has an account relationship, or (c) by delivering such shares of Stock to the Participant in certificate form.

19.7 **Fractional Shares.** The Company shall not be required to issue fractional shares upon the exercise or settlement of any Award.

19.8 **Retirement and Welfare Plans** . Neither Awards made under this Plan nor shares of Stock or cash paid pursuant to such Awards may be included as "compensation" for purposes of computing the benefits payable to any Participant under any Participating Company's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit. In addition, unless a written employment agreement or other service agreement references Awards, a general reference to "benefits" in such agreement shall not be deemed to refer to Awards granted hereunder.

19.9 **Beneficiary Designation.** Subject to local laws and procedures, each Participant may file with the Company a written designation of a beneficiary who is to receive any benefit under the Plan to which the Participant is entitled in the event of such Participant's death before he or she receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. If a married Participant designates a beneficiary other than the Participant's spouse, the effectiveness of such designation may be subject to the consent of the Participant's spouse. If a Participant dies without an effective designation of a beneficiary who is living at the time of the Participant's death, the Company will pay any remaining unpaid benefits to the Participant's legal representative.

19.10 **Severability** . If any one or more of the provisions (or any part thereof) of this Plan shall be held invalid, illegal or unenforceable in any respect, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Plan shall not in any way be affected or impaired thereby.

19.11 **No Constraint on Corporate Action.** Nothing in this Plan shall be construed to: (a) limit, impair, or otherwise affect the Company's or another Participating Company's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (b) limit the right or power of the Company or another Participating Company to take any action which such entity deems to be necessary or appropriate.

19.12 **Unfunded Obligation.** Participants shall have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan shall be considered unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974. No Participating Company shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account shall not create or constitute a trust or fiduciary relationship between the Committee or any Participating Company and a Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of any Participating Company. The Participants shall have no claim against any Participating Company for any changes in the value of any assets which may be invested or reinvested by the Company with respect to the Plan.

19.13 **Choice of Law.** Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and each Award Agreement shall be governed by the laws of the State of Delaware, without regard to its conflict of law rules.

EXHIBIT 31.1

Certification of Principal Executive Officer and Principal Financial Officer
Pursuant to
Securities Exchange Act Rule 13a-14(a),
as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Marc H. Hedrick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Plus Therapeutics, 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. I am 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: August 15, 2019

/s/ Marc H. Hedrick
Marc H. Hedrick,
President & Chief Executive Officer
(principal executive officer and principal financial officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350/ SECURITIES EXCHANGE ACT RULE 13a-14(b), AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Plus Therapeutics, Inc. for the quarterly period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof, Marc H. Hedrick, as President & Chief Executive Officer of Plus Therapeutics, Inc. hereby certifies that:

1. The Form 10-Q report of Plus Therapeutics, Inc. that this certification accompanies fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended.

2. The information contained in the Form 10-Q report of Plus Therapeutics, Inc. that this certification accompanies fairly presents, in all material respects, the financial condition and results of operations of Plus Therapeutics, Inc.

By: /s/ Marc H. Hedrick
Marc H. Hedrick
President & Chief Executive Officer
(principal executive officer and principal financial officer)

Dated: August 15, 2019