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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2020

or

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

For the Transition Period from _____ to _____

Commission file number: 000-21990

MATEON THERAPEUTICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**13-3679168**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
29397 Agoura Road Suite 107 **Agoura Hills, CA**	**91301**
(Address of principal executive offices)	(Zip Code)

(650) 635-7000
(Registrant's telephone number, including area code)

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

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
None	MATN	N/A

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 [X] 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 [X] No [ ]

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

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[X]	Smaller reporting company	[X]
		Emerging growth company	[ ]

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

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

As of November 11, 2020, there were 89,601,912 shares of the registrant's common stock outstanding.

MATEON THERAPEUTICS, INC. AND SUBSIDIARIES
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MATEON THERAPEUTICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2020 AND DECEMBER 31, 2019
(Unaudited)

	September 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash	$ 1,362,188	$ 81,964
Restricted cash	20,000	-
Accounts receivable	19,748	149,748
Prepaid & other current assets	88,010	41,288
Total current assets	1,489,946	273,000
Development equipment, net of depreciation of $83,152 and $64,404	19,477	47,554
Intangibles, net of accumulated amortization of $124,133 and $85,608	886,047	924,572
In process R&D, net of accumulated amortization of $206,580 and $0	1,170,620	1,377,200
Goodwill	21,062,455	21,062,455
Total assets	$ 24,628,545	$ 23,684,781
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,731,620	$ 2,054,983
Accounts payable to related party	385,002	601,682
Contingent consideration	2,625,000	2,625,000
Derivative liability on Notes	776,470	540,517
Convertible debt, net of costs	1,017,868	944,450
Convertible debt, related party, net of costs	330,674	16,474
Private placement convertible debt, net of costs	612,892	-
Private placement convertible debt, related party, net of costs	33,274	-
Payroll Protection Plan loan	251,104	-
Total current liabilities	8,763,904	6,783,106
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Convertible Preferred stock, $0.01 par value, 15,000,000 shares authorized; 278,188 and 278,188 shares issued and outstanding	2,782	2,782
Common stock, $.01 par value; 150,000,000 shares authorized; 89,601,912 and 84,069,967 issued and outstanding, respectively	896,020	840,700
Additional paid-in capital	32,176,064	28,185,599
Accumulated deficit	(18,189,766)	(12,127,406)
Total Mateon Therapeutics, Inc stockholders' equity	14,885,100	16,901,675
Non-controlling interest	979,541	-
Total stockholders' equity	15,864,641	16,901,675
Total liabilities and stockholders' equity	$ 24,628,545	$ 23,684,781

The accompanying footnotes are an integral part of these unaudited consolidated financial statements.

MATEON THERAPEUTICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Service Revenue	$ -	$ -	$ 1,740,855	$ -
Operating expenses:				
Research and development	936,196	343,789	1,730,337	1,109,050
General and administrative	680,077	586,924	4,263,265	1,958,731
Total operating expenses	1,616,273	930,713	5,993,602	3,067,781
Loss from operations	(1,616,273)	(930,713)	(4,252,747)	(3,067,781)
Other expense:				
Interest expense, net	(331,459)	(60,413)	(1,615,233)	(88,518)
Change in fair value of derivative on debt	49,992	-	60,504	-
Loss on debt conversion	(88,817)	-	(254,884)	-
Total other expense	(370,284)	(60,413)	(1,809,612)	(88,518)
Net Loss	$ (1,986,557)	$ (991,126)	$ (6,062,360)	$ (3,156,299)
Basic & diluted net loss per share attributable to common stock	$ (0.02)	$ (0.01)	$ (0.07)	$ (0.06)
Basic & diluted weighted average common stock outstanding	88,964,549	74,526,579	87,474,986	52,131,543

The accompanying footnotes are an integral part of these unaudited consolidated financial statements.

MATEON THERAPEUTICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Non-Controlling	Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Interest	Equity
Balance at January 1, 2020	278,188	$ 2,782	84,069,967	$ 840,700	$ 28,185,599	$ (12,127,406)	$ -	$ 16,901,675
Stock-based compensation	-	-	-	-	2,147,591	-	-	2,147,591
Common shares issued upon partial conversion of debt	-	-	3,962,145	39,621	681,443	-	-	721,064
Net loss	-	-	-	-	-	(4,657,894)		(4,657,894)
Balance at March 31, 2020	278,188	2,782	88,032,112	880,321	31,014,633	(16,785,300)	-	15,112,436
Common shares issued upon partial conversion of debt	-	-	569,800	5,699	97,741	-	-	103,440
Net income	-	-	-	-	-	582,091	-	582,091
Balance as of June 30, 2020	278,188	2,782	88,601,912	886,020	31,112,374	(16,203,209)	-	15,797,967
							-	
Common shares issued upon partial conversion of debt	-	-	1,000,000	10,000	66,065	-	-	76,065
Beneficial conversion feature on convertible debt	-	-	-	-	632,194	-	-	632,194
Warrants issued in connection with private placement	-	-	-	-	365,431	-	-	365,431
Non-controlling interest in Edgepoint	-	-	-	-	-	-	979,541	979,541
Net loss	-	-	-	-	-	(1,986,557)	-	(1,986,557)
Balance as of September 30, 2020	278,188	$ 2,782	89,601,912	$ 896,020	$ 32,176,064	$ (18,189,766)	$ 979,541	$ 15,864,641

The accompanying footnotes are an integral part of these unaudited consolidated financial statements.

MATEON THERAPEUTICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance at January 1, 2019	-	$ -	6,843,802	$ 68,438	$ 7,886,598	$ (5,490,277)	$ 2,464,759
Common shares issued for cash	-	-	20,750	208	82,792	-	83,000
Common shares issued for services	-	-	91,844	918	417,218	-	418,136
Stock-based compensation	-	-	-	-	268,259	-	268,259
Common shares issued for settlement of accounts payable to related party	-	-	80,772	808	237,282	-	238,090
Net loss	-	-	-	-	-	(976,063)	(976,063)
Balance at March 31, 2019	-	-	7,037,168	70,372	8,892,149	(6,466,340)	2,496,181
Recapitalization under reverse merger	193,713	1,937	75,232,798	752,328	2,972,606	881	3,727,752
Stock-based compensation	-	-	-	-	72,415	-	72,415
Beneficial Conversion Feature on convertible debt and restricted common shares	-	-	1,050,000	10,500	498,640	-	509,140
Common shares issued in conversion of warrants	-	-	150,000	1,500	(1,380)	-	120
Net loss	-	-	-	-	-	(1,189,110)	(1,189,110)
Balance as of June 30, 2019	193,713	1,937	83,469,966	834,700	12,434,430	(7,654,569)	5,616,498
Beneficial conversion feature on convertible debt	-	-	-	-	175,000	-	175,000
Net loss	-	-	-	-	-	(991,126)	(991,126)
Balance as of September 30, 2019	193,713	$ 1,937	83,469,966	$ 834,700	$ 12,609,430	$ (8,645,695)	$ 4,800,372

The accompanying footnotes are an integral part of these unaudited consolidated financial statements.

MATEON THERAPEUTICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited)

	For the Nine Months Ended September 30,	
	2020	**2019**
Cash flows from operating activities:		
Net loss	$ (6,062,360)	$ (3,156,299)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount and deferred finance costs	1,591,261	88,479
Amortization of intangible assets	245,104	38,524
Stock-based compensation	2,147,591	340,674
Depreciation on development equipment	27,987	-
Issuance of common stock in lieu of cash for services	-	418,136
Change in fair value of derivative	(60,504)	-
Loss on debt conversion	254,884	-
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	104,071	35,175
Accounts payable and accrued expenses	644,329	329,760
Accounts payable to related party	(216,680)	569,256
Net cash used in operating activities	(1,324,317)	(1,336,295)
Cash flows from investing activities:		
Cash acquired in mergers	-	182,883
Net cash provided by investing activities	-	182,883
Cash flows from financing activities:		
Proceeds from sales of common stock, net of costs	-	83,120
Proceeds from Payroll Protection Plan	250,000	-
Proceeds from short term loan, related party	70,000	148,000
Proceeds from private placement	2,304,541	-
Net cash provided by financing activities	2,624,541	1,167,120
Net increase in cash and restricted cash	1,300,224	13,708
Cash - beginning of period	81,964	2,498
Cash and restricted cash - end of period	$ 1,382,188	$ 16,206
Supplemental cash flow information:		
Non cash investing and financing activities:		
Common shares issued upon partial conversion of debt	$ 900,569	$ -
Recapitalization under reverse merger	$ -	$ 3,727,752
Beneficial Conversion Feature on convertible debt and restricted common shares	$ -	$ 684,140
Common stock issued for settlement of accounts payable	$ -	$ 238,090

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

MATEON THERAPEUTICS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

Mateon Therapeutics, Inc. (f/k/a OXiGENE, Inc.) ("*Mateon*"), was formed in the State of New York in 1988, was reincorporated in the State of Delaware in 1992, and changed its name to Mateon Therapeutics, Inc. in 2016. Mateon conducts business activities through both Mateon and its wholly-owned subsidiaries, Oncotelic, Inc. ("*Oncotelic*"), a Delaware corporation and PointR Data, Inc. ("*PointR*"), a Delaware corporation, and EdgePoint AI, Inc. ("*Edgepoint"*), a Delaware Corporation for which there are non-controlling interests, (Mateon, Oncotelic, PointR and Edgepoint are collectively, the "*Company*"). Mateon is evaluating the further development of its product candidates OXi4503 as a treatment for acute myeloid leukemia and myelodysplastic syndromes and CA4P in combination with a checkpoint inhibitor for the treatment of advanced metastatic melanoma.

In April 2019, Mateon entered into an Agreement and Plan of Merger with Oncotelic (the "*Merger Agreement*"), a clinical-stage biopharmaceutical company developing investigational drugs for the treatment of orphan oncology indications and the Mateon's wholly-owned subsidiary Oncotelic Acquisition Corporation (the "*Merger Sub*"). Upon the terms of and subject to the satisfaction of the conditions described in the Merger Agreement, the Merger Sub was merged with and into Oncotelic (the "*Merger*"), with Oncotelic surviving the Merger as a wholly-owned subsidiary of Mateon. Also, in April 2019, Mateon completed the Merger and Oncotelic became a wholly-owned subsidiary of Mateon. The Merger was treated as a recapitalization and reverse acquisition for financial accounting purposes. Oncotelic is considered the acquirer for accounting purposes, and Mateon's historical financial statements before the Merger have been replaced with the historical financial statements of Oncotelic prior to the Merger in the financial statements and filings with the Securities and Exchange Commission.

The Company is a cancer immunotherapy company dedicated to the development of first in class self-immunization protocol (SIP™) candidates for difficult to treat cancers. The Company's proprietary SIP™ candidates offer advantages over other immunotherapies because they do not require extraction of the tumor or isolation of the antigens, and they have the potential for broad-spectrum applicability for multiple cancer types. The Company's proprietary product candidates have shown promising clinical activity in phase 2 trials for the treatment of gliomas and pancreatic cancers. The Company aims to translate its unique insights, which span more than three decades of original work using RNA therapeutics, into the deployment of antisense as a RNA therapeutic for diseases which are caused by TGF-beta overexpression, starting with cancer and expanding to Duchenne Muscular Dystrophy (DMD) and others. Oncotelic's lead product candidate, OT-101, is being developed as a broad-spectrum anti-cancer drug that can also be used in combination with other standard cancer therapies to establish an effective multi-modality treatment strategy for difficult-to-treat cancers. Together, the Company plans to initiate phase 3 clinical trials for OT-101 in both high-grade glioma and pancreatic cancer, and any other indications that may evolve.

The Company is developing OT-101 for the various epidemics and pandemics, similar to the current corona virus ("*COVID-19*") pandemic. In this connection, Mateon entered into an agreement and supplemental agreement with Golden Mountain Partners ("*GMP*") for a total of $1.2 million to render services for the development of OT-101. Such amount was recorded as revenue upon completion of all performance obligations under the agreement. Further, In June 2020, Mateon secured $2 million in debt financing, evidenced by a one year convertible note (the "*GMP Note")* from GMP, to conduct a clinical trial evaluating OT-101 against COVID-19 bearing 2% annual interest, and is personally guaranteed by Dr. Vuong Trieu, the Chief Executive Officer of Mateon. The GMP Note liability commenced to accrue when GMP first began to pay for services related to the clinical trial to our third party clinical research organization, upto a maximum of $2 million. GMP paid an equivalent of approximately $0.5 million to the clinical trial organization in October 2020. The GMP Note is convertible into Mateon's Common Stock upon the GMP Note's maturity one year from the date of the GMP Note, at Mateon's Common Stock price on the date of conversion with no discount. GMP does not have the option to convert prior to the GMP Note's maturity at the end of one year. Such financing will be utilized solely to fund the clinical trial.

In addition, the Company was paid $0.5 million for the completion of a successful in-vivo study of OT-101 in combination with Interluken 2 from Autotelic BIO Co., LTD. ("*ATB*"), an unaffiliated South Korean Company with whom Oncotelic had entered into an agreement in 2018.

In August 2019, Mateon entered into an Agreement and Plan of Merger (the "*PointR Merger Agreement*") with PointR. PointR survived the merger as a wholly-owned subsidiary of the Company (the "*PointR Merger*"). The PointR Merger was intended to create a publicly-traded artificial intelligence ("*AI*") driven immuno-oncology company with a robust pipeline of first in class TGF-β immunotherapies for late stage cancers such as gliomas, pancreatic cancer and melanoma. In November 2019, Mateon entered into Amendment No. 1 (the "*Amendment*") to the PointR Merger Agreement with PointR. The Amendment revised certain terms of the PointR Merger Agreement to provide that holders of PointR Common Stock would receive shares of the Mateon's Series A Preferred Stock in lieu of shares of Mateon's Common Stock in connection with the PointR Merger, as originally contemplated by the PointR Merger Agreement. The Amendment also revised the terms of the milestones for earn-out payment. Also in November 2019, pursuant to the terms of the PointR Merger Agreement, Mateon completed the PointR Merger.

In February 2020, Mateon formed a subsidiary, Edgepoint. Edgepoint is a start-up company that plans to develop technologies and IP related to various unmet issues within the pharma and medical device industries.

In addition, the Company is developing artemisinin. Artemisinin, purified from a plant *Artemisia annua*, is able to inhibit TGF-β activity and is able to neutralize SARS-CoV-2 (COVID-19). It has an EC50 of 0.45 ug/ml (In an in vitro study Mateon's test result at Utah State University), and a Safety Index of 140. Artemisinin can target multiple viral threats including COVID-19 by suppressing both viral replication and clinical symptoms that arise from viral infection. Viral replication cannot occur without TGF-β. Artemisinin also has been reported to have antiviral activities against hepatitis B and C viruses, human herpes viruses, HIV-1, influenza virus A, and bovine viral diarrhea virus in the low micromolar range. TGF-β surge and cytokine storm cannot occur without TGF-β. Clinical consequences related to the TGF-β surge, including ARDS and cytokine storm, are suppressed by targeting TGF-β with Artemisinin. This is a global study with India to contribute at least 120 pts to the total aggregate of 3000 pts. ARTI-19 in India is being conducted by Windlas Biotech Private Limited, as part of Mateon's global effort at deploying ArtiShield^{TM} across India, Africa, and Latin America.

Recent Developments

GMP Note

In June 2020, Mateon secured $2 million in debt financing, evidenced by a one year convertible note (the "GMP Note") from GMP, to conduct a clinical trial evaluating OT-101 against COVID-19 bearing 2% annual interest, and is personally guaranteed by Dr. Vuong Trieu, the Chief Executive Officer of Mateon. The GMP Note is convertible into Mateon's Common Stock upon the GMP Note's maturity one year from the date of the GMP Note, at Mateon's Common Stock price on the date of conversion with no discount. GMP does not have the option to convert prior to the GMP Note's maturity at the end of one year. Such financing will be utilized solely to fund the clinical trial.

The Company's liability under GMP Note commenced to accrue when GMP first began to pay for services related to the clinical trial to our third-party clinical research organization, up to a maximum of $2 million. In October 2020, the GMP paid approximately $0.5 million to the clinical trial organization, which accrued as a liability to the Company under the terms of the GMP Note.

JH Darbie & Co., Inc. Private Placement

During the three months ended September 30, 2020, the Company raised net proceeds of approximately $2.3 million, between July and September 2020, through JH Darbie & Co., Inc. ("*JH Darbie*") through the sale of units ("*Units*"), with each Unit consisting of (i) 25,000 shares of Edgepoint common stock, par value $0.01 per share ("*Edgepoint Common Stock*"), for a price of $1.00 per share of Edgepoint Common Stock; (ii) one convertible promissory note issued by the Company (the "*Unit Note*"), convertible into up to 25,000 shares of EdgePoint Common Stock at a conversion price of $1.00 per share, or up to 138,889 shares of the Company's Common Stock, at a conversion price of $0.18 per share; and (iii) 100,000 warrants (the "*Warrants*"), consisting of (a) 50,000 warrants to purchase an equivalent number of shares of EdgePoint Common Stock at $1.00 per share ("*Edgepoint Warrant*"), and (b) 50,000 warrants to purchase an equivalent number of shares of Company Common Stock at $0.20 per share ("*Mateon Warrant*") (the "*JH Darbie Financing*").

The Company incurred $0.4 million of costs associated with the JH Darbie Financing, of which $0.3 million was paid as direct placement fees to JH Darbie, pursuant to that certain Placement Agent Agreement, dated February 25, 2020 (the "*Darbie Placement Agreement*"). Under the Darbie Placement Agreement, JH Darbie has the right to sell a minimum of 40 Units, as described in Note 6 below, and a maximum of 100 Units on a best-efforts basis. The issuance and sale of the 53 Units in July, August and September 2020 represented the first three tranches of the JH Darbie Financing. JH Darbie also earned the right to 5.3 Units as their fees. For more information on the financing, see Note 6 below.

Consent Solicitation

On June 25, 2020, the Company commenced a solicitation of shareholder consents (the "*Consent Solicitation*"), pursuant to a consent solicitation statement (the "*Consent Solicitation Statement*"), to the holders (the "*Stockholders*") of its Common Stock and Preferred Stock, to approve the following actions:

(1) changing the name of the Company to "Oncotelic, Inc." and to changing the Company's ticker symbol (the "*Name Change*");

(2) amending the Company's Amended and Restated 2015 Equity Incentive Plan (the "*2015 Plan*") to increase the number of shares of Common Stock available for issuance from 7.25 million shares to 27.25 million shares, and increasing the maximum number of stock awards that may be issued in any fiscal year from 500,000 to 1,000,000 shares (the "*Plan Amendment*");

(3) increasing the authorized number of shares of Common Stock from 150,000,000 to 750,000,000 (the "*Capital Increase*"); and

(4) amending and restating the certificate of incorporation for the Company (the "*Amended and Restated Certificate*") to give effect to the Name Change, Capital Increase and forum selection provision.

The Stockholders approved the Name Change, the Plan Amendment, the Capital Increase, and the Amended and Restated Certificate. On November 5, 2020, the Company filed an amendment to its Certificate of Incorporation with the Secretary of State for the State of Delaware changing its name from "Mateon Therapeutics, Inc." to "Oncotelic Therapeutics, Inc." A notice of corporate action has been filed with the Financial Industry Regulatory Authority (FINRA), requesting approval to change its name and ticker symbol. The Company is still awaiting FINRA's approval on its notice of corporate action, and upon receipt of acceptance, the Company's ticker symbol will be changed to reflect the Company's name change.

Entry into MOU and Agreement with Windlas

On August 19, 2020 the Company executed a memorandum of understanding (the "*MOU*") with Windlas Biotech Private Limited ("*Windlas*") for the development and commercialization of Artemisinin as a therapeutic pharmaceutical, nutraceutical and herbal supplement against COVID-19. The development of Artemisinin against COVID-19 is dependent on the successful completion of ARTI-19 clinical trial "Artemisinin Intervention trial against COVID-19", which is being initiated globally in Africa, India, and South America. Windlas will be our manufacturing partner for the clinical trial batches as well as commercial batches.

On September 1, 2020 the Company executed the final MOU with Windlas regarding the development and commercialization of Artemisinin as therapeutic pharmaceutical, nutraceutical and herbal supplement against COVID-19.

The ARTI-19 trial has been cleared by India regulatory authorities for initiation. The trial is now registered under CTRI and three sites have been selected, their IRB approval obtained, their staffs have been trained into the protocol/EDC. Additional sites will be added as the trial progressed. Enrollment of patients has already commenced for the trial.

The Company and Windlas entered into a License, Development and Commercialization Agreement, dated November 10, 2020 (the "*Commercialization Agreement*"), which formalized the terms set forth in the MOU. Pursuant to the Commercialization Agreement, Windlas shall be responsible for developing, manufacturing, and supplying Artemisinin within India and eventually expanding worldwide, excluding China, and its territories and the Americas. Windlas will also be responsible to market Artemisinin and its variants in India. Under the terms of the Commercialization Agreement, Windlas and the Company will evenly split all profits derived from commercialization of Artemisinin within India. For all other territories, which excludes China and its territories and the Americas, the profit-split ratio is to be determined and negotiated on a country-by-country basis.

Please review Note 12 – Subsequent events for more information on updates since September 30, 2020.

Principles of Consolidation

The consolidated financial statements include the accounts of Mateon and its wholly owned subsidiaries, Oncotelic and PointR; and Edgepoint for which there are non-controlling interests. Intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission including Form 10-Q and Regulation S-X. The information furnished herein reflects all adjustments (consisting of normal recurring accruals and adjustments) which are, in the opinion of management, necessary to fairly state the operating results for the respective periods. Certain information and footnote disclosures normally present in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("*US GAAP*") have been omitted pursuant to such rules and regulations.

Liquidity and Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred net losses of approximately $18.2 million since inception of Oncotelic as Mateon's historical financial statements before the Merger have been replaced with the historical financial statements of Oncotelic prior to the Merger in the financial statements and filings. The Company also has a negative working capital of $7.3 million at September 30, 2020, of which approximately $1.3 million is attributable to assumed negative working capital of Mateon and $2.6 million contingent liability of issuance of common shares of Mateon to PointR shareholders upon achievement of certain milestones in accordance with the PointR Merger Agreement. The Company continues to have negative cash flows from operations through the nine months ended September 30, 2020. These conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of one year from the date of this filing. Management expects to incur additional losses in the foreseeable future and recognizes the need to raise capital to remain viable. The accompanying consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

The Company's long-term plans include continued development of its current pipeline of products to generate sufficient revenues to cover its anticipated expenses, through either technology transfer or product sales, as well as develop AI technologies either directly or through its subsidiaries. Until the Company is able to generate sufficient revenues from its current pipeline, the Company plans on funding its operations through the sale of equity and/or the issuance of debt, combined with or without warrants or other equity instruments.

Between April 2019 and December 2019, the Company entered into various securities purchase agreements (each individually, a "*SPA*", and collectively, the "*SPA*s") and notes payable (each individual, a "*Note*", and collectively, the "*Notes*"), including a SPA and two notes payable with the Company's CEO. In total, the Company raised a gross total of $2 million through such SPAs and Notes. For more details on the SPAs and the Notes, see Note 5 below.

In July 2019, the Company entered into a convertible note purchase agreement with PointR. Such convertible note was converted into shares of Mateon upon the completion of the PointR Merger.

During the three months ended September 30, 2020, the Company raised gross proceeds of $2.65 million, between July and September 2020, through JH Darbie & Co., Inc. ("*JH Darbie*"). The Company incurred $0.4 million of costs associated with the raise, of which $0.3 million was paid as direct placement fees to JH Darbie. JH Darbie and the Company are parties to a placement agent agreement, dated February 25, 2020 pursuant to which DH Darbie has the right to sell a minimum of 40 units, as described in Note 6 below, and a maximum of 100 units on a best-efforts basis. The issuance and sale of the 53 Units in July, August and September 2020 represented the first three tranches of the JH Darbie Financing. JH Darbie also earned the right to 5.3 Units as their fees. For more information on the financing, see Note 6 below.

During the nine months ended September 30, 2020, the Company recorded a total of approximately $1.7 million in service revenues from GMP and ATB. There are no assurances that the Company would be able to generate revenues for services and/or outlicensing fees in the near future.

During the nine months ended September 30, 2020, the Company's CEO provided short term funding of $70,000 to the Company.

Although no assurances can be given as to the Company's ability to deliver on its revenue plans, or that unforeseen expenses may arise, management believes that the potential equity and debt financing or other potential financing will provide the necessary funding for the Company to continue as a going concern. Also, management cannot guarantee any potential debt or equity financing will be available on favorable terms or at all. As such, management does not believe the Company has sufficient cash for 12 months from the date of this report. If adequate funds are not available on acceptable terms, or at all, the Company will need to curtail operations, or cease operations completely.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity-based transactions and disclosure of contingent liabilities at the date of the financial statements and revenues and expense during the reporting period. Actual results could materially differ from those estimates.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of the financial statements. Significant estimates include the valuation of goodwill and intangible assets for impairment, deferred tax asset and valuation allowance, and fair value of financial instruments.

Cash

As of September 30, 2020, and December 31, 2019, the Company held all its cash in banks in the United States of America. The Company considers investments in highly liquid instruments with a maturity of three months or less to be cash equivalents. The Company did not have any cash equivalents as of September 30, 2020 and December 31, 2019. Restricted cash consists of certificates of deposits held at banks as collateral for various purposes.

Investment in Equity Securities

Prior to the Merger, Oncotelic received Series E Preferred Shares of Adhera Therapeutics, Inc. ("*Adhera*") in consideration for the issuance of Oncotelic's Common Stock under various Securities Purchase Agreements. The Company records its investments in equity securities initially at cost in accordance with Accounting Standards Codification ("*ASC*") 321, Investments –Equity Securities ("*ASC 321"*). The Company subsequently marks the investments to market at each reporting period and, in accordance with Accounting Standard Update ("ASU") 2016-01, Financial Instruments – (Overall), records the unrealized gains or losses in the Consolidated Statement of Operations. During the three months ended December 31, 2019, the Company evaluated the fair value of the investment based on filings by Adhera, in which Adhera describes their current financial condition including the potential to file for bankruptcy, the Company believed that the long term investment in Adhera was impaired and therefore, determined to write off the entire investment.

Debt issuance Costs and Debt discount

Issuance costs are specific incremental costs that are (1) paid to third parties and (2) directly attributable to the issuance of a debt or equity instrument. The issuance costs attributable to the initial sale of the instrument should be offset against the associated proceeds in the determination of the instrument's initial net carrying amount.

Debt issuance costs and debt discounts are being amortized over the lives of the related financings on a basis that approximates the effective interest method. Costs and discounts are presented as a reduction of the related debt in the accompanying condensed balance sheets if related to the issuance of debt or presented as a reduction of Additional Paid in capital if related to the issuance of an equity instrument.

The Company applied the relative fair value to allocate the issuance costs among freestanding instruments that form part of the same transaction.

Fair Value of Financial Instruments

The carrying value of cash, accounts payable and accrued expense approximate their fair values based on the short-term maturity of these instruments. As defined in ASC 820, "Fair Value Measurements and Disclosures," fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). This fair value measurement framework applies at both initial and subsequent measurement.

The three levels of the fair value hierarchy defined by ASC 820 are as follows:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.

- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.

- Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Other than the restricted cash of $20,000, the Company did not have any Level 1 or Level 2 assets and liabilities at September 30, 2020.

At September 30, 2020	Carrying Value	Fair Value Measurement Using Level 1	Level 2	Level 3	Total
Restricted Cash – CDs at Bank	$ 20,000	$ 20,000	$ -	$ -	$ 20,000
	$ 20,000	$ -	$ -	$ -	$ 20,000

The derivative liabilities associated with its 2019 convertible note debt /financing (see Note 5), consisted of conversion feature derivatives at September 30, 2020 hence are classified as Level 3 fair value measurements. The table below sets forth a summary of the changes in the fair value of the Company's derivative liabilities classified as Level 3 as of September 30, 2020:

	Conversion Feature
Balance at December 31, 2019	$ 540,517
New derivative liability	870,268
Reclassification to additional paid in capital from conversion of debt to common stock	(573,811)
Change in fair value	(60,504)
Balance at September 30, 2020	$ 776,470

As of September 30, 2020, and December 31, 2019, the Company estimated the fair value of the conversion feature derivatives embedded in the convertible debentures based on assumptions used in the Black-Scholes valuation model. The key valuation assumptions used consists, in part, of the price of the Company's Common Stock, a risk free interest rate based on the yield of a Treasury note and expected volatility of the Company's Common Stock all as of the measurement dates. The Company used the following assumptions to estimate fair value of the derivatives as of September 30, 2020:

	September 30, 2020 Key Assumptions for fair value of conversions
Risk free interest	0.13%
Market price of share	$ 0.18
Life of instrument in years	1.56 – 1.85
Volatility	150.77%
Dividend yield	0%

When the Company changes its valuation inputs for measuring financial liabilities at fair value, either due to changes in current market conditions or other factors, it may need to transfer those liabilities to another level in the hierarchy based on the new inputs used. The Company recognizes these transfers at the end of the reporting period that the transfers occur. For the period ended September 30, 2020, there were no transfers of financial assets or financial liabilities between the hierarchy levels.

Other Fair Value Measurements

As of the closing of the Company's first three rounds of offering under a private placement memorandum with JH Darbie, the estimated grant date fair value of approximately $0.2 per share associated with the warrants to purchase up to 2,915,000 shares of common stock issued in this offering, or a total of approximately $0.4 million, was recorded to additional paid-in capital on a relative fair value basis. All warrants sold in this offering had an exercise price of $0.20 per share of the Company stock or $1.00 per share of Edge Point, subject to adjustment, are exercisable immediately and expire three years from the date of issuance. The fair value of the warrants was estimated using a Black Scholes valuation model using the following input values

Expected Term	1.5 years
Expected volatility	184.7%-191.9%
Risk-free interest rates	0.13%-0.15%
Dividend yields	0.00%

Net Income (Loss) Per Share

Basic net income (loss) per common share is computed by dividing the net income (loss) by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share includes the effect of Common Stock equivalents (notes convertible into Common Stock, stock options and warrants) when, under either the treasury or if-converted method, such inclusion in the computation would be dilutive. The following number of shares have been excluded from diluted loss since such inclusion would be anti-dilutive:

	Three and Nine Months Ended September 30,	
	2020	**2019**
Convertible notes	20,237,084	10,000,000
Stock options	6,130,004	6,145,044
Warrants	18,152,500	19,515,787
Potentially dilutive securities	44,519,588	35,660,831

Stock-Based Compensation

The Company applies the provisions of ASC 718, Compensation—Stock Compensation ("*ASC 718*"), which requires the measurement and recognition of compensation expense for all stock-based awards made to employees, including employee stock options, in the statements of operations.

For stock options issued to employees and members of the Board of Directors (the "*Board*") for their services, the Company estimates the grant date fair value of each option using the Black-Scholes option pricing model. The use of the Black-Scholes option pricing model requires management to make assumptions with respect to the expected term of the option, the expected volatility of the Common Stock consistent with the expected life of the option, risk-free interest rates and expected dividend yields of the Common Stock. For awards subject to service-based vesting conditions, including those with a graded vesting schedule, the Company recognizes stock-based compensation expense equal to the grant date fair value of stock options on a straight-line basis over the requisite service period, which is generally the vesting term. Forfeitures are recorded as they are incurred as opposed to being estimated at the time of grant and revised.

Pursuant to ASU 2018-07 Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting, the Company accounts for stock options issued to non-employees for their services in accordance with ASC 718. The Company uses valuation methods and assumptions to value the stock options that are in line with the process for valuing employee stock options noted above.

For warrants issued in connection with fund raising activities, the Company estimates the grant date fair value of each warrant using the Black-Scholes pricing model. The use of the Black-Scholes option pricing model requires management to make assumptions with respect to the expected term of the warrant, the expected volatility of the Common Stock consistent with the expected life of the warrant, risk-free interest rates and expected dividend yields of the Common Stock. If the warrants are issued upon termination or cancellation of prior issued warrants, then the Company estimates the grant date fair value of the new warrants using the Black-Scholes pricing model and evaluates whether the new warrants are deemed as equity instruments or liability instruments. If the warrants are deemed to be equity instruments, the Company records stock compensation expense and an addition to additional paid in capital. If however, the warrants are deemed to be liability instruments, then the fair value is treated as a deemed dividend and credited to additional paid in capital.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including definite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate to the carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, then these assets are written down first, followed by other long-lived assets of the operation to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. For the nine months ended September 30, 2020 and year ended December 31, 2019, there were no impairment losses recognized for long-lived assets.

Intangible Assets

The Company records its intangible assets at cost in accordance with ASC 350, Intangibles – Goodwill and Other. The Company reviews the intangible assets for impairment on an annual basis or if events or changes in circumstances indicate it is more likely than not that they are impaired. These events could include a significant change in the business climate, legal factors, a decline in operating performance, competition, sale or disposition of a significant portion of the business, or other factors. If the review indicates the impairment, an impairment loss would be recorded for the difference of the value recorded and the new value. For the nine months ended September 30, 2020 and 2019, there were no impairment losses recognized for intangible assets.

Goodwill

Goodwill represents the excess of the purchase price of acquired business over the estimated fair value of the identifiable net assets acquired. Goodwill is not amortized but is tested for impairment at least once annually, at the reporting unit level or more frequently if events or changes in circumstances indicate that the asset might be impaired. The goodwill impairment test is applied by performing a qualitative assessment before calculating the fair value of the reporting unit. If, on the basis of qualitative factors, it is considered not more likely than not that the fair value of the reporting unit is less than the carrying amount, further testing of goodwill for impairment would not be required. Otherwise, goodwill impairment is tested using a two-step approach.

The first step involves comparing the fair value of the reporting unit to its carrying amount. If the fair value of the reporting unit is determined to be greater than its carrying amount, there is no impairment. If the reporting unit’s carrying amount is determined to be greater than the fair value, the second step must be completed to measure the amount of impairment, if any. The second step involves calculating the implied fair value of goodwill by deducting the fair value of all tangible and intangible assets, excluding goodwill, of the reporting unit from the fair value of the reporting unit as determined in step one. The implied fair value of the goodwill in this step is compared to the carrying value of goodwill. If the implied fair value of the goodwill is less than the carrying value of the goodwill, an impairment loss equivalent to the difference is recorded. For the nine months ended September 30, 2020 and 2019, there were no impairment losses recognized for Goodwill.

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with ASC 815 “Derivatives and Hedging”.

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur, and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as “The Meaning of Conventional Convertible Debt Instrument.”

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with ASC 470-20 “Debt – Debt with Conversion and Other Options.” Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying Common Stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Original issue discounts (“*OID*”) under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying Common Stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 “Derivatives and Hedging – Contracts in Entity’s Own Equity” provides that, among other things, generally, if an event occurs that is not within the entity’s control could or would require net cash settlement, then the contract shall be classified as an asset or a liability.

Revenue Recognition

The Company recognizes revenue in accordance with *ASU* No. 2014-09, Revenue from Contracts with Customers (Topic 606).

Under ASU 2014-9, the Company recognizes revenue when its customers obtain control of the promised good or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company applies the following five-step process: (i) identify the contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation.

At contract inception, once the contract is determined to be within the scope of ASU 2014-09, the Company identifies the performance obligation(s) in the contract by assessing whether the goods or services promised within each contract are distinct. The Company then recognizes revenue for the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

The Company anticipates generating revenues from rendering services to other third party customers for the development of certain drug products and/or in connection with certain out-licensing agreements. In the case of services rendered for development of the drugs, revenue is recognized upon the achievement of the performance obligations or over time on a straight-line basis over the extended service period. In the case of out-licensing contracts, the Company records revenues either (i) upon achievement of certain pre-defined milestones when there is no obligation of the Company achieve any performance obligations in connection with the said pre-defined milestones, or (ii) upon achievement of the performance obligations if the milestones require the Company to provide the performance obligations.

The Company occasionally collects advance payments from customers toward commitments to provide services or performance obligations, in which case the advance payment is recorded as a liability until the obligations are fulfilled and revenue is recognized.

Research Service Agreement between GMP and Mateon Therapeutics Inc./Oncotelic Inc. ("Mateon Entities").

In February 2020, Oncotelic and GMP entered into a research and services agreement (the "*Agreement*") memorializing their collaborative efforts to develop and test COVID-19 antisense therapeutics. In March 2020, the Company reported the positive anti-viral activity results of OT-101 (the "*Product*") in an in vitro antiviral testing performed by an independent laboratory to GMP, at which time, the Mateon Entities and GMP entered into a supplement to the Agreement (the "*Supplement*") to confirm the inclusion of the Product within the scope of the Agreement, pending positive confirmatory testing against COVID-19. In consideration for the financial support provided by GMP for the research, pursuant to the terms of the Agreement (as amended by the Supplement) GMP was entitled to obtain certain exclusive rights to the use of the Product in the COVID field on a global basis, and an economic interest in the use of the Product in the COVID field including 50/50 profit sharing. GMP paid the Company fees of $0.3 million during the three months ended March 31, 2020 and $0.9 million during the three months ended June 30, 2020 for the services rendered under the Agreement and Supplement, respectively. The Company also recorded approximately $40 thousand for reimbursement of actual costs incurred. The Company received the cash for the services rendered during the nine months September 30, 2020.

Agreement with Autotelic BIO

Oncotelic had entered into a license agreement in February 2018 (the "*ATB Agreement*") with ATB. The ATB Agreement licensed the use of OT-101 in combination with Interleukin-2 (the "*Combined Product*"), and granted to ATB an exclusive license under the Oncotelic technology to develop, make, have made, use, sell, offer for sale, import and export the Combined Product, and the Combination Product only, in the field, throughout the entire world (excluding the United States of America and Canada) as the territory, on the terms and subject to the conditions of the ATB Agreement. The ATB Agreement requires ATB to be responsible for the development of the Combination Product. Oncotelic was responsible to provide to ATB the technical know-how and other pertinent information on the development of the Combination Product. ATB paid Oncotelic a non-refundable milestone payment in consideration for the rights and licenses granted to ATB under the ATB Agreement, and ATB was to pay Oncotelic $500,000 within sixty days from the successful completion of the in vivo efficacy studies. This payment was made in June 2020 after the successful completion of the in-vivo study and, as such, the Company recorded the revenue during the three months ended June 30, 2020. In addition, ATB is to pay Oncotelic: (i) $500,000 upon Oncotelic's completion of the technology know how and Oncotelic's technical assistance and regulatory consultation to ATB, as determined by the preparation of a Current Good Regulation Practices audit or certification by the Food and Drug Administration, with a mutual goal to obtain marketing approval of the Combined Product developed by ATB in the aforementioned territory; (ii) $1,000,000 upon receiving marketing approval of the Combined Product in Japan, China, Brazil, Mexico, Russia, or Korea; and (iii) $2,000,000 from receiving marketing approval of the Combined Product in Germany, France, Spain, Italy, or the United Kingdom. For the nine months ended September 30, 2020, the Company recorded $500,000 as revenue under the ATB Agreement for the successful completion of the in-vivo study.

Research & Development Costs

In accordance with ASC 730-10-25 "Research and Development", research and development costs are charged to expense as and when incurred.

Recent Accounting Pronouncements

In January 2017, the Financial Accounting Standards Board ("*FASB*") issued *ASU* No. 2017-04, Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment. The new guidance requires only a one-step quantitative impairment test, whereby a goodwill impairment loss will be measured as the excess of a reporting period unit's carrying amount over its fair value (not to exceed the total goodwill allocated to that reporting unit). It eliminates Step 2 of the current two-step goodwill impairment test, under which a goodwill impairment loss is measured by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. ASU 2017-04 is effective for annual periods beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The adoption of ASU 2017-04 had no material impact on the Company's consolidated financial statements and related disclosures.

In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, which defers the effective date of ASU 2014-09 for all entities by one year. ASU 2014-09 became effective on January 1, 2018. The ASU also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required about customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The Company adopted ASU 2015-14 during the nine months ended September 30, 2020 as till then, no revenue was earned by the Company.

In August 2020, the FASB issued "ASU 2020-06, Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)" which simplifies the accounting for convertible instruments. The guidance removes certain accounting models which separate the embedded conversion features from the host contract for convertible instruments. Either a modified retrospective method of transition or a fully retrospective method of transition is permissible for the adoption of this standard. Update No. 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted no earlier than the fiscal year beginning after December 15, 2020. The Company is currently evaluating the potential impact of the Update on its financial statements

All other newly issued but not yet effective accounting pronouncements have been deemed to be not applicable or immaterial to the Company.

NOTE 3 – GOODWILL AND INTANGIBLE ASSETS

Mateon completed the Merger with Oncotelic, which gave rise to Goodwill of $4,879,999. Further, Mateon added goodwill of $16,182,456 upon the completion of the Merger with PointR. In general, the goodwill is tested on an annual impairment date of December 31. However, since both mergers were completed in 2019 and both assets are currently being developed for various cancer and COVID-19 therapies, the Company does not believe the there are any factors or indications that the goodwill is impaired.

Assignment and Assumption Agreement with Autotelic, Inc.

In April 2018, Oncotelic entered into an Assignment and Assumption Agreement (the "*Assignment Agreement*") with Autotelic Inc., an affiliate company, and Autotelic LLC, an affiliate company, pursuant to which Oncotelic acquired the rights to all intellectual property ("*IP*") related to a patented product. As consideration for the Assignment Agreement, Oncotelic issued 204,798 shares of its Common Stock for a value of $819,191. The Assignment Agreement also provides that Oncotelic shall be responsible for all costs related to the IP, including development and maintenance, going forward.

Intangible Asset Summary

The following table summarizes the balances as of September 30, 2020 and December 31, 2019, of the intangible assets acquired, their useful life, and annual amortization:

	September 30, 2020	Remaining Estimated Useful Life (Years)
Intangible asset – Intellectual Property	$ 819,191	18.26
Intangible asset – Capitalization of license cost	190,989	18.26
	1,010,180	
Less Accumulated Amortization	(124,133)	
Total	$ 886,047	

	December 31, 2019	Remaining Estimated Useful Life (Years)
Intangible asset – Intellectual Property	$ 819,191	18.68
Intangible asset – Capitalization of license cost	190,989	18.68
	1,010,180	
Less Accumulated Amortization	(85,608)	
Total	$ 924,572	

Amortization of identifiable intangible assets for the three months ended September 30, 2020 and 2019 was $12,841 and $12,841, respectively. Amortization of identifiable intangible assets for the nine months ended September 30, 2020 and 2019 was $38,524 and $38,524, respectively.

The future yearly amortization expense over the next five years and thereafter are as follows:

For the years ended December 31,	
Remainder of 2020	$ 12,841
2021	51,365
2022	51,365
2023	51,365
2024	51,365
Thereafter	667,746
	$ 886,047

In-Process Research & Development (IPR&D) Summary

The following table summarizes the balances as of September 30, 2020 of the IPR&D assets acquired during the three months ended December 31, 2019. The Company will evaluate, on an annual basis, for any impairment and record an impairment if identified. No similar balances were present in 2019:

	September 30, 2020	Remaining Estimated Useful Life (Years)
Intangible asset – Intellectual Property	$ 1,377,200	4.25
	1,377,200	
Less Accumulated Amortization	(206,580)	
Total	$ 1,170,620	

Amortization of identifiable intangible assets for the three months ended September 30, 2020 and 2019 was $68,860 and $0, respectively. Amortization of identifiable intangible assets for the nine months ended September 30, 2020 and 2019 was $206,580 and $0, respectively.

The future yearly amortization expense over the next five years and thereafter are as follows:

For the years ended December 31,	
Remainder of 2020	$ 68,860
2021	275,440
2022	275,440
2023	275,440
2024	275,440
	$ 1,170,620

NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expense consists of the following amounts:

	September 30, 2020	December 31, 2019
Accounts payable	$ 2,024,261	$ 1,793,033
Accrued expense	707,359	261,950
	$ 2,731,620	$ 2,054,983

	September 30, 2020	December 31, 2019
Accounts payable – related party	$ 385,002	$ 601,682

NOTE 5 – CONVERTIBLE DEBENTURES. NOTES AND OTHER DEBT

As of September 30, 2020, SPAs with convertible debentures and notes, net of debt discount, consist of the following amounts:

	September 30, 2020
Convertible debentures	
10% Convertible note payable, due June 12, 2022 – Peak One	$ 11,183
10% Convertible note payable, due April 23, 2022 - TFK	33,823
10% Convertible note payable, due April 23, 2022 – Related Party	10,197
10% Convertible note payable, due April 23, 2022 – Bridge Investor	51,817
10% Convertible note payable, due August 6, 2022 – Bridge Investor	163,485
	270,505
Fall 2019 Notes	
5% Convertible note payable – Stephen Boesch	250,648
5% Convertible note payable – Related Party	250,477
5% Convertible note payable – Dr. Sanjay Jha (Through his family trust)	249,997
5% Convertible note payable – CEO, CTO & CFO	84,268
5% Convertible note payable – Bridge Investors	172,647
	1,008,037
Other Debt	
Short term debt from CEO	70,000
Total of debentures, notes and other debt	$ 1,348,542

As of December 31, 2019, convertible debentures and notes, net of debt discount, consist of the following amounts:

	December 31, 2019
10% Convertible note payable, due April 23, 2022 – Peak One	$ 115,623
10% Convertible note payable, due June 12, 2022 – Peak One	(81,735)
10% Convertible note payable, due April 23, 2022 - TFK	115,623
10% Convertible note payable, due April 23, 2022 – Related Party	(12,663)
10% Convertible note payable, due April 23, 2022 – Bridge Investor	(2,748)
10% Convertible note payable, due August 6, 2022 – Bridge Investor	26,824
	160,924
Fall 2019 Notes	
5% Convertible note payable – Stephen Boesch	187,785
5% Convertible note payable – Vuong Trieu*	187,785
5% Convertible note payable – Sanjay Jha (Through his family trust)	187,785
5% Convertible note payable – CEO, CTO & CFO	77,620
5% Convertible note payable – Bridge Investors	159,025
	800,000
Total of notes and other debt	$ 960,924

The gross principal balances on the convertible debentures listed above totaled $1,000,000 and originally included an initial debt discounts totaling $800,140, resulting from the recording of the original issue discount, the related financing costs, the beneficial conversion feature for the intrinsic value of the non-bifurcated conversion option and the restricted shares issued contemporaneously with the convertible notes.

Total amortization expense related to these debt discounts related to the convertible debentures was $611,681 and $88,479 for the nine months ended September 30, 2020 and 2019, respectively. In addition, during the nine months ended September 30, 2020, we recorded additional and accelerated amortization of debt discounts, which was created from the bifurcation of the conversion option related the host hybrid instruments, of $262,556 upon the partial conversion of debt by Peak One and TFK to shares of the Company's common stock. The total unamortized debt discount at September 30, 2020, was approximately $321,290.

All the above notes issued to Peak One, TFK, our CEO and the bridge investors reached the 180 days prior to the end of the three months ended March 31, 2020. As such, all the note holders had the ability to convert that debt into equity at the variable conversion price of 65% of the Company's lowest traded price after the first 180 days or at the lower of the Fixed Price or 55% of the Company's traded stock price under certain circumstances. This gave rise to a derivative feature within the debt instrument.

As of December 31, 2019, we had a derivative liability of approximately $541,000. The Company recorded additional derivative liability of approximately $870,000 during the nine months ended September 30, 2020 since the conversion option attached to certain notes became convertible into a variable number of shares of our common stock. The Company also extinguished approximately $574,000 of derivative liability following the conversion of certain notes to the Company's common stock in the nine months ended September 30, 2020.

Following the recognition as derivative liability of the embedded conversion options, the Company fully amortized the remaining unamortized beneficial conversion feature for approximately $232,000, recorded an initial $258,070 from the initial recognition of the debt discount following the bifurcation of the embedded conversion option. As of September 30, 2020, the Company had a derivative liability of approximately $776,000 and a change in fair value of approximately $60,500.

Bridge Financing

Peak One Financing

On April 17, 2019, the Company entered into a Securities Purchase Agreement (the "*Purchase Agreement*") with Peak One Opportunity Fund, L.P. (the "*Buyer*", "*Peak One*"), for a commitment to purchase convertible notes in the aggregate amount of $400,000, pursuant to which, for an aggregate purchase price of $400,000, the Buyer purchased (a) Tranche #1 in the form of a Convertible Promissory Note in the principal amount of $200,000 (the "*Convertible Note*") and (b) 350,000 restricted shares of the Company's Common Stock (the "*Shares*") (the "*Purchase and Sale Transaction*"). The Company used the net proceeds from the Purchase and Sale Transaction for working capital and general corporate purposes.

The Convertible Note has a principal balance of $200,000, including a 10%$ OID of $20,000 and $5,000 in debt issuance costs, receiving net proceeds of $175,000, with a maturity date of April 23, 2022. Upon the occurrence of certain events of default, the Buyer, amongst other remedies, has the right to charge a penalty in a range of 18% to 40% dependent on the specific default event. Amounts due under the Convertible Note may also be converted into shares (the "*Tranche #1 Conversion Shares*") of the Company's Common Stock at any time, at the option of the holder, at (i) a conversion price, during the first 180 days, of $0.10 per share (the "*Fixed Price*"), and then (2) at the lower of the Fixed Price or 65% of the Company's lowest traded price after the first 180 days or at the lower of the Fixed Price or 55% of the Company's traded stock price under certain circumstances. The Company has agreed to at all times, reserve and keep available out of its authorized Common Stock a number of shares equal to at least two times the full number of the Tranche #1 Conversion Shares. The Company may redeem the Convertible Note at rates of 110% to 140% over the principal balance dependent on certain events and redeem the value with accrued interest thereon, if any.

The issuance of the Convertible Note resulted in a discount from the beneficial conversion feature totaling $84,570, including $52,285 related to the beneficial conversion feature and a discount from the issuance of restricted stock of 350,000 shares for $32,285. Total amortization of these OID and debt issuance cost discounts totaled $84,376 for the nine months ended September 30, 2020. Total unamortized discount on this note was $0 as of September 30, 2020.

On June 12, 2019, the Company entered into an amendment of the Purchase Agreement ("*Amendment #1*") in connection with the draw-down of the second tranche, and to provide for additional borrowing capacity under that agreement. Amendment #1 increased the borrowing amount up to $600,000, adding the ability to borrow an additional $200,000 in a third tranche.

On June 12, 2019, the Buyer purchased Convertible Note Tranche #2 ("*Tranche #2*") totaling $200,000, including a 10% OID of $20,000 and a $1,000 debt issuance cost, receiving net proceeds of $179,000 against the April 17, 2019, Purchase Agreement with Peak One, with a maturity date of June 12, 2022. Amounts due under Tranche #2 are convertible at the same terms as Tranche #1 above.

The issuance of Tranche #2 resulted in a discount from the beneficial conversion feature totaling $180,000, including $132,091 related to the conversion feature and a discount from the issuance of restricted stock of 350,000 shares for $47,909. Total amortization of these OID and debt issuance cost discounts totaled $36,187 for the nine months ended September 30, 2020. Total unamortized discount on this note was $127,768 as of September 30, 2020.

On November 5, 2019, the Company and Peak One amended the Convertible Note under Tranche #1 to extend the date of conversion of the Convertible Note into Common Stock of the Company at 65% of the traded price of the Company's Common Stock until January 8, 2020. This amendment put a temporary hold on Peak One to convert the debt under Tranche 1. This restriction did not apply if Peak One opted to convert the Convertible Note at $0.10. The Company compensated Peak One 300,000 shares of the Company's Common Stock for delaying the conversion until January 18, 2020. Such shares were issued to Peak One on November 14, 2019. Non-cash compensation expense of $60,000 was recorded for such issuance.

Peak One converted $200,000 of Tranche 1 out of their total debt into 2,581,945 shares of Mateon during the nine months ended September 30, 2020.

Further, Peak One converted $100,000 of Tranche 2 of their total debt into 1,000,000 shares of Mateon during the nine months ended September 30, 2020. As such, the total outstanding debt for Peak One was $100,000 as of September 30, 2020.

TFK Financing

On April 23, 2019, the Company, entered into a Convertible Note (the "*TFK Note*") with TFK Investments, LLC ("*TFK*"). The TFK Note has a principal balance of $200,000, including a 10% OID of $20,000 and $5,000 in debt issuance costs, receiving net proceeds of $175,000, with a maturity date of April 23, 2022. Upon the occurrence of certain events of default, the Buyer, amongst other remedies, has the right to charge a penalty in a range of 18% to 40% dependent on the specific default event. Amounts due under the Convertible Note may also be converted into shares (the "*TFK Conversion Shares*") of the Company's Common Stock at any time, at (i) a conversion price, during the first 180 days, of $0.10 per share (the "Fixed Price"), and then (2) at the lower of the Fixed Price or 65% of the Company's lowest traded price after the first 180 days or at the lower of the Fixed Price or 55% of the Company's traded stock price under certain circumstances. The Company has agreed to at all times reserve and keep available out of its authorized Common Stock a number of shares equal to at least two times the full number of the TFK Conversion Shares. The Company may redeem the Convertible Note at rates of 110% to 140% rates over the principal balance dependent on certain events and redeem the value with accrued interest thereon, if any.

The issuance of the TFK Note resulted in a discount from the beneficial conversion feature totaling $84,570, including $52,285 related to the beneficial conversion feature and a discount from the issuance of restricted stock of 350,000 shares for $32,285. Total amortization of these OID and debt issuance cost discounts totaled $80,788 for the nine months ended September 30, 2020. Total unamortized discount on this note was $3,589 as of September 30, 2020.

On November 5, 2019, the Company and TFK amended the TFK Convertible Note to extend the date of conversion of the Convertible Note into Common Stock of the Company at 65% of the traded price of the Company's Common Stock until January 8, 2020. This restriction did not apply if TFK wished to convert the Convertible Note at $0.10 per share. The Company compensated TFK 300,000 shares of the Company's Common Stock for delaying the conversion until January 8, 2020. Such shares were issued to TFK on November 14, 2019. Non-cash compensation expense of $60,000 was recorded for such issuance.

TFK converted $133,430 of their total debt into 1,950,000 shares of Mateon during the nine months ended September 30, 2020. As such, the total outstanding debt for TFK was $66,570 as of September 30, 2020.

Notes with Officer and Bridge Investor

On April 17, 2019, the Company entered into a Securities Purchase Agreement (the "*Bridge SPA*") with our CEO and the Bridge Investor with a commitment to purchase convertible notes in the aggregate of $400,000.

On April 23, 2019, the Company entered into a convertible note with our Chief Executive Officer, Vuong Trieu, Ph. D. (the "*Trieu Note*"). The Trieu Note has a principal balance of $164,444, including a 10% OID of $16,444, resulting in net proceeds of $148,000, with a maturity date of April 23, 2022. Upon the occurrence of certain events of default, the Buyer, amongst other remedies, has the right to charge a penalty in a range of 18% to 40% dependent on the specific default event. Amounts due under the Convertible Note may also be converted into shares (the "*Trieu Conversion Shares*") of the Company's Common Stock at any time, at the option of the holder, at a conversion price of $0.10 per share (the "*Fixed Price*"), at the lower of the Fixed Price or 65% of the Company's lowest traded price after the 180^{th} day or at the lower of the Fixed Price or 55% of the Company's traded stock price under certain circumstances. The Company has agreed to at all times reserve and keep available out of its authorized Common Stock a number of shares equal to at least two times the full number of Conversion Shares. The Company may redeem the Convertible Note at rates of 110% to 140% rates over the principal balance dependent on certain events and redeem the value with accrued interest thereon, if any.

The issuance of the Trieu Note resulted in a discount from the beneficial conversion feature totaling $131,555 related to the conversion feature. Total amortization of the 10% OID discount and beneficial conversion feature totaled $4,095 for the nine months ended September 30, 2020. Total unamortized discount on this note was $8,568 as of September 30, 2020.

On April 23, 2019, pursuant to the Bridge SPA the Company entered into Convertible Note Tranche #1 ("*Tranche #1*") with the Bridge Investor. Tranche #1 has a principal balance of $35,556, an OID of $3,556, resulting in net proceeds of $32,000, with a maturity date of April 23, 2022. Upon the occurrence of certain events of default, the Buyer, among other remedies, has the right to charge a penalty in a range of 18% to 40% dependent on the specific default event. Amounts due under Tranche #1 may also be converted into shares (the "*Bridge SPA Conversion Shares*") of the Company's Common Stock at any time, at (i) a conversion price, during the first 180 days, of $0.10 per share (the "*Fixed Price*"), and then (2) at the lower of the Fixed Price or 65% of the Company's lowest traded price after the first 180 days or at the lower of the Fixed Price or 55% of the Company's traded stock price under certain circumstances. The Company may redeem the Convertible Note at rates of 110% to 140% rates over the principal balance dependent on certain events and redeem the value with accrued interest thereon, if any.

The issuance of the note resulted in a discount from the beneficial conversion feature totaling $28,445. Total amortization of the OID and discount totaled $888 for the nine months ended September 30, 2019. Total unamortized discount on this note was $1,849 as of September 30, 2020.

On August 6, 2019, pursuant to the Bridge SPA the Company entered into Convertible Note Tranche #2 ("*Tranche #2*") with the Bridge Investor. Tranche #2 has a principal balance of $200,000, an OID of $20,000 and debt issuance costs of $5,000, resulting in net proceeds of $175,000, with a maturity date of August 6, 2022. Upon the occurrence of certain events of default, the Buyer, among other remedies, has the right to charge a penalty in a range of 18% to 40% dependent on the specific default event. Amounts due under Tranche #1 may also be converted into Bridge Conversion Shares of the Company's Common Stock at any time, at the option of the holder, at a conversion price equal to the Fixed Price, at the lower of the Fixed Price or 65% of the Company's lowest traded price after the 180^{th} day or at the lower of the Fixed Price or 55% of the Company's traded stock price under certain circumstances. The Company may redeem the Convertible Note at rates of 110% to 140% rates over the principal balance dependent on certain events and redeem the value with accrued interest thereon, if any.

The issuance of the note resulted in a discount from the beneficial conversion feature totaling $175,000. Total amortization of the OID and discount totaled $157,779 for the nine months ended September 30, 2020. Total unamortized discount on this note was $15,396 as of September 30, 2020.

All the above notes issued to Peak One, TFK, our CEO and the bridge investors reached the 180 days prior to the end of the nine months ended September 30, 2020. As such, all the note holders had the ability to convert that debt into equity at the variable conversion price of 65% % of the Company's lowest traded price after the first 180 days or at the lower of the Fixed Price or 55% of the Company's traded stock price under certain circumstances. This gave rise to a derivative feature within the debt instrument.

As of December 31, 2019, we had a derivative liability of approximately $541,000. Following the initial bifurcation of the conversion features related to certain hybrid convertible notes instruments, the Company recorded an initial fair value of such derivative of $870,268. Following conversion of certain notes to the Company's common stock, the Company reversed such derivative liability by approximately $573,800. This resulted in a change in fair value of $60,504. As of September 30, 2020, the derivative liability had a fair value of approximately $776,000. During the nine months ended September 30, 2020, the Company fully amortized for $232,054 the remaining unamortized beneficial conversion feature since the conversion feature of certain hybrid instruments were separated and accounted for as derivative liability. The Company recorded an initial debt discount of $258,070 resulting from the bifurcation of the conversion feature representing the net carrying amount of the underlying notes since the fair value of the initial derivative liability exceeds the net carrying amount of the underlying notes.

Convertible Note with PointR Data, Inc.

In July 2019, the Company entered into a Note Purchase Agreement with PointR (the "PointR Note Purchase Agreement"). Pursuant to the PointR Note Purchase Agreement, Mateon issued a Convertible Promissory Note to PointR in the principal amount of $200,000 (the "*PointR Convertible Note*"). The PointR Convertible Note bore interest at a rate of 8% per annum. Interest payments were due monthly on the 15th day of each calendar month (or the next business day thereafter), and were payable, at the option of PointR, either in cash or in shares of Mateon's Common Stock, valued at the closing price of the Common Stock on the principal market on which the Common Stock is either traded or quoted at such time. The PointR Convertible Note was due and payable on demand by PointR (a) at any time after January 1, 2020 or (b) upon the occurrence of an Event of Default (as defined in the PointR Convertible Note and the PointR Note Purchase Agreement). All amounts outstanding under the PointR Convertible Note would be automatically converted into the Company's securities issued in next equity financing raising gross proceeds of $10,000,000 or more (a "*Qualified Financing*") at the price per share paid by investors in the Qualified Financing. As the conversion feature is contingent upon a future event, the conversion feature will be evaluated under ASC 470-20 and ASC 815 when and if the Qualified Financing occurred.

In November 2019, the PointR Convertible Note, with accrued interest of $4,603 thereon, was converted into Company's Series A Preferred Stock and is a part of the total consideration of 84,475 shares of Mateon's Series A Preferred Stock issued to the PointR shareholders upon the completion of the PointR Merger. Since the conversion occurred prior to the Qualified Financing, the Company did not have to evaluate the conversion feature under ASC 470-20 and ASC 815.

Fall 2019 Debt Financing

In December 2019, Mateon closed its Fall 2019 Debt Financing, raising an additional $500,000 bringing the gross proceeds of all debt financings under the Fall 2019 Debt Financing to $1,000,000. The Company entered into those certain Note Purchase Agreements (the "*Fall 2019 Note Purchase Agreements*") with certain accredited investors and the officers of the Company for the sale of convertible promissory notes (the "*Fall 2019 Notes*"). Mateon completed the initial closing under the Fall 2019 Note Purchase Agreements in November 2019. Mateon issued Fall 2019 Notes in the principal amount of $250,000 to each of Dr. Vuong Trieu, the Mateon's Chief Executive Officer, and Stephen Boesch, in exchange for gross proceeds of $500,000. In connection with the second and final closing of the Fall 2019 Debt Financing, Mateon issued Fall 2019 Notes to additional investors including $250,000 to Dr. Sanjay Jha, through his family trust, the former CEO of Motorola and COO/President of Qualcomm. The Company also offset certain amounts due to Dr. Vuong Trieu, the Company's Chief Executive Officer, Chulho Park, the Company's Chief Technology Officer, and Amit Shah, the Company's Chief Financial Officer and converted such amounts due into the Fall 2019 Notes. $35,000 due to Dr. Vuong Trieu, $27,000 due to Chulho Park and $20,000 due to Amit Shah were converted into debt. The Company also issued the Fall 2019 Notes of $168,000 to two unaffiliated accredited investors.

All the Fall 2019 Notes provide for interest at the rate of 5% per annum and are unsecured. All amounts outstanding under the Fall 2019 Notes become due and payable upon the approval of the holders of a majority of the principal amount of outstanding Fall 2019 Notes (the "*Majority Holders*") on or after (a) November 23, 2020 or (b) the occurrence of an event of default (either, the "*Maturity Date*"). The Company may prepay the Fall 2019 Notes at any time. Events of default under the Fall 2019 Notes include failure to make payments under the Fall 2019 Notes within thirty (30) days of the date due, failure to observe of the Fall 2019 Note Purchase Agreement or Fall 2019 Notes which is not cured within thirty (30) days of notice of the breach, bankruptcy, or a change in control of the Company (as defined in the Fall 2019 Note Purchase Agreement).

The Majority Holders have the right, at any time not more than five (5) days following the Maturity Date, to elect to convert all, and not less than all, of the outstanding accrued and unpaid interest and principal on the Fall 2019 Notes. The Fall 2019 Notes may be converted, at the election of the Majority Holders, either (a) into shares of the Company's Common Stock at a conversion price of $0.18 per share, or (b) into shares of common stock of the Edgepoint, at a conversion price of $5.00 (based on a $5.0 million pre-money valuation) of Edgepoint and 1,000,000 shares outstanding.

The issuance of the Fall 2019 Notes resulted in a discount from the beneficial conversion feature totaling $222,222 related to the conversion feature. Total amortization of the discount totaled $111,112 and $0 for the nine months ended September 30, 2020 and 2019, respectively; and $55,556 and $0 for the three months ended September 30, 2020 and 2019, respectively. As of September 30, 2020, the total unamortized discount on these notes was $88,888.

Further, the Company recorded interest expense of $12,500 and $37,500 for the three and nine months ended September 30, 2020, on these Fall 2019 Notes. The total amount outstanding under the Fall 2019 Notes, including accrued interest thereon and net of discounts, as of September 30, 2020 and December 31, 2019 was $1,008,037 and $1,003,870, respectively.

Paycheck Protection Program

In April 2020, the Company, entered into a Paycheck Protection Program Promissory Note (the "*PPP Note*") with respect to a loan in the amount of $250,000 (the "*PPP Loan*") from Silicon Valley Bank (the "*Lender*"). The PPP Loan was obtained pursuant to the Paycheck Protection Program (the "*PPP*") of the Coronavirus Aid, Relief, and Economic Security Act (the "*CARES Act*") administered by the U.S. Small Business Administration ("*SBA*"). The PPP Lo

The PPP Loan matures on April 21, 2022 and bears interest at a rate of 1.00% per annum. The PPP Loan is payable in 17 equal monthly payments commencing November 21, 2020. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties.

All or a portion of the PPP Loan may be forgiven by the SBA and the Lender upon application by the Company not later than December 31, 2020 upon documentation of expenditures in accordance with the SBA requirements.

Other short-term loans

During the nine months ended September 30, 2020, the Company's CEO provided additional funding of $70,000 to the Company.

NOTE 6 - PRIVATE PLACEMENT AND JH DARBIE FINANCING

During the three months ended September 30, 2020, the Company entered into subscription agreements with certain accredited investors pursuant to the JH Darbie Financing, whereby the Company issued and sold a total of 53 Units, for total gross proceeds of approximately $2.65 million or $2.31 million, net of fees paid to JH Darbie pursuant to the Darbie Placement Agreement, with each Unit consisting of:

- 25,000 shares of Edgepoint Common Stock for a price of $1.00 per share of Edgepoint Common Stock.
- One convertible promissory note, convertible into up to 25,000 shares of Edgepoint Common Stock, at a conversion price of $1.00 per share or up to 138,889 shares of the Company's Common Stock, at a conversion price of $0.18 per share.
- 50,000 warrants to purchase an equivalent number of shares of Edgepoint Common Stock at $1.00 per share or an equivalent number of shares of the Company's Common Stock at $0.20 per share with a three-year expiration date.

As of September 30, 2020, funds received under the JH Darbie Financing, net of debt discount, consist of the following amounts:

	September 30, 2020
Convertible promissory notes	
Subscription agreements - accredited investors	$ 612,892
Subscription agreements – related party	33,274
Total convertible promissory notes	$ 646,166

The Company incurred approximately $0.4 million of issuance costs, including legal costs of approximately $39,000, that are incremental costs directly related to the issuance of the various instruments bundled in the offering.

Concurrently with the sale of the Units, JH Darbie is granted, for nominal consideration, a warrant, exercisable over a five-year period, to purchase such number of Units equal 10% of the number of Units sold in the JH Darbie Financing. The Company granted 5.3 Units to JH Darbie pursuant to the Darbie Placement Agreement.

The terms of convertible notes are summarized as follows:

- Term: June 30, 2021.
- Coupon: 16%.
- Convertible at the option of the holder at any time in the Company's Common Stock or Edgepoint Common Stock.
- The conversion price is initially set at $0.18 per share for the Company's Common Stock or $1.00 for Edgepoint Common Stock, subject to adjustment.

The Company allocated the proceeds among the freestanding financial instruments that were issued in the single transaction using the relative fair value method, which affects the determination of each financial instrument initial carrying amount. The Company utilized the relative fair value method as none of the freestanding financial instruments issued as part of the single transaction are measured at fair value. Under the relative fair value method, the Company makes separate estimates of the fair value of each freestanding financial instrument and then allocates the proceeds in proportion to those fair value amounts. The Company recorded non-controlling interests of approximately $1 million in Edgepoint. Non-controlling interests represent the portion of net assets in consolidated entities that are not owned by the Company and are reported as a component of equity in the unaudited condensed consolidated balance sheets.

The Company recorded an initial debt discount of approximately $0.6 million representing the intrinsic value of the conversion option embedded in the convertible debt instrument based upon the difference between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

The Company recognized amortization expense related to the debt discount and debt issuance costs of $162,267 for the three and nine months ended September 30, 2020 respectively, and $0 for the three and nine months ended September 30, 2019, respectively, which is included in interest expense in the condensed statements of operations.

NOTE 7 - RELATED PARTY TRANSACTIONS

Master Service Agreement with Autotelic Inc.

In October 2015, Oncotelic entered into a Master Service Agreement (the "*MSA*") with Autotelic Inc., a related party that is partly owned by Dr. Trieu. Dr. Trieu, a related party, is a control person in Autotelic Inc. Autotelic Inc. currently owns less than 10% of Mateon. The MSA stated that Autotelic Inc. will provide business functions and services to the Company and allowed Autotelic Inc. to charge the Company for these expenses paid on its behalf. The MSA includes personnel costs allocated based on amount of time incurred and other services such as consultant fees, clinical studies, conferences and other operating expenses incurred on behalf of the Company. The MSA requires a 90-day written termination notice in the event either party requires to terminate such services.

Expenses related to the MSA were $6,011 and $291,887 for the three and nine months ended September 30, 2020, respectively, as compared to $309,194 and $1,004,315 for the same periods of 2019

In January 2019, Oncotelic issued a total of 80,772 shares of its common stock with a fair value of $4.00 per share to Autotelic, Inc. in lieu of cash for the settlement of outstanding accounts payable.

Notes Payable and Short-Term Loan – Related Party

In April 2019, Mateon issued a convertible note to Dr. Trieu totaling $164,444, including OID of $16,444, receiving net proceeds of $148,000, which was used by the Company for working capital and general corporate purposes (See Note 5). The Company issued a Fall 2019 Note to Dr. Trieu in the principal amount of $250,000, which also offset certain amounts due Dr. Trieu in the amount of $35,000 due to him and was converted into debt. During the nine months ended September 30, 2020, Dr. Trieu provided additional short-term funding of $70,000 to the Company. During the three months ended September 30, 2020, Dr. Trieu purchased 3 Units under the private placement for a total of $150,000.

Artius Consulting Agreement

On March 9, 2020, the Company and Artius Bioconsulting, LLC ("*Artius*"), for which Mr. Steven King, our Board and Committee member, is the Managing Member, entered into an amendment to that certain Consulting Agreement dated December 1, 2018 (the "*Artius Agreement*"), under which Artius agreed to serve as a consultant to the Company for services related to the Company's business from time to time, effective December 1, 2019 (the "*Artius Agreement Effective Date*"). In connection with the Artius Agreement, Mr. King also agreed to assist the Company with strategic advisory services with respect to transactional and operational contracts, budgetary input, among other matters in connection with the development EdgePoint AI's Artificial Intelligence and Blockchain Driven Vision Systems, for which Mr. King serves as Chief Executive Officer.

Under the terms of the Artius Agreement, the Company agreed to grant to Artius, subject to approval by the Mateon's Board of Directors and pursuant to the Company's 2017 Equity Incentive Plan, 148,837 restricted shares of Mateon's Common Stock, in addition to a 30% pre-financing ownership stake in EdgePoint AI. The Artius Agreement contemplates that Mr. King will generally provide his services at a rate of $237 per hour, not to exceed 44 hours per month and payable monthly, and to reimburse Mr. King for reasonable and necessary expenses incurred by him or Artius in connection with providing services to the Company.

Either the Company or Artius may terminate the Artius Agreement at any time, for any reason following the Artius Agreement Effective Date. The Artius Agreement will automatically renew one year from the Artius Agreement Effective Date, unless the Parties agree to terminate the Artius Agreement at that time.

The Company recorded $106,712 as expense during the nine months ended September 30, 2020 related to this Agreement. No similar expense was recorded in 2019.

Maida Consulting Agreement

Effective May 5, 2020, the Company and Dr. Anthony Maida, one of our Board and Committee members, entered into an independent consulting agreement, commencing April 1, 2020 (the "*Maida Agreement*"), under which Dr. Maida will assist the Company in providing medical expertise and advice from time to time in the design, conduct and oversight of the Company's existing and future clinical trials.

Pursuant to the terms of the Maida Agreement, the Company will grant to Dr. Maida 400,000 restricted shares or stock options of Mateon's Common Stock corresponding to $80,000 at the stock value of $0.20 per share, to vest on May 5, 2021. The Company will also pay Dr. Maida $15,000 per month for a minimum of 20 hours per week, in in addition to reimbursement of reasonable and necessary expenses incurred by Dr. Maida in connection with his services to the Company.

Either the Company or Dr. Maida may terminate the Maida Agreement, for any reason, upon 30 days advance written notice.

Dr. Maida was appointed the Chief Clinical Director for Mateon effective July 7, 2020. As of the date of this Quarterly Report, Dr. Maida continues to provide his services under the consulting agreement.

The Company recorded $45,000 and $90,000 as expense under the consulting agreement during the three and nine months ended September 30, 2020. No similar expense was recorded during the same periods in 2019.

Reimbursement of expenses to Autotelic Inc.

During the nine months ended September 30, 2020, the Company reimbursed to Autotelic Inc. $261,246 for healthcare insurance and 401K services at cost. No similar reimbursements were recorded during the same period in 2019.

NOTE 8 – STOCKHOLDERS' EQUITY

The following transactions affected the Company's Stockholders' Equity:

Equity Transactions During the Period Prior to the Merger

Issuance of Common Stock

In January 2019, Oncotelic issued 11,250 shares of Common Stock with a fair value of $4.00 per share to an employee in lieu of cash for compensation.

In January 2019, Oncotelic issued a total of 80,772 shares of Common Stock with a fair value of $4.00 per share to Autotelic, Inc. in lieu of cash for the settlement of outstanding accounts payable and services received.

In January 2019, Oncotelic issued a total of 20,750 shares of Common Stock with a fair value of $4.00 per share to two separates investors for $83,000 in cash.

In March 2019, Oncotelic issued 80,594 shares of Common Stock with a fair value of $4.00 per share to various employees in lieu of cash for accrued compensation.

In April 2019, Oncotelic issued a total of 150,000 shares of Common Stock to two investors as a result of the conversion of warrants for $120 in cash.

Equity Transactions During the Period Since the Merger

Issuance of Preferred Stock

In April 2019, pursuant to the Merger, Mateon issued 193,713 shares of Series A Preferred Stock in exchange for 77,154 shares of Oncotelic Common Stock.

In November 2019 Mateon issued 84,475 shares of Series A Preferred Stock to PointR in exchange of 11,135,935 shares of PointR Common Stock upon the consummation of the PointR merger.

Issuance of Common Stock during the three and nine months ended September 30, 2020

In February 2020, Mateon issued 500,000 shares of its Common Stock to Peak One in connection with the part conversion of one of their convertible notes payable. (See Note 5).

In February 2020, Mateon issued 1,200,000 shares of its Common Stock to Peak One in connection with the part conversion of one of their convertible notes payable. (See Note 5)

In March 2020, Mateon issued 750,000 shares of its Common Stock to TFK in connection with the part conversion of the TFK Note. (See Note 5).

In March 2020, Mateon issued 500,000 shares of its Common Stock to Peak One in connection with the part conversion of one of their convertible notes payable. (See Note 5)

In March 2020, Mateon issued 1,012,145 shares of its Common Stock to TFK in connection with the part conversion of the TFK Note. (See Note 5).

In June 2020, Mateon issued 569,800 shares of its Common Stock to Peak One in connection with the full conversion of one of their convertible notes payable. (See Note 5)

In July 2020, Mateon issued 1,000,000 shares of its Common Stock to Peak One in connection with the partial conversion of Tranche 2 of their convertible notes payable. (See Note 5)

Issuance of Common Stock in 2019

In April, 2019, pursuant to the Merger, Mateon issued 41,000,033 shares of Common Stock in exchange for 10,318,746 shares of Oncotelic common stock. (See Note 3)

In April 2019, Mateon issued 700,000 restricted shares of its Common Stock with a fair value of $0.11 per share to two noteholders in connection with convertible notes payable. (See Note 5)

In June 2019, Mateon issued 350,000 restricted shares of its Common Stock with a fair value of $0.18 per share in connection with a convertible note payable. (See Note 5)

In June 2019, Mateon issued 300,000 restricted shares of its Common Stock to Peak One with a fair value of $0.20 to extend the date of conversion of the Peak One Tranche #1 Note into Common Stock of Mateon at 65% of the traded price of Mateon’s Common Stock until January 18, 2020. This restriction did not apply if Peak One wished to convert the Peak One Tranche #1 Note at $0.10. The Company recorded a cost of $60,000 in lieu of such issuance.

In November 2019, Mateon issued 300,000 restricted shares of its Common Stock to TFK with a fair value of $0.20 to extend the date of conversion of the TFK Note into Common Stock of Mateon at 65% of the traded price of Mateon's Common Stock until January 8, 2020. This restriction did not apply if TFK wished to convert the TFK Note at $0.10 per share. The Company recorded a cost of $60,000 in lieu of such issuance.

NOTE 9 – STOCK-BASED COMPENSATION

Options

Pursuant to the Merger, Mateon's Common Stock and corresponding outstanding options survived. The below information details Mateon's associated option activity pre and post merger.

As of September 30, 2020, options to purchase Mateon's Common Stock were outstanding under three stock option plans – the 2017 Equity Incentive Plan (the "*2017 Plan*"), the 2015 Equity Incentive Plan (the "*2015 Plan*") and the 2005 Stock Plan (the "*2005 Plan*"). Under the 2017 Plan, up to 2,000,000 shares of Mateon's Common Stock may be issued pursuant to awards granted in the form of nonqualified stock options, restricted and unrestricted stock awards, and other stock-based awards. Under the 2015 and 2005 Plans, taken together, up to 7,250,000 shares of Mateon's Common Stock may be issued pursuant to awards granted in the form of incentive stock options, nonqualified stock options, restricted and unrestricted stock awards, and other stock-based awards. Employees, consultants, and directors are eligible for awards granted under the 2017 and 2015 Plans. Since the adoption of the 2015 Plan, no further awards may be granted under the 2005 Plan, although options previously granted remain outstanding in accordance with their terms.

Compensation based stock option activity for qualified and unqualified stock options are summarized as follows:

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2019	6,145,044	$ 0.75
Expired or canceled	(15,040)	2.72
Outstanding at September 30, 2020	6,130,004	$ 0.75

The following table summarizes information about options to purchase shares of Mateon's Common Stock outstanding and exercisable at September 30, 2020:

Exercise prices	Outstanding Options	Weighted-Average Remaining Life In Years	Weighted-Average Exercise Price	Number Exercisable
$ 0.22	2,524,513	7.73	$ 0.22	2,524,513
0.38	1,162,500	6.29	0.38	1,162,500
0.51	242,966	6.70	0.51	242,966
0.58	271,224	6.07	0.58	271,224
0.73	1,025,000	5.48	0.73	1,025,000
1.37	150,000	4.81	1.37	150,000
1.43	525,000	4.66	1.43	525,000
2.95	150,000	3.62	2.95	150,000
11.88	2,359	1.26	11.88	2,359
15.00	75,000	4.66	15.00	75,000
19.80	1,442	1.08	19.80	1,442
	6,130,004	6.49	$ 0.75	6,130,004

The compensation expense attributed to the issuance of the options is recognized as they are vested.

The employee stock option plan stock options are generally exercisable for ten years from the grant date and vest over various terms from the grant date to three years.

The aggregate intrinsic value totaled $0 and was based on Mateon's closing stock price of $0.18 as of September 30, 2020, which would have been received by the option holders had all option holders exercised their options as of that date.

As of September 30, 2020, there was no future compensation cost as all stock options vested as the compensation was fully expensed prior to the Merger and no new options have been granted since then.

In April 2019 and in conjunction with the close of the Merger, the Company recorded approximately $341,000 in compensation cost as a result of the acceleration of the vesting schedule of approximately 328,000 Oncotelic options. Pursuant to the Merger these options were converted into Common Stock and Series A Preferred Shares in the Company.

In August 2019, the Company entered into Employment Agreements and incentive compensation arrangements with each of its executive officers, including Dr. Vuong Trieu, the Chief Executive Officer; Dr. Fatih Uckun, the Chief Medical Officer; Dr. Chulho Park, its Chief Technology Officer; and Mr. Amit Shah, the Chief Financial Officer. Details of the agreements and the incentive compensation is described in detail in Note 11 – Commitments & Contingencies under "Employment Agreements". The incentive stock options or the restricted stock awards granted to the Company's executive officers have not been granted as of the date of this filing.

Warrants

Pursuant to the Merger, Mateon's Common Stock and corresponding outstanding warrants survived. The below information represents Mateon's associated warrant activity pre-merger and post-merger.

In February 2020, Mateon offered to cancel to all the prior warrants of the warrant holders from the 2018 debt financing and offered to reissue new warrants to such warrant holders. Out of all the warrant holders, holders of 13,750,000 warrants opted to participate in the reissuance. In addition, the Company issued 2,915,000 new warrants to certain accredited investors in connection with the financing through JH Darbie (See note 6). The issuance of warrants to purchase shares of Mateon's Common Stock, including those attributed to debt issuances, as of September 30, 2020 and December 31, 2019 are summarized as follows:

As of September 30, 2020	**Shares**	**Weighted-Average Exercise Price**
Outstanding at December 31, 2019	19,515,787	$ 0.60
Issued during the nine months ended September 30, 2020	16,665,000	0.20
Expired or cancelled	(18,028,287)	0.63
Outstanding at September 30, 2020	18,152,500	$ 0.20

As of December 31, 2019	**Shares**	**Weighted-Average Exercise Price**
Outstanding at December 31, 2018	24,380,893	$ 1.05
Expired or cancelled	(4,865,106)	2.82
Outstanding at December 31, 2019	19,515,787	$ 0.60

The following table summarizes information about warrants outstanding and exercisable at September 30, 2020:

	Outstanding and exercisable			
Exercise Price	Number Outstanding	Weighted-Average Remaining Life in Years	Weighted-Average Exercise Price	Number Exercisable
$ 0.20	1,487,500	2.75	$ 0.20	1,487,500
0.20	2,915,000	3.00	0.20	-
0.20	13,750,000	2.75	0.20	13,750,000
	18,152,500	2.75	$ 0.20	15,237,500

The expense attributed to the issuances of the warrants was recognized as they vested/earned. These warrants were exercisable for three to five years from the grant date. There were no warrants issued during the year ended December 31, 2019. 13,750,000 warrants were issued during the three months ended March 31, 2020 and Mateon recorded stock-based compensation of $2,100,000 as the fair value of the warrants using a Black Scholes valuation model using the following input values.

Expected Term	3 years
Expected volatility	140.5%
Risk-free interest rates	1.40%
Dividend yields	0.00%

As of the closing of the Company's July through September private placement offering, the estimated grant date fair value of approximately $0.20 per share associated with the warrants to purchase up to 2,915,000 shares of common stock issued in this offering, or a total of approximately $0.4 million, was recorded to additional paid-in capital on a relative fair value basis. All warrants sold in this offering had an exercise price of $0.20 per share of the Company stock or $1.00 per share of Edge Point, subject to adjustment, are exercisable immediately and expire three years from the date of issuance. The fair value of the warrants was estimated using a Black Scholes valuation model using the following input values:

Expected Term	1.5 years
Expected volatility	184.7%-191.9%
Risk-free interest rates	0.13%-0.15%
Dividend yields	0.00%

The Company recorded an initial debt discount of approximately $0.6 million representing the intrinsic value of the conversion option embedded in the convertible debt instrument based upon the difference between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. The Company recognized amortization expense related to the debt discount and debt issuance costs of $162,267 for the three and nine months ended September 30, 2020 respectively, which is included in interest expense in the condensed statements of operations. No similar expense was recorded for the same periods in 2019.

NOTE 10 – INCOME TAXES

The Company had gross deferred tax assets of approximately $66,100,000 and $65,000,000 as of September 30, 2020 and December 31, 2019, respectively, which primarily relate to net operating loss carryforwards. The increase during the nine months ended September 30, 2020 relates to the operations of the Company.

The Company records a valuation allowance in the full amount of our net deferred tax assets since realization of such tax benefits has been determined by the Company's management to be less likely than not.

The Company has identified our federal and California state tax returns as “major” tax jurisdictions. Currently, the periods the Company’s income tax returns are subject to examination for these jurisdictions are 2015 through 2018, until such time the Company files the 2019 tax return. The Company believes its income tax filing positions and deductions will be sustained on audit, and the Company do not anticipate any adjustments that would result in a material change to its financial position. Therefore, no liabilities for uncertain income tax positions have been recorded.

At September 30, 2020, the Company had available net operating loss carry forwards for federal income tax reporting purposes of approximately $251,700,000, including net operating losses of $3,700,000 recorded through the nine months ended September 30, 2020. At December 31, 2019, the Company had available net operating loss carry-forwards for federal income tax reporting purposes of approximately $248,000,000 which are available to offset future taxable income. Portions of these carry-forwards will expire through 2038 if not otherwise utilized. The Company has not performed a formal analysis, but the Company believes its ability to use such net operating losses and tax credit carry-forwards is subject to annual limitations due to change of control provisions under Sections 382 and 383 of the Internal Revenue Code, which significantly impacts the Company’s ability to realize these deferred tax assets.

As of the date of this filing, the Company has not filed its 2019 federal and state corporate income tax returns. The Company expects to file these documents as soon as practicable.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Leases

Currently, the Company is leasing the office located at 29397 Agoura Road, Suite 107, Agoura Hills, CA 91301 on a month-to-month basis until such time a new office is identified.

Legal Claims

From time to time, the Company may become involved in legal proceedings arising in the ordinary course of business. The Company is not presently a party to any legal proceedings that it currently believes, if determined adversely to the Company, would individually or taken together have a material adverse effect on the Company’s business, operating results, financial condition or cash flows.

Employment Agreements

In August 2019, Mateon entered into Employment Agreements and incentive compensation arrangements with each of its then executive officers, including Dr. Vuong Trieu, the Chief Executive Officer; Dr. Fatih Uckun, the Chief Medical Officer; Dr. Chulho Park, the Chief Technology Officer; and Mr. Amit Shah, the Chief Financial Officer. In November 2019, upon review of the said employment agreement with Dr. Uckun, it was observed that the agreement submitted for Dr. Uckun was the incorrect document and the Company filed the correct document.

The Employment Agreements provide for annual base salaries for each year of the term, subject to review and adjustment by Mateon’s Board or the Compensation Committee of the Board (the “*Compensation Committee*”) from time to time. Each Employment Agreement provides that the executive shall be eligible for an annual discretionary cash bonus expressed as a percentage the executive’s base salary, subject to their achievement of performance targets and goals established by the Board or the Compensation Committee.

The Employment Agreements provide for equity awards to each executive under the terms of Mateon’s stock option plans. Each Employment Agreement provides that the executive will receive a restricted stock grant of the Mateon’s Common Stock. Mateon will compensate Messrs. Trieu, Park and Shah for the taxes actually incurred on grant of the restricted shares. The restricted stock will vest fully on the one-year anniversary of employment. As of December 31, 2019, the restricted shares have yet to be issued. The Employment Agreements also provide for grants of incentive stock options to purchase shares of Mateon’s Common Stock under the Stock Plans. Such options shall vest and become exercisable after one year of employment. As of December 31, 2019, these options had yet to be granted. Thereafter, each Employment Agreement contemplates that the executive will be eligible to receive a comparable annual grant of restricted shares or stock options as approved by the Board or Compensation Committee and which shall contain the customary terms and provisions of such grants generally to key executives under the 2017 Stock Plan.

The initial restricted stock grants and stock option grants have been set for the executives as follows:

Executive	Title	Restricted Stock (Shares)	Stock Options (Shares)
Vuong Trieu	Chief Executive Officer	209,302	313,953
Chulho Park	Chief Technology Officer	162,791	244,186
Amit Shah	Chief Financial Officer	148,837	223,256

The incentive stock options or the restricted stock awards granted to the Mateon's officers have not been issued as of the date of this filing.

PointR Merger Consideration

The total purchase price of $17,831,427 represented the consideration transferred from Mateon in the PointR Merger and was calculated based on the number of shares of Common Stock plus the preferred shares outstanding but convertible into Common Stock outstanding at the date of the PointR Merger and includes $2,625,000 of contingent consideration of shares issuable to PointR shareholders upon achievement of certain milestones.

NOTE 12 – SUBSEQUENT EVENTS

Change in Name

On November 5, 2020, the Company filed an amendment to its Certificate of Incorporation with the Secretary of State for the State of Delaware changing its name from "Mateon Therapeutics, Inc." to "Oncotelic Therapeutics, Inc." A notice of corporate action has been filed with the Financial Industry Regulatory Authority (FINRA), requesting approval to change its name and ticker symbol. The Company is still awaiting FINRA's approval on its notice of corporate action, and upon receipt of acceptance, the Company's ticker symbol will be changed to reflect the Company's name change.

GMP Note

In June 2020, Mateon secured $2 million in debt financing, evidenced by a one year convertible note (the "GMP Note") from GMP, to conduct a clinical trial evaluating OT-101 against COVID-19 bearing 2% annual interest, and is personally guaranteed by Dr. Vuong Trieu, the Chief Executive Officer of Mateon. The GMP Note is convertible into Mateon's Common Stock upon the GMP Note's maturity one year from the date of the GMP Note, at Mateon's Common Stock price on the date of conversion with no discount. GMP does not have the option to convert prior to the GMP Note's maturity at the end of one year. Such financing will be utilized solely to fund the clinical trial.

The Company's liability under GMP Note commenced to accrue when GMP first began to pay for services related to the clinical trial to our third-party clinical research organization, up to a maximum of $2 million. In October 2020, the GMP paid approximately $0.5 million to the clinical trial organization, which accrued as a liability to the Company under the terms of the GMP Note.

Consent Solicitation

On June 25, 2020, the Company commenced a solicitation of shareholder consents (the "*Consent Solicitation*"), pursuant to a consent solicitation statement (the "*Consent Solicitation Statement*"), to the holders (the "*Stockholders*") of its Common Stock and Preferred Stock, to approve the following actions:

(1) changing the name of the Company to "Oncotelic, Inc." and to changing the Company's ticker symbol (the "*Name Change*");

(2) amending the Company's Amended and Restated 2015 Equity Incentive Plan (the "*2015 Plan*") to increase the number of shares of Common Stock available for issuance from 7.25 million shares to 27.25 million shares, and increasing the maximum number of stock awards that may be issued in any fiscal year from 500,000 to 1,000,000 shares (the "*Plan Amendment*");

(3) increasing the authorized number of shares of Common Stock from 150,000,000 to 750,000,000 (the "*Capital Increase*"); and

(4) amending and restating the certificate of incorporation for the Company (the "*Amended and Restated Certificate*") to give effect to the Name Change, Capital Increase and forum selection provision.

The Stockholders approved the Name Change, the Plan Amendment, the Capital Increase, and the Amended and Restated Certificate. The State of Delaware approved the name change on November 5, 2020.

Entry into MOU and Commercialization Agreement with Windlas

On August 19, 2020 the Company executed a memorandum of understanding (the "*MOU*") with Windlas Biotech Private Limited ("*Windlas*") for the development and commercialization of Artemisinin as a therapeutic pharmaceutical, nutraceutical and herbal supplement against COVID-19. The development of Artemisinin against COVID-19 is dependent on the successful completion of ARTI-19 clinical trial "Artemisinin Intervention trial against COVID-19", which is being initiated globally in Africa, India, and South America. Windlas will be our manufacturing partner for the clinical trial batches as well as commercial batches.

On September 1, 2020 the Company executed the final MOU with Windlas regarding the development and commercialization of Artemisinin as therapeutic pharmaceutical, nutraceutical and herbal supplement against COVID-19.

The ARTI-19 trial has been cleared by India regulatory authorities for initiation. The trial is now registered under CTRI and three sites have been selected, their IRB approval obtained, their staffs have been trained into the protocol/EDC. Additional sites will be added as the trial progressed. Enrollment of patients has already commenced for the trial.

The Company and Windlas entered into a License, Development and Commercialization Agreement, dated November 10, 2020 (the "*Commercialization Agreement*"), which formalized the terms set forth in the MOU. Pursuant to the Commercialization Agreement, Windlas shall be

responsible for developing, manufacturing, and supplying Artemisinin within India and eventually expanding worldwide, excluding China and its territories and the Americas. Windlas will also be responsible to market Artemisinin and its variants in India. Under the terms of the Commercialization Agreement, Windlas and the Company will evenly split all profits derived from commercialization of Artemisinin within India. For all other territories, which excludes China and its territories and the Americas, the profit-split ratio is to be determined and negotiated on a country-by-country basis.

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

Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (the "*Quarterly Report*" or "*Report*") includes a number of forward-looking statements that reflect management's current views with respect to future events and financial performance. Forward-looking statements are projections in respect of future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other comparable terminology. Those statements include statements regarding the intent, belief or current expectations of us and members of our management team, as well as the assumptions on which such statements are based.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, or performance. These statements are only predictions and involve known and unknown risks, uncertainties and other factors. Some of these risks are included in the section entitled "Risk Factors" set forth in this Quarterly Report and in other reports that we file with the SEC. The occurrence of any of these risks, or others of which we are currently unaware, may cause our company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks include, by way of example and without limitation:

- our ability to successfully commercialize our products and services on a large enough scale to generate profitable operations;
- our ability to maintain and develop relationships with customers and suppliers;
- our ability to successfully integrate acquired businesses or new products, or to realize anticipated synergies in connection with acquisitions of businesses or products;
- expectations concerning our ability to raise additional funding and to continue as a going concern;
- our ability to successfully implement our business plan; and
- our ability to avoid, or to adequately address any intellectual property claims brought by third parties; and
- the anticipated impact of any changes in industry regulation.

Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the SEC, including our Form 10-K filed with the SEC on May 14, 2020, which includes the audited financial statements for our subsidiary, Oncotelic, as of and for the years ended December 31, 2018. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results over time except as required by law. We believe that our assumptions are based upon reasonable data derived from and known about our business and operations. No assurances are made that actual results of operations or the results of our future activities will not differ materially from our assumptions.

Corporate History

Mateon Therapeutics, Inc. (f/k/a OXiGENE, Inc.) ("*Mateon*"), was formed in the State of New York in 1988, was reincorporated in the State of Delaware in 1992, and changed its name to Mateon Therapeutics, Inc. in 2016. Mateon conducts business activities through both Mateon and its wholly-owned subsidiaries, Oncotelic, Inc. ("*Oncotelic*"), a Delaware corporation and PointR Data, Inc. ("*PointR*"), a Delaware corporation, and EdgePoint AI, Inc. ("*Edgepoint"*), a Delaware Corporation, for which we have non-controlling interests (Mateon, Oncotelic, PointR and Edgepoint are collectively, the "*Company*"). Mateon is evaluating the further development of its product candidates OXi4503 as a treatment for acute myeloid leukemia and myelodysplastic syndromes and CA4P in combination with a checkpoint inhibitor for the treatment of advanced metastatic melanoma.

Merger Agreement with Oncotelic, Inc.

In April 2019, Mateon entered into an Agreement and Plan of Merger with Oncotelic (the "*Merger Agreement*"), a clinical-stage biopharmaceutical company focused on the treatment of cancer using TGF-b RNA, and Oncotelic Acquisition Corporation (the "*Merger Sub*", a newly formed wholly-owned subsidiary of the Company). Meteon and Oncotelic entered into the Merger Agreement in order to create a publicly traded company with a pipeline of immunotherapies that target several cancer markets which currently lack adequate treatment options. Following the satisfaction of closing conditions contained in the Merger Agreement (the "*Merger*"), the Merger Sub was merged with and into Oncotelic, with Oncotelic surviving the Merger as a wholly-owned subsidiary of the Company.

Merger Agreement with PointR Data, Inc.

In August 2019, Mateon entered into an Agreement and Plan of Merger (the "*PointR Merger Agreement*") with PointR (the "*PointR Merger*"), a privately-held developer of high-performance cluster computer and AI applications. The PointR Merger Agreement provided, that subject to the satisfaction of certain conditions, PointR would be merged with and into a newly formed subsidiary of the Company, with PointR surviving the PointR Merger as a wholly-owned subsidiary of the Company.

In November 2019, the Company entered into Amendment No. 1 to the PointR Merger Agreement (the "*Amendment*") with PointR and consummated the PointR Merger. The PointR Merger is intended to create a publicly traded AI driven immuno-oncology company with a robust pipeline of first in class TGF-β immunotherapies for late stage cancers such as gliomas, pancreatic cancer and melanoma.

For additional information on both mergers, refer to our Annual Report on form 10-K filed with the SEC on May 14, 2020.

Company Overview

We are a clinical stage biopharmaceutical company developing drugs for the treatment of cancer. Our goal is to advance our drug candidates into late stage pivotal clinical trials and either sell marketing rights to a larger pharmaceutical company or seek FDA approval ourselves.

Oncotelic's lead product candidate, OT-101, is being developed as a broad-spectrum anti-cancer drug that can also be used in combination with other standard cancer therapies to establish an effective multi-modality treatment strategy for difficult-to-treat cancers. Together, we plan to initiate phase 3 clinical trials for OT-101 in both high-grade glioma and pancreatic cancer. During phase 2 clinical trials in pancreatic cancer, melanoma, and colorectal cancers (Study P001) and in high-grade gliomas (Study G004), meaningful clinical benefits were observed and OT-101 exhibited a favorable safety profile. These clinical benefits included long-term survival and meaningful tumor reduction. Both partial and complete responses have been observed in the G004 Phase 2 clinical trial of OT-101 as a single agent in patients with aggressive brain tumors.

Oncotelic's self-immunization protocol (SIP™) is based on novel and proprietary sequential treatment of cancers with OT-101 (an antisense against TGF-ß2) and chemotherapies. This sequential treatment strategy is aimed at achieving effective self-immunization against a patients' own cancer, resulting in robust therapeutic immune response and consequently better control of the cancer and improved survival. Prolonged states of being cancer-free have been observed in some patients with the most aggressive forms of cancer, raising a renewed hope for a potential cure. The use of OT-101 lifts the suppression of the patient's immune cells around the cancer tissue, providing the foundation for an effective initial priming, which is critical for a successful immune response. The subsequent chemotherapy results in the release of neoantigens that result in a robust boost of the immune response. We believe that a rational combination of the Oncotelic SIP™ platform with immune-modulatory drugs like interleukin 2 (IL-2) and/or immune checkpoint inhibitors has the potential to help achieve sustained and robust immune responses in patients with the most difficult-to-treat forms of cancer.

Oncotelic is also working on developing OT-101 as a possible drug candidate that can be deployed in various epidemic and pandemic diseases, such as Severe Acute Respiratory Syndrome ("*SARS*") and specifically for the current COVID-19. As of the date of this report, the Company has filed an IND with the FDA to permit the Company to conduct clinical trials to prove the efficacy of OT-101 against COVID-19. The Company has initiated clinical trials in Latin America to evaluate the efficacy of OT-101 against COVID-19 and expects preliminary results in Q2, 2021. The Company plans to initiate the Company's Phase 2 clinical trial of OT-101, a TGF-β antisense, for the treatment of patients with mild to severe COVID-19 infection. Argentina now has the fifth highest tally of confirmed coronavirus cases worldwide, with the latest additions taking it past Colombia in a global ranking compiled by John Hopkins University. This multi-center, double blind, randomized, placebo-control study will evaluate the safety and efficacy of OT-101 in combination with standard of care on two (2) patient cohorts – 1) mild or moderate disease, and 2) severe disease requiring mechanical ventilation or intubation. The study will enroll approximately 24 patients in Argentina with an aggregate total of 72 pts study wide.

In addition, the Company is developing artemisinin. Artemisinin, purified from a plant *Artemisia annua*, is able to inhibit TGF-β activity and is able to neutralize SARS-CoV-2 (COVID-19). It has an EC50 of 0.45 ug/ml (In an in vitro study Mateon's test result at Utah State University), and a Safety Index of 140. Artemisinin can target multiple viral threats including COVID-19 by suppressing both viral replication and clinical symptoms that arise from viral infection. Viral replication cannot occur without TGF-β. Artemisinin also has been reported to have antiviral activities against hepatitis B and C viruses, human herpes viruses, HIV-1, influenza virus A, and bovine viral diarrhea virus in the low micromolar range. TGF-β surge and cytokine storm cannot occur without TGF-β. Clinical consequences related to the TGF-β surge, including ARDS and cytokine storm, are suppressed by targeting TGF-β with Artemisinin. This is a global study with India to contribute at least 120 pts to the total aggregate of 3000 pts. The study evaluates the safety and efficacy of Artemisia absinthium Powder 500mg capsule (ArtiShield™) in the treatment of adults with COVID-19. Top-line data from ARTI-19 is expected by end of 4Q20. The ARTI-19 trial was recently cleared by Indian regulatory authorities and is registered under the Clinical Trials Registry India (CTRI) with three active sites and additional sites to be added as the trial progresses and expands. ARTI-19 in India is being conducted by Windlas Biotech Private Limited, as part of Mateon's global effort at deploying ArtiShield™ across India, Africa, and Latin America.

Our artificial intelligence subsidiary, PointR, develops and deploys high performance cluster computers and AI technologies as a supercomputing grid that can be layered in and interconnected to create an all-point mesh to harvest operational data within manufacturing plant, hospitals, clinics, phase I units. These grids provide real-time, localized decision-making harvesting complex data from structured and unstructured sources. The deployment of this supercomputing grid enables data capture and insight extraction in real time in blocks which are chained into blockchain ledger records serving as immutable transactions for stakeholders such as regulatory agencies, caretakers, insurers, payers, and manufacturers. The PointR grid can integrate and fuse data from any type of sensors or collection devices. For example, the Vision platform is a network of activity detection cameras functionalized with AI algorithms to monitor, evaluate, and archive real time visual data as a series of metadata entries in a Blockchain ledger. In the pharmaceutical industry PointR's AI combined with Blockchain will be used in the entire life cycle of a drug: discovery, clinical trials and manufacturing. Leveraging its deep partnership with IBM, the PointR team will combine its own AI Vision technology with industry standard Blockchain to transform drug manufacturing and real-world evidence monitoring for clinical trials. The combined system has the potential to automatically record individual key steps in cGMP manufacturing operations including the flow of people, raw materials and operations in trusted perpetual blockchain ledgers that are indisputable. This has the potential to create much more efficient GMP manufacturing operations while simultaneously improving reliability and data security. The Company is also developing AI driven telehealth and other applications, that would be used in health monitoring and supporting the Company's various clinical programs. The PointR technology is planned to be transferred into Edgepoint. Edgepoint also plans to redeploy TrustPoint, a tested technology for GMP drug manufacturing relieving human errors in supply chain and increasing compliance with warehouse operating procedures. For example, the warehouse module of TrustPoint will automatically create a shopping list from standard templates and alert supply chain personnel to collect and deliver a list of raw materials to manufacturing. To support the anti-viral drug program, Edgepoint is developing an AI app to remotely monitor patients' respiratory status just using a mobile phone. Protected by patents and partnership with IBM Watson Health Research the app allows patients to cough and speak into a mobile phone app that can be operated either by a nurse or by the end-user patient at home. The app is part of the company's Telehealth platform to remotely monitor patient's progression of disease. Mateon's clinical trials of the anti-viral agent ARTI-Shield will deploy the AI app to COVID patients in the study to collect and score data by medical professionals. The data will be used by the AI to predict and diagnose patients as a de-novo software as a medical device. After regulatory approvals, the app will be bundled with ARTI-Shield™ to be prescribed by physicians. Patients will be able to self-monitor progression of their respiratory condition with the AI app much as they check their temperature with a thermometer. The app virtualizes and expands the use of spirometers in the form of a software app.

For the past year and a half, we have been operating under significant capital constraints, which has curtailed our ability to achieve meaningful progress in either of the Company's two clinical programs – one of which is developing OXi4503 as a treatment for acute myeloid leukemia and myelodysplastic syndromes and the other of which is developing CA4P in combination with a checkpoint inhibitor for the treatment of advanced metastatic melanoma. We believe that the merger of Oncotelic and Mateon creates a combined company that has potential to generate shareholder value through a promising pipeline of next generation immunotherapies targeting several significant cancer markets where there is a lack of therapeutic options and lack of an effective immunotherapy protocol.

Research Service Agreement between Golden Mountain Partners LLC (GMP) and the Company.

When COVID-19 emerged in China, the Company and GMP contemplated a collaboration to develop drug candidates for COVID-19. Oncotelic and GMP entered into a research and services agreement (the "*GMP Research Agreement*") on February 3, 2020 memorializing their collaborative efforts to develop and test COVID-19 antisense therapeutics (the "*GMP Agreement Product*"). On March 18, 2020, the Company reported the anti-viral activity of OT-101 – its lead drug candidate currently in phase 3 testing in pancreatic cancer and glioblastoma. In an in vitro antiviral testing performed by an independent laboratory, OT-101 has an 50% effective concentration (EC50) of 7.6 µg/mL and is not toxic at the highest dose of 1000 µg/mL giving a safety index (SI) value of >130, which is considered highly active. On March 23, 2020, the Company and GMP entered into a supplement to the GMP Research Agreement (the "*GMP Research Supplement*") to confirm the inclusion of OT-101 within the scope of the GMP Research Agreement as a GMP Agreement Product, pending positive confirmatory testing against COVID-19. In consideration for the financial support provided by GMP for the research, pursuant to the terms of the GMP Research Agreement (as amended by the GMP Research Supplement) GMP is entitled to obtain certain exclusive rights to the use of the GMP Agreement Product in the COVID Field on a global basis, and an economic interest in the use of the GMP Agreement Product in the COVID Field including 50/50 profit sharing. As described in the GMP Research Supplement, the Company intends to license or assign intellectual property rights, including the 2020 Patent Application and any other intellectual property rights owned or controlled by the Company relating to the GMP Agreement Product, OXi4503 and CA4P, to a joint venture company (the "*Joint Venture Transaction*") to be established jointly between Oncotelic and GMP (or its designee), as well as providing management services and other expertise to the joint venture company. GMP intends that it (or its designee, as the case may be) shall provide funding to the joint venture company to support its development and commercial activities in the joint venture company's territories, and in each case, on terms to be agreed by the parties. GMP shall be entitled to use its governmental relations and local expertise in Greater China to assist with coordinating the research, development and commercialization of (i) the GMP Agreement Products in the COVID Field, (ii) the GMP Agreement Products in the OT101 Oncology Field, (iii) OXi4503; and (iv) CA4P, in each case in Greater China.

The joint venture company is intended to be owned 50% by Oncotelic and 50% by GMP (or its designee), and its principal activities shall be to research, develop, bring to market and commercialize: (i) the GMP Agreement Products in the COVID Field on a global basis, (ii) the GMP Agreement Products in the OT101 Oncology Field in the territory set forth above, (iii) OXi4503 in the territory set forth above; and (iv) CA4P in the territory set forth above. On April 6, 2020, the Company announced that it had delivered the requisite testing results to GMP confirming the applicability and potential use of OT-101 for the treatment of COVID-19. OT-101 exhibited potent activity against both COVID-19 and SARS with a robust safety index of >500. Also, the Company has submitted a Pre-Investigational New Drug application package to the Food and Drug Administration. GMP paid the Company fees of $300,000 during the three months ended March 31, 2020 and $900,000 during the three months ended June 30, 2020 for the services rendered under the agreement. The Company also recorded approximately $40,000 for reimbursement of actual costs incurred. The Company has received the total fees from GMP as of the date of this report.

In June 2020, Mateon secured $2 million in debt financing, evidenced by a one year convertible note (the "GMP Note") from GMP, to conduct a clinical trial evaluating OT-101 against COVID-19 bearing 2% annual interest, and is personally guaranteed by Dr. Vuong Trieu, the Chief Executive Officer of Mateon. The GMP Note is convertible into Mateon's Common Stock upon the GMP Note's maturity one year from the date of the GMP Note, at Mateon's Common Stock price on the date of conversion with no discount. GMP does not have the option to convert prior to the GMP Note's maturity at the end of one year. Such financing will be utilized solely to fund the clinical trial.

The Company's liability under GMP Note commenced to accrue when GMP first began to pay for services related to the clinical trial to our third-party clinical research organization, up to a maximum of $2 million. In October 2020, the GMP paid approximately $0.5 million to the clinical trial organization, which accrued as a liability to the Company under the terms of the GMP Note.

Entry into MOU and Agreement with Windlas

On August 19, 2020 the Company executed a memorandum of understanding (the "*MOU*") with Windlas Biotech Private Limited ("*Windlas*") for the development and commercialization of Artemisinin as a therapeutic pharmaceutical, nutraceutical and herbal supplement against COVID-19. The development of Artemisinin against COVID-19 is dependent on the successful completion of ARTI-19 clinical trial "Artemisinin Intervention trial against COVID-19", which is being initiated globally in Africa, India, and South America. Windlas will be our manufacturing partner for the clinical trial batches as well as commercial batches.

On September 1, 2020 the Company executed the final MOU with Windlas regarding the development and commercialization of Artemisinin as therapeutic pharmaceutical, nutraceutical and herbal supplement against COVID-19.

The ARTI-19 trial has been cleared by India regulatory authorities for initiation. The trial is now registered under CTRI and three sites have been selected, their IRB approval obtained, their staffs have been trained into the protocol/EDC. Additional sites will be added as the trial progressed. Enrollment of patients has already commenced for the trial.

The Company and Windlas entered into a License, Development and Commercialization Agreement, dated November 10, 2020 (the "*Commercialization Agreement*"), which formalized the terms set forth in the MOU. Pursuant to the Commercialization Agreement, Windlas shall be responsible for developing, manufacturing, and supplying Artemisinin within India and eventually expanding worldwide, excluding China and its territories and the Americas. Windlas will also be responsible to market Artemisinin and its variants in India. Under the terms of the Commercialization Agreement, Windlas and the Company will evenly split all profits derived from commercialization of Artemisinin within India. For all other territories, which excludes China and its territories and the Americas, the profit-split ratio is to be determined and negotiated on a country-by-country basis.

Agreement with Autotelic BIO

Oncotelic had entered into a license agreement in February 2018 (the "*ATB Agreement*") with Autotelic BIO ("*ATB*"), a non-affiliated Korean Company. The ATB Agreement licensed the use of OT-101, in combination with Interleukin-2 (the "*Combined Product")*, and granted to ATB an exclusive license under the Oncotelic technology to develop, make, have made, use, sell, offer for sale, import and export the Combined Product, and the Combined Product only, in the COVID-19 field, throughout the entire world (excluding the United States of America and Canada) as the territory, on the terms and subject to the conditions of the ATB Agreement. The ATB Agreement requires ATB to be responsible for the development of the Combined Product. Oncotelic was responsible to provide to ATB the technical know-how and other pertinent information on the development of the Combined Product. ATB paid Oncotelic a non-refundable milestone payment in consideration for the rights and licenses granted to ATB under the ATB Agreement, and ATB was to pay Oncotelic $500,000 within sixty days from the successful completion of the in vivo efficacy studies. This payment was made in June 2020 after the successful completion of the in-vivo study and the Company recorded the revenue during the three months ended June 30, 2020. In addition, ATB is to pay Oncotelic: (i) $500,000 upon Oncotelic's completion of the technology know how and Oncotelic's technical assistance and regulatory consultation to ATB, as determined by the preparation of a Current Good Regulation Practices audit or certification by the Food and Drug Administration, with a mutual goal to obtain marketing approval of the Combined Product in the aforementioned territory; (ii) $1,000,000 upon receiving marketing approval of the Combined Product in Japan, China, Brazil, Mexico, Russia, or Korea; and (iii) $2,000,000 from receiving marketing approval of the Combined Product in Germany, France, Spain, Italy, or the United Kingdom. ATB paid the Company fees of $0.5 million during the three months ended June 30, 2020 for the successful completion of the in-vivo efficacy studies.

Private Placement through JH Darbie & Co., Inc.

Beginning July 2020, the Company offered and sold certain units ("*Units*") in a private placement through JH Darbie & Co., Inc. ("*JH Darbie*"), with each unit consisting of: (i) 25,000 shares of Edgepoint common stock, par value $0.01 per share ("*Edgepoint Common Stock*"), for a price of $1.00 per share of Edgepoint Common Stock; (ii) one convertible promissory note issued by the Company (the "*Unit Note*"), convertible into up to 25,000 shares of EdgePoint Common Stock at a conversion price of $1.00 per share, or up to 138,889 shares of the Company's Common Stock, at a conversion price of $0.18 per share; and (iii) 100,000 warrants (the "*Warrants*"), consisting of (a) 50,000 warrants to purchase an equivalent number of shares of EdgePoint Common Stock at $1.00 per share ("*Edgepoint Warrant*"), and (b) 50,000 warrants to purchase an equivalent number of shares of Company Common Stock at $0.20 per share ("*Mateon Warrant*") (the "*JH Darbie Financing*"). In total, the Company has issued and sold a total of 53 Units. In addition, 5.3 units were issued to JH Darbie as fees.

Thus far, the JH Darbie Financing has resulted in gross proceeds of $2,650,000 to the Company. Placement agent fees of $339,200 were paid to JH Darbie pursuant to that certain Placement Agent Agreement, dated February 25, 2020 between the Company and JH Darbie (the "*Darbie Placement Agreement*"). In addition, the Company paid approximately $39,000 as legal costs for the transaction. Under the Darbie Placement Agreement, JH Darbie has the right to sell a minimum of 40 Units and a maximum of 100 Units on a best-efforts basis. The Company has had three tranches under the JH Darbie Financing; first tranche was in July 2020, the second tranche was in August 2020 and the third tranche in September 2020.

Paycheck Protection Program

On April 21, 2020, the Company, entered into a Paycheck Protection Program Promissory Note (the "*PPP Note*") with respect to a loan in the amount of $250,000 (the "*PPP Loan*") from Silicon Valley Bank (the "*Lender*"). The PPP Loan was obtained pursuant to the Paycheck Protection Program (the "*PPP*") of the Coronavirus Aid, Relief, and Economic Security Act (the "*CARES Act*") administered by the U.S. Small Business Administration ("*SBA*"). The PPP Loan matures on April 21, 2022 and bears interest at a rate of 1.00% per annum. The PPP Loan is payable in 17 equal monthly payments commencing November 21, 2020. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties.

All or a portion of the PPP Loan may be forgiven by the SBA and the Lender upon application by the Company not later than December 31, 2020 upon documentation of expenditures in accordance with the SBA requirements.

Consent Solicitation

On June 25, 2020, the Company commenced a solicitation of shareholder consents (the "*Consent Solicitation*"), pursuant to a consent solicitation statement (the "*Consent Solicitation Statement*"), to the holders (the "*Stockholders*") of its Common Stock and Series A Convertible Preferred Stock. The deadline for Stockholders to respond to the Consent Solicitation Statement was August 10, 2020 at 5:00 PM. Pursuant to the Consent Solicitation Statement, the following actions were approved by the written consent of the requisite number of Stockholders:

(1) changing the name of the Company to "Oncotelic Therapeutics, Inc." and to changing the Company's ticker symbol (the "*Name Change*");

(2) amending the Company's Amended and Restated 2015 Equity Incentive Plan to increase the number of shares of Common Stock available for issuance from 7.25 million shares to 27.25 million shares, and increasing the maximum number of stock awards that may be issued in any fiscal year from 500,000 to 1,000,000 shares (the "*Plan Amendment*");

(3) increasing the authorized number of shares of Common Stock from 150,000,000 to 750,000,000 (the "*Capital Increase*"); and

(4) amending and restating the certificate of incorporation for the Company to give effect to the Name Change, Capital Increase and forum selection provision.

The Company filed the Current Report on Form 8-K with the SEC to declare the voting results on August 14, 2020. As of November 5, 2020, the state of Delaware has approved the name change of the Company to Oncotelic Therapeutics, Inc. The Company is awaiting confirmation of the same, as well as all the other actions, by the State of Delaware and the Financial Industry Regulatory Authority.

Results of Operations

The Merger was treated as a "reverse merger" for accounting purposes. In accordance with the reporting requirements, the Company will be reporting historical financial data of Oncotelic for all periods prior to the date of the Merger, and for the combined company for all periods after the date of the Merger. Accordingly, the following management discussion and analysis should be read together with the audited financial statements included in our Annual Report on Form 10-K filed with the SEC on May 14, 2020.

Comparison of the Three Months Ended September 30, 2020 to the Three Months Ended September 30, 2019

A comparison of the Company's operating results for the three months ended September 30, 2020 and 2019, respectively, is as follows.

	2020	2019	Variance
Operating expense:			
Research and development	936,196	343,789	592,407
General and administrative	680,077	586,924	93,153
Total operating expense	1,616,273	930,713	685,560
Loss from operations	(1,616,273)	(930,713)	(685,560)
Loss on conversion of debt	(88,817)	-	(88,817)
Change in the value of derivatives on debt	49,992	-	49,992
Interest expense, net	(331,459)	(60,413)	(271,046)
Net Loss	$ (1,986,557)	(991,126)	(995,431)

Three months ended September 30, 2020 and 2019:

We recorded a net loss of approximately $2.0 million for the three months ended September 30, 2020, compared to a net loss of approximately $1.0 million for the same period of 2019. The increased loss of approximately $1.0 million for the three months ended September 30, 2020 as compared to the same period of 2019 was primarily due to higher operational expenses of $0.7 million, higher interest expense of $0.3 million, primarily related to interest expense related to the debt raised by the company in the second and third quarters of 2019, and loss on conversion of debt of $0.1 million, partially offset by change in value of derivatives of $0.1 million The financial information presented does not include any expenses for PointR operations for the three months ended September 30, 2019.

Research and Development Expenses

Research and development ("*R&D*") expenses increased by approximately $0.6 million for the three months ended September 30, 2020 compared to the same period in 2019. The higher R&D cost was primarily due to by higher amortization of intangibles and depreciation on R&D Equipment of $0.2 million and higher personnel costs of $0.4 million. The financial information presented does not include any R&D activity for PointR for the period ended September 30, 2019.

As a result of our mergers with Oncotelic and PointR, we expect to increase research and development activities, including the initiation of new clinical trials including those for COVID-19, and therefore believe that research and development expenses will increase for the remainder of 2020 compared to research and development expenses in 2019, subject to our continuing ability to secure sufficient funding to continue planned operations.

General and Administrative Expenses

General and administrative ("*G&A*") expenses increased by approximately $0.1 million for the three months ended September 30, 2020 compared to the three months ended September 30, 2019, primarily due to increases of approximately $0.1 million due to increase in personnel costs.

As a result of our mergers with Oncotelic and PointR, we expect G&A expenses to increase for the remainder of 2020 in order to support our anticipated additional business development, fundraising, investor relations and administrative activities, subject to our continuing ability to secure sufficient funding to continue planned operations.

Loss on Conversion of Debt

During the three months ended September 30, 2020, we recorded a loss on conversion of debt by Peak One of approximately $88 thousand related to the difference in fair value to the price at which the debt was converted. No similar loss was recorded during the same period in 2019.

Change in Value of Derivatives

During the three months ended September 30, 2020, we recorded a gain of approximately $50 thousand upon a change in value upon conversion of the debt to liabilities as a derivative as well as new debt converting to liabilities on the convertible notes issued to Peak One, TFK, our CEO and a bridge investor. No similar charge was recorded during the same period in 2019.

Interest Expense, Net

During the three months ended September 30, 2020, we recorded $0.3 million of interest expense, primarily on the convertible notes issued to Peak One, TFK, our CEO and a bridge investor, as well as the Fall 2019 Notes. This included normal and accelerated amortization of debt discounts and interest recorded on the Fall 2019 Notes. We recorded interest expense of $60 thousand during the same period of 2019 on the same notes.

Comparison of the Nine Months Ended September 30, 2020 to the Nine Months Ended September 30, 2019

A comparison of the Company's operating results for the nine months ended September 30, 2020 and 2019, respectively, is as follows.

	2020	2019	Variance
Revenue	$ 1,740,855	$ -	$ 1,740,855
Operating expenses:			
Research and development	1,730,337	1,109,050	621,287
General and administrative	4,263,265	1,958,731	2,304,534
Total operating expense	5,993,602	3,076,781	2,925,281
Income (loss) from operations	(4,252,747)	(3,076,781)	(1,184,906)
Loss on conversion of debt	(254,884)	-	(254,884)
Change in the value of derivatives on debt	60,504	-	60,504
Interest expense, net	(1,615,233)	(88,518)	(1,526,715)
Net income (loss)	$ (6,062,360)	$ (3,156,299)	$ (2,906,061)

Nine months ended September 30, 2020 and 2019:

We recorded a net loss of approximately $6.1 million for the nine months ended September 30, 2020, compared to a net loss of approximately $3.2 million for the same period in 2019. The increased loss of approximately $2.9 million for the nine months ended September 30, 2020 as compared to the same period of 2019 was primarily due to approximately $2.9 million of higher operational expenses related to Mateon, $1.5 million primarily related to interest expense, including amortization of normal and accelerated debt costs related to the debt raised by the company in the second and third quarters of 2019 and a loss of $0.3 million of loss on non-cash conversion of debt; partially offset by the recording revenue of approximately $1.7 million and recording a non-cash loss on conversion of value of derivatives of $0.1 million during the nine months ended September 30, 2020. The financial information presented does not include any expenses for PointR operations for the period ended September 30, 2019.

Revenue

We recorded services revenue of $1.7 million during the nine months ended September 30, 2020 as compared to no revenues during the same period ended in 2019. The services revenue of $1.2 million was recorded from services provided to GMP during the period ended September 30, 2020 in connection with the development of OT-101 for COVID-19 and included reimbursement of costs incurred of approximately $41 thousand. We also recorded $0.5 million of revenues from ATB upon the successful completion of the in-vivo efficacy studies based on the ATB Agreement.

Research and Development Expenses

R&D expenses marginally increased by approximately $0.6 million for the nine months ended September 30, 2020 compared to the same period in 2019. The increase in costs was primarily due to increase in personnel costs of $0.5 million and $0.1 million of legal and professional costs. The increase in personnel costs is to support the current ongoing clinical trials for OT-101 and Artemisinin for the COVID-19 pandemic as well as inclusion of personnel from PointR post the merger.

As a result of our mergers with Oncotelic and PointR, we expect to increase research and development activities, including the initiation of new clinical trials including those for COVID-19, and therefore believe that research and development expenses will increase for the remainder of 2020 compared to research and development expenses in 2019, subject to our continuing ability to secure sufficient funding to continue planned operations.

General and Administrative Expenses

G&A expenses increased by approximately $2.3 million for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019, primarily due to an increase of approximately $1.8 million of non-cash stock based compensation expense, higher personnel costs of $0.4 million and $0.1 million due to increase in legal, professional and other operational expenses.

As a result of our mergers with Oncotelic and PointR, we expect G&A expenses to increase for the remainder of 2020 in order to support our anticipated additional business development, fundraising, investor relations and administrative activities, subject to our continuing ability to secure sufficient funding to continue planned operations.

Loss on Conversion of Debt

During the nine months ended September 30, 2020, we recorded a loss on conversion of debt by Peak One and TFK of approximately $0.3 million related to the difference in fair value to the price at which the debt was converted. No similar loss was recorded during the same period in 2019.

Change in Value of Derivatives

During the nine months ended September 30, 2020, we recorded a gain of approximately $60 thousand upon a change in value upon conversion of the debt to liabilities as a derivative as well as new debt converting to liabilities on the convertible notes issued to Peak One, TFK, our CEO and a bridge investor. No similar charge was recorded during the same period in 2019.

Interest Expense, Net

During the nine months ended September 30, 2020, we recorded $1.6 million of interest expense on the convertible notes issued to Peak One, TFK, our CEO and a bridge investor, as well as the Fall 2019 Notes. This included normal amortization of debt discounts, recording of initial fair value of conversion of the notes from Peak One, TFK and the bridge investor and the acceleration of amortization of debt discounts upon conversion of the Peak One and TFK Notes. We recorded approximately $88,000 of interest expense during the same period in 2019.

Liquidity, Financial Condition and Capital Resources ($s in '000's)

	September 30, 2020 (Unaudited)	***December 31, 2019***
Cash	$ 1,362	$ 82
Working capital	(8,253)	(6,510)
Stockholders' Equity	14,885	16,902

The Company has experienced net losses every year since inception and as of September 30, 2020 had an accumulated deficit of approximately $18.2 million. As of September 30, 2020, the Company had approximately $1.4 million in cash and current liabilities of approximately $8.8 million, of which approximately $1.3 million are net assumed liabilities of Mateon as part of the merger. While the Company expects to generate revenue from services and or licensing milestones in the near future, the Company expects to incur significant additional operating losses over the next several years, primarily as a result of the Company's plans to continue clinical trials for its investigational drugs, including for COVID-19. The Company's limited capital resources, history of recurring losses and uncertainties as to whether the Company's operations will become profitable raise substantial doubt about its ability to continue as a going concern. The financial statements contained in this report do not include any adjustments related to the recoverability of assets or classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

The principal source of the Company's working capital deficit to date has been the sale of equity securities and raising debt. The Company will need to raise additional capital in order to fund its operations and continue development of product candidates. The Company is evaluating the options to further the development of Oncotelic's lead product candidate, OT-101 in addition to evaluating the development pathway of its product candidates; OXi4503 and/or CA4P. Since April 2019, the Company has raised $4,269,800, net of cash discounts of $450,200, through the JH Darbie Financing, sale of convertible debentures and notes.

The Company anticipates raising substantial additional capital through the sale of equity securities and/or debt, but no other financing arrangements are in place at this time.

If the Company is unable to access additional funds when needed, it may not be able to continue the development of these investigational drugs and the Company could be required to delay, scale back or eliminate some or all of its development programs and operations. Any additional equity financing, if available, would be dilutive to the current stockholders and may not be available on favorable terms. Additional debt financing, if available, may involve restrictive covenants and could also be dilutive. The Company's ability to access capital is not assured and, if access is not achieved on a timely basis, would materially harm the Company's financial condition, the value of its Common Stock and its business prospects.

Cash Flows

	Nine months ended September 30,	
	2020	**2019**
Net cash used in operating activities	$ (1,344,317)	$ (1,336,295)
Net cash provided by investing activities	-	182,883
Net cash provided by financing activities	2,624,541	1,162,120
Increase in cash	$ 1,280,224	$ 13,708

Operating Activities

Net cash generated used in operating activities was approximately $1.3 million for the nine months ended September 30, 2020. This was due to the net loss of approximately $6.1 million, which was partially offset by non-cash charges of approximately $4.0 million, non-cash loss on conversion of debt and change in value of derivatives of approximately $0.3 million and changes in operating assets and liabilities of approximately $0.5 million.

Net cash used in operating activities was $1.3 million for the nine months ended September 30, 2019, due to the net loss of approximately $3.2 million offset by non-cash charges of approximately $0.5 million, non-cash issuance of common shares in satisfaction of accounts payable of approximately $0.4 million and changes in operating assets and liabilities of approximately $1.0 million.

Investing Activities

Net cash generated from investing activities was $0 for the nine months ended September 30, 2020 as compared to $0.2 million for the same period of 2019. Cash generated during the nine months ended September 30, 2019 was due to the cash acquired from the Oncotelic Merger.

Financing Activities

Net cash generated from financing activities was $2.6 million during the nine months ended September 30, 2020 as compared to $1.2 million during the nine months ended September 30, 2019.

During the nine months ended September 30, 2020, net cash provided by financing activities was primarily from $2.3 million of cash generated from the JH Darbie Financing, net of amortized costs, $250,000 under the PPP administered by the SBA to support small businesses impacted by the COVID-19 pandemic, and $70,000 from receipt of a short term loan from the Company's CEO.

For the nine months ended September 30, 2019, net cash provided by financing activities was primarily from $0.9 million from notes payable, $0.1 million from a note payable from a related party and $83,000 from the sale of Oncotelic Common Stock.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Effects of Inflation

We do not believe that inflation has had a material impact on our business, revenues or operating results during the periods presented.

Critical Accounting Policies and Estimates

There have been no changes to our critical accounting policies and significant judgments and estimates from our Financial Results incorporated with our Annual Report on form 10-K filed with the SEC on May 14, 2020 other than those that have been included in Note 2 to this quarterly report on form 10Q.

New and Recently Adopted Accounting Pronouncements

Any new and recently adopted accounting pronouncements are more fully described in Note 2 to our unaudited condensed consolidated financial statements included in this Quarterly Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

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 under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives.

As required by Rule 13a-15(b) under the Exchange Act, our Chief Executive Officer ("*CEO*") and our Chief Financial Officer ("*CFO*") conducted an evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, our CEO and our CFO each concluded that our disclosure controls and procedures are not effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act, (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) is accumulated and communicated to our management, including our CEO and our CFO, as appropriate to allow timely decisions regarding required disclosure.

Material Weaknesses in Internal Control over Financial Reporting

Management conducted an assessment of the effectiveness of our internal control over financial reporting as of September 30, 2020 based on the framework established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that the Registrant's internal control over financial reporting as of September 30, 2020 was not effective as a result of certain material weaknesses.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The ineffectiveness of our internal control over financial reporting was due to the following material weaknesses which are observed in many small companies with a small number of accounting and financial reporting staff:

- Lack of formal policies and procedures;
- Inadequate or lack of segregation of duties;
- Lack of dedicated resources and experienced personnel to design and implement internal control procedures to support financial reporting objectives;
- Lack of qualified accounting personnel to prepare and report financial information in accordance with GAAP; and
- Lack of risk assessment procedures on internal controls to detect financial reporting risks on a timely manner.

Management's Plan to Remediate the Material Weaknesses

Management has been implementing and continues to implement measures designed to ensure that control deficiencies contributing to the material weakness are remediated, such that these controls are designed, implemented, and operating effectively. The remediation actions planned include:

- Hire qualified accounting personnel to prepare and report financial information in accordance with GAAP;
- Identify gaps in our skills base and the expertise of our staff required to meet the financial reporting requirements of a public company; and
- Continue to develop policies and procedures on internal control over financial reporting and monitor the effectiveness of operations on existing controls and procedures.
- Hire personnel internally or consultants to assist in developing policies and procedures on internal control over financial reporting and monitor the effectiveness of operations on existing controls and procedures.

Changes in Internal Control over Financial Reporting

During the nine months ended September 30, 2020, we continued to execute upon our planned remediation actions which are all intended to strengthen our overall control environment. We added two new directors to our Board of Directors and re-established our Audit Committee. During the fiscal year ended December 31, 2019, and as a result of the Merger, we have consolidated all accounting functions to the Company headquarters and all record keeping has been migrated into the same accounting software. We have recruited a third party firm to assist us in the evaluation of our financial reporting capabilities as well as advise on complex accounting matters, including revenue recognition under ASC 606, goodwill impairment, fair value measurements etc. We are also in discussions with another third party to assist us in strengthening our internal control processes and evaluation processes.

We are committed to maintaining a strong internal control environment and believe that these remediation efforts will represent significant improvements in our control environment. Our management will continue to monitor and evaluate the relevance of our risk-based approach and the effectiveness of our internal controls and procedures over financial reporting on an ongoing basis and is committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

In addition to the risk factors described below, for information about the risks and uncertainties related to our business, please see the risk factors described in our annual report on Form 10-K for the year ended December 31, 2019. The risks described below and in our Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

The risks arising with respect to the historic Oncotelic business and operations may be different from what we anticipate, which could lead to significant, unexpected costs and liabilities and could materially and adversely affect our business going forward.

It is possible that we may not have fully anticipated the extent of the risks associated with the Merger. After the Merger, Oncotelic's historic business was combined with Mateon and prior to the Merger, Oncotelic had a significant operating history. As a consequence, we may be subject to claims, demands for payment, regulatory issues, costs and liabilities that were not and are not currently expected or anticipated. The risks involved with taking over a business with a significant operating history and the costs and liabilities associated with these risks may be greater than we anticipate. We may not be able to contain or control the costs or liabilities associated with Oncotelic's historic business, which could materially and adversely affect our business, liquidity, capital resources or results of operation.

Our historical results of operation may not fully reflect the underlying performance of our business and period-to-period comparisons of our operating results may not be meaningful.

For accounting purposes, the Merger between Mateon and Oncotelic is treated as a "reverse merger" under U.S. GAAP and Oncotelic is considered the accounting acquirer. Oncotelic's historical results of operations will replace the Mateon's historical results of operations for all periods prior to the Merger and, for all periods following the Merger, the Company's financial statements will reflect the results of operations of the combined Company. Accordingly, the financial statements for the Company included in this Quarterly Report for periods prior to the Merger are not the same as the Company's prior reported filings with the SEC, which were derived from the operations of Mateon. As a result, period-to-period comparisons of our operating results may not be meaningful. The results of any one quarter should not be relied upon as an indication of future performance.

Our business may suffer from the severity or longevity of the COVID-19 Global Outbreak.

The COVID-19 is currently impacting countries, communities, supply chains and markets, as well as the global financial markets. To date, COVID-19 has not had a material impact on the Company, other than as set forth above. However, the Company cannot predict whether COVID- 19 will have a material impact on our financial condition and results of operations due to understaffing, disruptions in government spending, among other factors. In addition, at this time we cannot predict the impact of COVID-19 on our ability to obtain financing necessary for the Company to fund its working capital requirements. In most respects, it is too early in the COVID-19 pandemic to be able to quantify or qualify the longer-term ramifications on our business, our customers and/or our potential investors.

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

During the three months ended March 31, 2020, we issued 2,012,145 shares of our Common Stock to Peak One for $150,000 upon the partial conversion of their debt of $400,000. Also, during the three months ended June 30, 2020, we issued 569,800 shares of our Common Stock to Peak One for $50,000 upon the full conversion of their debt of $200,000 under the first tranche of their debt. In addition, during the three months ended September 30, 2020, we issued 1,000,000 shares of our Common Stock to Peak One for $100,000 upon the partial conversion of their debt of $200,000 under the second tranche of their debt. After the conversion, the remaining debt owed to Peak One, as of September 30, 2020 is $100,000.

During the three months ended March 31, 2020, we issued 1,950,000 shares of our Common Stock to TFK for $133,430 upon the partial conversion of their debt of $200,000. After the conversion, the remaining debt owed to TFK, as of March 31, 2020 is $66,570.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

In reviewing the agreements included as exhibits to this Quarterly Report, please remember that they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this Quarterly Report and the Company’s other public filings, which are available without charge through the SEC’s website at http://www.sec.gov.

The following exhibits are included as part of this Quarterly Report:

Exhibit Number	Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date	Exhibit Number	
2.1	Agreement and Plan of Merger, dated as of April 17, 2019, by and among the Company, Oncotelic and Oncotelic Acquisition Corporation.	8-K	4/18/2019	2.1	
2.2	Agreement and Plan of Merger, dated as of April 17, 2019, by and among the Company, Oncotelic and Oncotelic Acquisition Corporation.	8-K	4/25/2019	2.1	
2.3	Agreement and Plan of Merger, dated as of August 17, 2019, by and among the Company, PointR and Paris Acquisition Corporation.	8-K	8/21/2019	2.1	
2.4	Agreement and Plan of Merger, dated as of August 17, 2019, by and among the Company, PointR Data, Inc. and Paris Acquisition Corp.	8-K	11/12/2019	2.1	
2.5	Amendment No. 1 to Agreement and Plan of Merger, dated as of November 1, 2019, by and among the Company, PointR Data, Inc. and Paris Acquisition Corp.	8-K	11/12/2019	2.2	
3.1	Amended and Restated By-Laws of the Registrant.	8-K	6/17/2016	3.2	
3.2	Restated Certificate of Incorporation of the Registrant, as amended by Certificates of Amendment dated June 22, 1995, November 15, 1996, July 14, 2005, June 2, 2009, February 8, 2010, August 5, 2010, February 22, 2011, May 29, 2012, December 27, 2012, July 17, 2013, June 16, 2016 and June 20, 2018.	10-Q	8/14/2018	3.1	
3.3	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock of the Company.	8-K	4/25/2019	3.1	
3.4	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock of the Company.	8-K	11/12/2019	3.1	
4.1	Form of Series A/B Common Stock Purchase Warrant.	8-K	4/11/2013	4.1	
4.2	Form of Common Stock Purchase Warrant.	8-K	9/20/2013	4.1	
4.3	Form of Common Stock Purchase Warrant.	S-1/A	1/31/2014	4.9	
4.4	Form of Placement Agent Purchase Warrant.	S-1/A	1/31/2014	4.8	
4.5	Form of Common Stock Purchase Warrant.	8-K	2/14/2014	4.1	
4.6	Form of Placement Agent Purchase Warrant.	8-K	2/14/2014	4.2	
4.7	Form of Common Stock Purchase Warrant.	8-K	5/23/2014	4.1	
4.8	Form of Common Stock Purchase Warrant.	8-K	3/20/2015	4.1	
4.9	Specimen Common Stock Certificate. *	10-Q	8/2/2016	4.1	

4.10	Form of Series A Warrant to purchase Common Stock.	8-K	4/16/2018	4.1
4.11	Form of Series B Warrant to purchase Common Stock	8-K	4/16/2018	4.2
4.12	Form of Placement Agent Purchase Warrant.	S-1	6/13/2018	4.12
4.13	Form of Debenture, issued by the Company to PeakOne.	8-K	4/18/2019	4.1
4.14	Form of Debenture, issued by the Company to the Bridge Investors.	8-K	4/18/2019	4.2
4.15	Form of Debenture, issued by the Company to Peak One Opportunity Fund, L.P. and TFK Investments, LLC Ex. 4.1 Form of Debenture, issued by the Company to the Bridge Investors.	8-K	4/25/2019	4.2
4.16	Form of Debenture, issued by the Company to Peak One Opportunity Fund, L.P. and TFK Investments, LLC.	8-K	6/20/2019	4.1
4.17	Convertible Promissory Note between Mateon Therapeutics, Inc. and PointR Data Inc. dated July 22, 2019.	8-K	7/24/2019	4.1
4.18	Form of Note Purchase Agreement, dated as of November 23, 2019, by and among the Company and the investors identified therein.	8-K	11/25/2019	4.1
10.1	Technology Development Agreement, dated as of May 27, 1997, between the Registrant and the Arizona Board of Regents, acting for and on behalf of Arizona State University.	10-K	4/15/1998	10.9
10.2	Research Collaboration and License Agreement, dated as of December 15, 1999, between OXiGENE Europe AB and Bristol-Myers Squibb Company. *	8-K	12/28/1999	99.1
10.3	Amendment and Confirmation of License Agreement No. 206-01.LIC, dated as of June 10, 2002, between the Registrant and the Arizona Board of Regents, acting for and on behalf of Arizona State University.	10-Q	8/14/2002	10.29
10.4	Termination Agreement by and between OXiGENE Europe AB and Bristol-Myers Squibb Company dated as of February 15, 2002.	10-Q	8/14/2002	10.14
10.5	License Agreement No. 206-01.LIC by and between the Arizona Board of Regents, acting on behalf of and for Arizona State University, and OXiGENE Europe AB, dated August 2, 1999.	10-K/A	8/12/2003	10.27
10.6	Research and License Agreement between the Registrant and Baylor University, dated June 1, 1999.	10-K/A	8/12/2003	10.28
10.7	Agreement to Amend Research and License Agreement between the Registrant and Baylor University, dated April 23, 2002.	10-K/A	8/12/2003	10.29

10.8	Addendum to Research and License Agreement between the Registrant and Baylor University, dated April 14, 2003.	10-K/A	8/12/2003	10.30
10.9	Form of Incentive Stock Option Agreement under Mateon's 2005 Stock Plan. +	10-K	3/14/2006	10.29
10.10	Form of Non-Qualified Stock Option Agreement under Mateon's 2005 Stock Plan. +	10-K	3/14/2006	10.30
10.11	Form of Restricted Stock Agreement under Mateon's 2005 Stock Plan. +	10-K	3/14/2006	10.31
10.12	Lease between Broadway 701 Gateway Fee LLC, a Delaware Limited Liability Company, as Landlord, and the Registrant, as Tenant, dated October 10, 2008.	10-K	3/30/2009	10.59
10.13	Form of Indemnification Agreement. +	10-Q	8/13/2012	10.2
10.14	Third Amendment to Lease, dated as of April 1, 2013, by and between the Registrant and DWF III Gateway, LLC, a Delaware limited liability company.	10-Q	5/9/2013	10.1
10.15	Fourth Amendment to Lease, dated April 28, 2014, by and between the Registrant and DWF III Gateway, LLC.	10-Q	5/8/2014	10.1
10.16	Employment Agreement by and between the Registrant and William D. Schwieterman, dated as of May 12, 2015. +	10-Q	8/6/2015	10.1
10.17	Employment Agreement by and between the Registrant and Matthew M. Loar, dated as of July 20, 2015. +	10-Q	8/6/2015	10.2
10.18	Form of Option Agreement under Mateon's 2015 Equity Incentive Plan. +	10-Q	8/6/2015	10.6
10.19	Amendment No. 1 to Employment Agreement by and between William D. Schwieterman, dated as of July 31, 2015. +	10-Q	8/6/2015	10.7
10.20	Second Amended and Restated Employment Agreement by and between the Registrant and David J. Chaplin, effective as of January 1, 2017. +	8-K	10/28/2016	10.1
10.21	Mateon Therapeutics, Inc. Amended and Restated Non-Employee Director Compensation Policy, effective October 25, 2016. +	8-K	10/28/2016	10.2
10.22	Mateon Therapeutics, Inc. 2017 Equity Incentive Plan. +	8-K	1/13/2017	10.1
10.23	Form of Option Agreement under Mateon's 2017 Equity Incentive Plan. +	8-K	1/13/2017	10.2
10.24	Mateon Therapeutics, Inc. 2005 Stock Plan (as amended and restated on January 12, 2017). +	8-K	1/13/2017	10.3
10.25	Amendment No. 2 to Employment Agreement by and between the Registrant and William D. Schwieterman, dated as of October 2, 2017. +	10-Q	11/14/2017	10.1
10.26	Amendment No. 1 to Employment Agreement by and between the Registrant and Matthew M. Loar, dated as of October 2, 2017. +	10-Q	11/14/2017	10.2
10.27	Amendment No. 1 to Second Amended and Restated Employment Agreement by and between the Registrant and David J. Chaplin, dated as of October 2, 2017. +	10-Q	11/14/2017	10.3

10.28	Mateon Therapeutics, Inc. 2015 Equity Incentive Plan (as amended and restated on May 7, 2018). +	Definitive Proxy Statement on Schedule 14A	05/07/2018	Appendix A
10.29	Form of Subscription Agreement for private placement transaction entered into on April 12, 2018.	8-K	4/16/2018	10.1
10.30	Form of Registration Rights Agreement for private placement transaction entered into on April 12, 2018.	8-K	4/16/2018	10.2
10.31	Engagement Letter, dated February 7, 2018, by and between the Registrant and Divine Capital Markets LLC.	8-K	4/16/2018	10.3
10.32	Separation and Release Agreement, dated April 17, 2019 by and between the Company and William D. Schwieterman, M.D.	8-K	4/18/2019	10.1
10.33	Form of Securities Purchase Agreement, dated as of April 17, 2019, by and among the Company and Peak One	8-K	4/18/2019	10.2
10.34	Form of Securities Purchase Agreement, dated as of April 17, 2019, by and among the Company and the Bridge Investors.	8-K	4/18/2019	10.3
10.35	Contingent Value Rights Agreement, dated April 17, 2019, by and among the Company, Oncotelic and American Stock Transfer and Trust Company LLC	8-K	4/25/2019	10.1
10.36	Form of Securities Purchase Agreement, dated as of April 17, 2019, by and among the Company and Peak One Opportunity Fund, L.P. and TFK Investments, LLC.	8-K	4/25/2019	10.2
10.37	Form of Securities Purchase Agreement, dated as of April 17, 2019, by and among the Company and the Bridge Investors	8-K	4/25/2019	10.3
10.38	Form of Securities Purchase Agreement, dated as of April 17, 2019, by and among the Company and Peak One Opportunity Fund, L.P. and TFK Investments, LLC.	8-K	6/20/2019	10.1
10.39	Amendment to Securities Purchase Agreement dated as of June 12, 2019 by and between the Company and Peak One Opportunity Fund, L.P.	8-K	6/20/2019	10.2
10.40	Separation Agreement dated as of July 1, 2019 by and between the Company and Matthew M. Loar Ex.	8-K	7/5/2019	10.1
10.41	Note Purchase Agreement between Mateon Therapeutics, Inc. and PointR Data Inc. dated July 22, 2019.	8-K	7/24/2019	10.1
10.42	Employment Agreement dated August 23, 2019 between the Company and Dr. Vuong Trieu.	8-K	8/29/2019	10.1

10.43	Employment Agreement dated August 23, 2019 between the Company and Dr. Fatih Uckun.	8-K/A	11/25/2019	10.2
10.44	Employment Agreement dated August 23, 2019 between the Company and Dr. Chulho Park.	8-K	8/29/2019	10.3
10.45	Employment Agreement dated August 23, 2019 between the Company and Mr. Amit Shah.	8-K	8/29/2019	10.4
10.46	Investigational Product Supply and Use Authorization Agreement for OT-101 U.S. Expanded Access (IPSUA) dated September 5, 2019, between WideTrial and Oncotelic.	8-K	9/10/2019	10.1
10.47	Agreement for Delivery and Licensed Use of Data Generated from OT-101 U.S. Expanded Access (Data License 1) dated September 5, 2019 between WideTrial and Oncotelic.	8-K	9/10/2019	10.2
10.48	Agreement for Delivery and Licensed Use of WideTrial Bonus Dataset (Data License 2 Agreement) dated September 5, 2019 between WideTrial and Oncotelic.	8-K	9/10/2019	10.3
10.49	Form of Convertible Promissory Note, issued by the Company under the Note Purchase Agreement dated as of November 23, 2019.	8-K	11/25/2019	10.1
10.50	Research and Services Agreement.	8-K	3/23/2020	10.1
10.51	Supplement Research and Services Agreement.	8-K	3/23/2020	10.2
10.52	Paycheck Protection Program Promissory Note dated April 21, 2020 between Mateon Therapeutics, Inc. and Silicon Valley Bank.	8-K	4/27/2020	10.1
10.53	Form of Series A Warrant to purchase Common Stock.	10Q	06/12/2020	10.1

10.54	Agreement between Oncotelic Inc, Autotelic Inc. and Autotelic BIO.	8-K	6/16/2020	10.1	
10.55	Consulting Agreement by Between the Company and Artius, dated March 9, 2020	8-K/A	6/22/2020	10.1	
10.56	Consulting Agreement by Between the Company and Dr. Maida, dated May 5, 2020	8-K/A	6/22/2020	10.2	
10.57	Loan, Secured Convertible Note Purchase, and Security Agreement between the Company and Golden Mountain Partners, LLC dated June 27, 2020				x
10.58	Secured Convertible Promissory Note between the Company and Golden Mountain Partners, LLC dated June 27, 2020				x
10.59	License, Development and Commercialization Agreement between Mateon Therapeutics, Inc. and Windlas Biotech Private Limited dated November 10, 2020				x
14.1	Corporate Code of Conduct and Ethics.	10-K	3/30/2015	14.1	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a).				x
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a).				x
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				x
101.1	Interactive Data Files for the fiscal years ended December 31, 2018 and December 31, 2017				x
101.INS	XBRL Instance Document				x
101.SCH	XBRL Taxonomy Extension Schema				x
101.CAL	XBRL Taxonomy Extension Calculation Linkbase				x
101.DEF	XBRL Taxonomy Extension Definition Linkbase				x
101.LAB	XBRL Taxonomy Extension Label Linkbase				x
101.PRE	XBRL Taxonomy Extension Presentation Linkbase				x

* Confidential treatment has been granted for portions of this Exhibit. Redacted portions filed separately with the Securities and Exchange Commission.

\+ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

MATEON THERAPEUTICS, INC.

By: */s/ Vuong Trieu*
Vuong Trieu, Ph.D.
Chief Executive Officer and Director (Principal Executive Officer)
Date: November 16, 2020

By: */s/ Amit Shah*
Amit Shah
Chief Financial Officer
(Principal Financial and Accounting Officer)
Date: November 16, 2020

Exhibit 10.57

LOAN, SECURED CONVERTIBLE NOTE PURCHASE, AND SECURITY AGREEMENT

THIS LOAN, SECURED CONVERTIBLE NOTE PURCHASE, AND SECURITY AGREEMENT (the **"Agreement")** is made and entered into as of June 27, 2020 (the **"Effective Date"),** between Mateon Therapeutics, Inc., a Delaware corporation and each of its subsidiaries, including, but not limited to Oncotelic Inc. and PointR Data Inc. (each, a "Subsidiary," together the "Subsidiaries, and collectively, the **"Company"),** on the one hand, and Golden Mountain Partners, LLC, a California Limited Liability Company **("Purchaser"),** on the other hand.

WHEREAS, Purchaser desires to purchase from Company and Company desires to sell to Purchaser, upon the terms and subject to the conditions of this Agreement, a secured convertible promissory note of the Company with a stated principal amount of Two Million United States Dollars ($2,000,000 USD); and

WHEREAS, in order to secure the payment of such note and the Company's obligations thereunder and under this Agreement, Company has agreed to grant a first ranking security interest in favor of the Purchaser in certain of the Company's assets.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations and warranties and covenants herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale of Note. Upon the terms and subject to the conditions of this Agreement , Company agrees to issue and sell to Purchaser, and Purchaser agrees to purchase from Company a secured convertible promissory note with a stated principal amount of Two Million United States Dollars ($2,000,000 USD) in the forrrrattached hereto as Exhibit A (as may be amended or modified from time to time , the **"Note").**

2. Security Interest; Financing Statement.

2.1. Security Interest; Collateral. To secure the payment of the Note promptly when due, and Company's obligations under this Agreement and other Loan Documents (as defined in Section 4.3, below), Mateon Therapeutics , Inc. and each Subsidiary hereby grants, pledges, assigns, conveys, mo rtgages, and transfers to Purchaser a continuing and first ranking security interest in and lien on the Collateral. **"Collateral"** means all right, title and interest of Purchaser in, to and under all assets, properties and rights ofMateon Therapeutics, Inc. and each Subsidiary (including, without li m it ation, all personal and fixture property of the Mateon Therapeutics, Inc. and each Subsidiary) of every kind and nature, wherever located, whether now owned or hereafter acquired or arising, including, without li mit ation, all goods (including, without limitation, consumer goods, inventory, equipment and any accessions thereto), instruments (including, without limitation, promissory notes), documents, accounts (in cludin g, without limitation , receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tot1 claims, securities and all other investment property, supporting obligations, any other contract right or rights to the payment of money , insurance claims, general intangibles (including, without limitation, payment intangibles and intellectual property and rights therein), and all cash and non-cash proceeds of all of the foregoin g, and proceeds of proceeds.

2.2. Authorization to File Financing Statements. Mateon The rapeutics, Inc. and each Subsidiary hereby irrevocably authorizes Purchaser at any time and from time to time to file in any filing office in the appropriate UCC jurisdictions any initial financing and continuation statements and amendments thereto that:

(a) Identify the Collateral in the manner set forth in Section 2.1, above, or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the state or such jurisdiction; and

(b) Provide any other information required by Article 9 of the Uniform Commercial Code of the state or other jurisdiction for the filing of any financing or continuation statement or amendment, including (x) whether the Mateon Therapeutics, Inc. or a Subsidiary, as the case may be, is an organization, the type of organization identification number, if issued to Mateon Therapeutics, Inc. or a Subsidiary, respectively, and (y) in the case of a financing statement filed relating to fixtures, a sufficient description of real property to which the Collateral relates. Company and each Subsidiary shall furnish any such information to Purchaser promptly upon Purchaser's request.

2.3. Covenant to Take Further Actions. Company shall give, execute, deliver, file and/or record any financing statement, notice , instrument, document, agreement or other papers requested by Purchaser (in its absolute and sole discretion) to create, preserve or perfect the security interest granted hereby or, after the occurrence of an Event of Default (as defined in the Note), to enable the Purchaser to exercise and enforce its rights hereunder with respect to such pledge and security, including without limitation, causing any or all of the Collateral to be transferred of record into the name of Purchaser or its designee.

3. Loan.

3.1. General Terms. Subject to the terms and conditions of this Agreement, Purchaser will lend Company the principal amount not to exceed $2,000,000, at a rate of interest as set forth in the Note until the maturity date thereof (the **"Maturity Date"),** at which time, all of the loan evidenced by the Note (the **"Loan")** shall have been paid in full, including all principal, interes t, cost, expenses, attorneys' fees, and other fees and charges relating to the Loan.

3.2. Disbursement. Purchaser will disburse the proceeds of the Note as set forth in Schedule 3.2, or as otherwise directed by Company as set forth therein and herein.

3.3. Use of Proceeds. Company will use the proceeds of the sale of Note according to the "use of proceeds" schedule attached hereto as Schedule 3.3.

3.4. Repayment. Subject to the terms and conditions hereof and as set forth in the Note , Company will repay the Loan with full repayment of principal and accrued interest on or befo re the Maturity Date in accordance with the Note. All indebtedness evidenced by the Note will be due and payable on the earlier of (a) an event of default under the Note (an **"Event of Default"),** or (b) the Maturity Date.

3.5. Interest Rate. Interest on the outstanding principal balance of the Loan from time to time outstanding shall accrue at the rate(s) and be payable as set forth in the Note.

4. Conditions Precedent. The obligation of Purchaser to make the Loan hereunder is subject to the following conditions precedent:

4.1. Closing. Company shall have delivered to Purchaser, pnor to the initial disbursement of the Loan (the **"Closing"),** the following:

(a) the duly executed Note;

(b) the duly executed Loan, Secured Convertible Note Purchase and Security Agreement;

(c) the Forms UCC -1, as applicable;

(d) a Guaranty duly executed by Vuong Trieu, PhD (the **"Guaranty");** and

(e) such other instruments and documents as Purchaser reasonably deems necessary to effect the transactions contemplated hereb y.

4.2. Documents Required for Each Disbursement. Company shall have delivered to Purchaser, prior to each disbursement of the Loan made by Purchaser subsequent to the Closing, an itemized and detailed invoice from Contract Research Organization IQVIA, detailing services to be performed with respect to the Clinical Trial (as defined in Schedule 3.3).

4.3. Certain Events. At the time of, and as a condition to, the Closing, and each disbursement of the Loan to be made by Purchaser at or subsequent to the Closing:

(a) no Event of Default shall be have occurred and to be continuing, and no event shall have occurred and be continuing that, with the giving of notice or passage of time or both, would constitute an Event of Default;

(b) no material adverse change shall have occurred in the business prospects, financial condition, or results of operations of Company since May 14, 2020 (the date of Company's most recent filing of its Form 10-K annual report with the US Securities and Exchange Commission); and

(c) this Agreement and all agreements and instruments related to or referred to herein (including, but not limited to, the Note, the Guaranty, and the UCC-1 filing(s)) (collectively, the **"Loan Documents")** shall have remained in full force and effect.

5. Covenants of Company. From and after the Closing until the expiration of the Loan term (or as otherwise provided), the Company shall observe the following covenants:

5.1. Affirmative Covenants.

5.1.1. Payment and Performance. Company will duly and promptly pay and perform all of such Company's liabilities and obligations to Purchaser in accordance with the terms and conditions of this Agreement and the other Loan Documents.

5.1.2. Certification. At any time and from time to time within ten (10) days following written request by Purchaser, the Company will certify to Purchaser, in such form and substance as are reasonably acceptable to Purchaser, that this Agreement and the other Loan Documents are unmodified and in full force and effect (or that this Agreement and the other Loan Documents are in full force and effect as modified and setting forth the modi fications), the dates to which the Loan has been paid, that no Event of Default then exists and no event has occurred (that has not been cured) and no condition currently exists that would, but for the giving of any required notice or expiration of any applicable cure period, constitute an Event of Default. Any such certification furnished pursuant hereto may be relied upon by Purchaser.

5.1.3. Financial Statements. Company will furnish, or cause to be furnished , the following statements to Purchaser, which must be in such form and detail as Purchaser may from time to time, but not unreasonably, request:

(a) within forty-five (45) days after the end of each quarter, current balance sheets and statements of operations and of cash flows of Company certified to be true and correct by an officer of Company; and

(b) with reasonable promptness , such other information respecting the financial condition and affairs of Company as Purchaser may reasonably request from time to time.

5.1.4. Access. After the Effective Date until the expiration of the Loan (in cluding, without limit ation, at any time while an Event of Default exists and is continuin g), Company shall upon request following reasonable notice to Company and during normal business hours (i) afford Purchaser and its authorized representatives full and complete access to the employees, and other agents and representatives of Company relating to Company business and to all books, and records relating there to, (ii) permit Purchaser to make such inspections and to make copies of such books and records as it may reasonabl y require relating to the Business and (iii) furnish Purchaser with such financial and operating data and other information related to the Busine ss.

5.2. Negative Covenants.

5.2.1. Loan Proceeds and Distributions. None of the proceeds of the Loan sha ll be used for any purpose other than as described in Section 3.3 and Schedule 3.3 hereof.

5.2.2. Lien s. Company will not, directly or indirect ly, create or allow to remain and will prompt ly discharge at its expense any Lien upon the Collateral, not inclu ding, however , (i) this Agreem ent or the other Loan Documents, and (ii) Liens and other encumbrances which are consented to in writing by Purchaser. Unless otherwise expressly permitted by the Loan Documents , the Company sha ll not mortgage or grant any interest or security interest in, or otherwise assign, any part of Company' s rights and interests in this Agreement or the Collateral.

For purposes of this Agreement, a **"Lien"** means the security interest or lien arising from any pledge, assignment , hypothecation , mo rtgage, security interest , deposit arrangement, option, trust receipt, conditional sale or title retaining contract, sale and leaseback transaction, financing statement or comparable notice or other filing or recording , capitalized le ase, consignment or bailment for security, subordin ation of any claim or right, or any other type of lien , charge , encumbrance, title exception, preferential or priority arrangement affecting property (includ ing, with respect to stock, any stockholder agreements, voting right s agreements, buy-back agreements and all similar arrangements) , whether based on common law or statute.

6. Default.

6.1. Events of Default. The occurrence of any one or more of the following events (individually, an **"Event of Default")** shall constitute Events of Default or defaults here under:

6.1.1. if the Company fails to make a payment of a monetary sum due and payable by the Company under this Agreement , the Note or any other Loan Document when the same becomes due and payable, and such failure is not cured by the Company within five (5) days after receipt of written notice thereof from Purchaser, or

6.1.2. if Company fails to observe or perform any other term, covenant or condition of this Agreement or any other Loan Document and such failure is not cured by Company within a period of five (5) days after receipt by Company of written notice thereof from Purchaser; or

6.1.3. Company's breach of or failure to observe or comply with Section 5.2.1;

or

6.1.4. if Company:

(a) admits in writing its inability to pay its debts generally as they become due, or

(b) files a petition in bankruptcy or a petition to take advantage of any insolvency act, or

(c) makes an assignment of its property for the benefit of its cred itors, or

(d) consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, or

(e) files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, or

(f) is declared insolvent according to any law; or a receiver or trustee is appointed for Company or its property; or the interest of Company under this Agreement is levied on under execution or other legal process; or any petition is filed by or against Company to declare Company bankrupt or to delay, reduce or modify Company's capital structure if Company be a corporation or other entity (provided that no such levy, execut ion, legal process or petition filed against Company shall constitute a breach of this Agreement if Company shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within thirty (30) days from the date of its creation , service or filing); or

(g) after a petition in bankruptcy is filed against it, is adjudicated a bankrupt, or if a court of competent jurisdiction shall enter an order or decree appointin g, without the consent of Company, as the case may be, a receiver of Company or of the whole or substantially all of its property, or approving a petition filed against it seeking reorganization or arrangement of Company under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such jud gment, order or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof;

(h) is liquidated or dissolved, or shall begin proceedings toward such liquidation or dissolution, or shall, in any manner, permit the sale or divestiture of substantially all of its assets other than in connection with a merger or consolidation of the Company into, or a sale of substantially all of Company's assets to, another corporation or entity;

6.1.5. at any time there occurs a change in control transaction (a **"Change in Control Transaction").** For purposes of this Agreement, a Change in Control Transaction shall mean (i) a sale, lease or other disposition of assets or properties of (A) Mateon Therapeutics, Inc. and its Subsidiaries or (B) Subsidiary Oncotelic, Inc. (calculated on a consolidated basis) having a book value of fifty-one percent (51%) or more of the book value of all the assets and properties thereof, or (ii) any transaction in which any person or entity shall directly or indirectly acquire from the holders thereof, by purchase or in a merger, consolidation or other transfer or exchange of outstanding capital stock, ownership or control over capital stock of Mateon Therapeutics, Inc. or Oncotelic Inc. (or securities exchangeable for or convertible into such stock or interests), entitled to elect a majority of each such entity's Board of Directors or representing at least fifty-one percent (51%) of the number of shares of Common Stock outstanding;

6.1.6. on or at any time after the Effective Date any of the Loan Documents for any reason, other than a partial or full release in accordance with the terms thereof, ceases to be in full force and effect; or

6.1.7. this Agreement or any Loan Document shall at any time for any reason cease to be valid, or Company or any Subsidiary contests the validity or enforceability of any Loan Document in writing or denies that it has further liability under any Loan Document to which it is party, or gives notice to such effect.

6.2. Remedies. Upon the occurrence of an Event of Default hereunder , Purchaser shall be entitled, in its sole and absolute discretion, to pursue any one or' more of the following remedies, in addition to any remedies which may be permitted by la w, equity or by other provisions of this Agreement or the other Loan Documents, without notice or demand , except as expressly hereinafter provided:

6.2.1. Purchaser may, at its option, upon five (5) days' written notice to Company (any such notice requiring such termination being herein referred to as the **"Termination Notice"),** proceed with all remedies Purchaser deems necessary, including, without li mitation , terminating this Agreement , accelerating and calling due and payable all outstanding Loan obligations under the Note and under this Agreement , and exercising any other remedy available to Purchaser hereunder or under any of the other Loan Documents at law or in equity.

6.2.2. Purchaser, at its option and upon five (5) days' written notice to the Company, may declare all obligations under the Loan, if any not otherwise immediately due under this Agreement to be, and all such amounts shall thereupon become, due and payable to Purchaser, without presentment, demand, protest, or further notice of any kind, all of which are expressly waived by the Company, anything in this Agreement or the other Loan Documents notwithstanding.

6.2.3. Purchaser, at its option and upon five (5) days' written notice to the Company, may (i) institute and prosecute proceedings in any court of competent jurisdiction to pursue any remedies available in law or in equity, in cluding, without limitation, the recovery of damages, the enforcement of specific performance or to obtain an injunction, or (ii) pursue any and all rights or remedies available to Purchaser under any Loan Document. No such termination and/or subsequent election by Purchaser hereunder shall in any way limit, qualify or otherwise affect the obligations of Company with respect to the Loan Obligations of their indemnification obligations hereunder.

6.2.4. Upon five (5) days' written notice to Company cease making any disbursements under this Agreement or any Loan Document, as applicable.

6.2.5. Terminate this Agreement and any of the other Loan Documents as to any future liability or obligation of Purchaser, but without affecting Purchaser's liens on the Collateral.

6.3. Cumulative. The remedies of Purchaser in this Agreement or in any other Loan Document, or at law or in equity, shall be cumulative and concurrent and may be pursued singly, successively or together in Purchaser's discretion. Notwithstanding any statement contained in this Agreement to the contrary, termination of this Agreement shall not relieve Company from liability for any breach or violation of this Agreement that arose prior to such terminat ion.

6.4. Waiver. The Mateon Therapeutics, Inc. and each Subsidiary waives, to the extent permitted by applicable law, (a) any right of redemption, re-entry or repossession, and (b) any right to a trial by jury.

7. Indemnification . Notwithstanding and in addition to any other indemnification obligation set forth herein or in any other Loan Document, Mateon Therapeutics, Inc., and each Subsidiary (each, a **"Company Indemnifying Party")** agrees to indemni fy, defend and hold harmless Purchaser, its affiliates and its officers, directors, members, (general and limited) partners, shareholders , employees, agents and representatives (collectively, the **"Purchaser Indemnified Parties")** from and against all demands , claims, actions, losses , damages, liabilities, penalties, costs and expenses (including, without limitation, attorneys' and accountants' fees, settlement costs, arbitration costs and any reasonable other expenses for investigating or defending any action or threatened action) asserted against or incurred by the Purchaser Indemnified Parties or any of them arising out of or in connection with or resulting from (a) any breach of any representation, warranty, covenant, or other provision under this Agreement or under any Loan Document; (b) any tax, fee or charge imposed by any governmental entity arising out of or relating to the Note or this Agreement or the transactions anticipated herein; (c) any accident, injury to or death of persons or loss of property arising out of the business of any Company Indemnifying Party, including without limitation any claims of professional errors and omissions, product liability or clinical trial li ability, (d) any and all lawful action that may be taken by Purchaser in connection with the enforcement of the provisions of this Agreement, whether or not suit is filed in connection with same, or in connection with any or all of the Company and/or any partner, joint venturer, member or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy , insolvency or similar proceeding, and/or (e) third party claims relating to or arising out ofMateon Therapeutics, lnc.'s or any Subsidiary's ownership, use and operation of the Collateral and/or each such party's business. The foregoing indemnification obligations of the Company Indemnifying Parties shall be in addition to, and shall in no way limit or qua li fy, any other indemnification or similar obligations of each such party set forth in this Agreement or in any other Loan Document.

8. Miscellaneous.

8.1. Governing Law. This Agreement shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law or choice of law that would cause the substantive laws of any other jurisdiction to apply. Company irrevocably submits and consents to the jurisdiction of any California state court or federal court sitting in the County of Los Angeles, state of California over any action or proceeding arising out of or relating to this Agreement or any other Loan Document, and the Company hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts.

8.2. Amendment and Waiver. Any provision of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) , only by the written consent of Company and Purchaser. Any amendment or waiver effected in accordance with this section shall be binding upon Company and Purchaser, and their respective successors and assigns.

8.3. Entire Agreement. This Agreement and the Loan Documents constitute the entire agreement among the parties relative to the specific subject matter hereof and thereof.

8.4. Notices . All notices and other communications provided for herein shall be dated and in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered by facsimile, receipt confirmed, (b) on the following business day, if delivered by a reputable nationwide overnight courier service guaranteeing next business day delivery; provided that, notices and other communications sent from or delivered outside the United States shall be sent by a reputable international express courier service and shall be deemed to have been duly given upon delivery to the recipient , and (c) two business days after being sent by certified or registered mail, return receipt requested, postage prepaid ; provided that, notices and other communications sent from or delivered outside of the United States by certified or registered mail , return receipt requested, postage prepaid shall be deemed to have been duly given upon delivery to the recipient, in each case, to the party to whom it is directed at the following address (or at such other address as any party hereto shall hereafter specify by notice in writing to the other parties hereto):

If to Company:	Mateon Technologies, Inc. 29397 Agoura Road, Suite 107 Agoura Hills, California 91301 Attention: Vuong Trieu , PhD
If to Oncotelic Inc.:	Oncotelic Inc. 29397 Agoura Road, Suite 107 Agoura Hills, California 91301 Attention: Vuong Trieu, PhD
If to PointR Data Inc.:	PointR Data Inc. 29397 Agoura Road, Suite 107 Agoura Hills, California 91301 Attention : Vuong Trieu , PhD

Copy to:	Mateon Technologies, Inc. 29397 Agoura Road, Suite 107 Agoura Hills, California 91301 Attention: Vuong Trieu, PhD
If to Purchaser:	Golden Mountain Partners, LLC c/o Synergy Health Innovations, LLC 800 W. Sixth Street, Suite 900 Los Angeles , California 9001 7
Copy to:	Golden Mountain Partners, LLC. c/o Synergy Healthcare Innovations, LLC 800 W. Sixth Street, Suite 900 Los Angeles, California 90017

8.5. Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

8.6. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement may be made by an attachment in "pdf' or similar format to an electronic mail message.

8.7. Successors and Assigns. The provisions hereof shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto.

IN **WITNESS WHEREOF,** the parties hereto have duly executed this Agreement as of the Effective Date.

MATEON TECHNOLOGIES, INC. ("COMPANY")

By: */s/ Vuong Trieu*
Name: **Vuong Trieu, PhD**
Title: **Chief Executive Officer**

GOLDEN MOUNTAIN PARTNERS, LLC ("PURCHASER")

By: */s/ Clinton Teng*
Name: **Clinton Teng**
Title: **Owner's Representative**

ONCOTELIC INC. ("SUBSIDIARY")

By: */s/ Vuong Trieu*
Name: **Vuong Trieu, PhD**
Title: **Chief Executive Officer**

POINTR DATA, INC. ("SUBSIDIARY")

By: */s/ Vuong Trieu*
Name: **Vuong Trieu PhD**
Title: **Chief Executive Officer**

EXHIBIT A

[COPY OF CONVERTIBLE NOTE]

Schedule 3.2

Disbursements

Initial disbursement , and all subsequent disbursements, shall be made in accordance with Table COO1, immediately below, and shall be disbursed by Purchaser directly to IQVIA China's Beijing office, in China CNY, on behalf of Company and on Company's account. The exchange rate for conversion from United States Dollars to Chinese Yuan that shall be applied to each disbursement shall be the rate published on oanda.com.

Payment Schedule for C00l. A Randomized, Controlled, Multi-Center Study of OT-101 in COVID-19 Patients (lnvestigational New Drug (IND) Application #149299)

Payment Due Date	Total Monthly Invoice Amount in USD (Direct Cost + Pass Through Cost)	Total Monthly Disbursement to IQVIA by GMP in USD	Remarks
24-Jun-20	$ 348,548	$ 348,548	
30-Jun-20	$ 17,033	$ 17,033	
31-Jul-20	$ 87,732	$ 87,732	
31-Aug-20	$ 149,985	$ 149,985	
30-Sep-20	$ 405,914	$ 405,914	
31-Oct-20	$ 425,902	$ 425,902	
30-Nov-20	$ 376,936	$ 376,936	
31-Dec-20	$ 382,176	$ 187,950	GMP disbursement shall be partial payment to IQ VI A's month ly Invoice
Cumulative Cost	**$ 2,194,226**	**$ 2,000,000**	

Schedule 3.3

Use of Proceeds

Disbursements and/or Loan proceeds disbursed under this Agreement and/or the Loan Documents shall be used solely to pay Contract Research Organization IQVIA to perform clinical research services with respect to that certain clinical trial known as "A Randomized, Controlled, Multi-Center Study of OT-I 01 in COVID-19 Patients (Investigational New Drug (IND) Application #149299)" (the **"Clinical Trial"),** and for no other purpose.

Exhibit 10.58

SECURED CONVERTIBLE PROMISSORY NOTE

$2,000,000.00 **June 27, 2020**

FOR VALUE RECEIVED MATEON THERAPEUTICS, INC., a Delaware Corporation ("Company"), promises to pay to Golden Mountain Partners, LLC, a California Limited Liability Company ("Holder"), in lawful money of the United States of America, the principal amount not to exceed TWO MILLION DOLLARS ($2,000,000), together with interest on the unpaid principal balance, in the manner provided below.

1. Purchase Agreement. This secured convertible promissory note (the "Note") is issued or issuable pursuant to the terms of that certain Loan, Secured Convertible Note Purchase, and Security Agreement, of even date herewith, as it may be amended from time to time (the "Agreement"), to the Holder.

2. Draws. Subject to the terms and conditions set forth in this Note and the Agreement, (a) on the date hereof, Holder shall disburse to the Company an initial disbursement as set forth in Schedule 3.3 of the Agreement; and (b) thereafter, upon Company's satisfaction of the milestones set forth in Schedule 3.3 of the Agreement, Holder shall disburse to the Company additional amounts in accordance therewith. For avoidance of doubt, (x) if milestones set forth in Schedule 3.3 of the Agreement are not satisfied as set forth therein or herein, Holder shall have no obligation to make additional disbursements under the Agreement or this Note; and (y) the total aggregate disbursements made under the Agreement and this Note shall not exceed Two Million Dollars ($2,000,000 USO).

3. Maturity. Unless sooner paid or converted in accordance with the terms here of, the entire unpaid principal balance and all unpaid accrued interest shall become fully due and payable (a) on June 27, 2021, (b) early termination of that certain clinical trial known as "A Randomized, Controlled, Multi - Center Study of OT-101 in COVID-19 Patients (lnvestigational New Drug (IND) Application #149299)" (the **"Clinical Trial"),** or any termination of the Clinical Trial, or (c) the acceleration of the maturity of this Note by Holder upon occurrence of an Event of Default, pursuant to Sections 8 and 9, below (such earlier date, the "Maturity Date").

4. Payments.

(a) Form of Payment. All payments of interest and principal (other than payment by way of conversion) shall be in lawful money of the United States of America to Holder, by ACH transfer according to Receiving Bank and ABA Routing Number information as may be specified from time to time by Holder.

(b) Interest Payments. Company shall pay to Holder accrued but unpaid interest upon the payment of the full outstanding principal amount.

(c) Prepayment. Company shall have the right to prepay any and all mounts owed under this Note in whole or in part at any time subject to Section 6, below, provided that any such prepayment amount must be accompanied by the accrued and unpaid interest on the principal being prepaid through the date of prepayment.

5. Interest. Interest shall accrue on the unpaid principal balance of this Note at the rate of two percent (2%) per annum. Interest shall be calculated on the basis of a year of 365 days, and charged for the actual number of days elapsed. Interest shall commence with the date hereof and shall continue on the outstanding principal of this Note until paid or converted in accordance with the provisions hereo f.

6. Conversion Right. At any time prior to repayment of this Note, Holder may elect, in lieu of repayment, to convert all or a portion of the outstanding principal on this Note into that number of shares of Common Stock of the Company equal to the quotient obtained by dividing (a) 100.0% of the principal on this Note being converted by (b) the Conversion Price (as hereinafter defined). Holder will inform the Company of such election by delivering to Company this Note and a Notice of Conversion, the form of which is attached hereto as Schedule A (a "Notice of Conversion"). If Holder delivers the Notice of Conversion to the Company, the Company may not elect to pay Holder the amount of this Note to be converted without Holder's written consent.

For purposes of this Note, "Conversion Price" means the consolidated closing bid price of the Company's Common Stock as determined by applicable OTC rules (or exchange where the Common Stock of the Company is then traded), as of the date the Company receives a Notice of Conversion from Holder.

Holder shall effect conversions by delivering to the Company a Notice of Conversion accompanied by this Note, specifying therein the principal amount of this Note to be converted. The date on which such conversion shall be effected (such date, the "Conversion Date") shall be the date of the Company's actual receipt of a Notice of Conversion, accompanied by this Note unless the Company and Holder agree in writing to another date. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note in an amount equal to the applicable principal amount converted. If less than the entire principal amount of this Note is converted, the Company will promptly issue a new Note to the Holder representing the balance of this Note. From and after the Conversion Date, the portion of this Note converted shall represent and be enforceable only as to the right to receive the shares of Common Stock issuable upon such c·onversi on.

Promptly after receipt of a Notice of Conver sion, the Company shall issue and deliver to Holder, but only against delivery of and after receiving the original of this Note (or a lost note affidavit in the form and substance reasonably acceptable to the Company), one or more certificates representing such shares of Common Stock issued and registered as set forth in the Notice of Conversion. Thereupo n, the Company shall have no further obligation with respect to the principal amount of this Note converted. ln lieu of issuing a fraction of a share of Common Stock upon the conversion of this Note, the Company shall pay Holder for any fraction of a share of Common Stock otherwise issuable upon the conversion of this Note, cash equal to the same fraction of the then current per share Conversion Price.

7. [Intentionally omitted.]

8. Events of Default. For purposes of this Note, any of the following events which shall occur shall constitute an "Event of Default":

(a) any indebtedness under this Note is not paid when and as the same shall be come due and payable, whether at maturity, by accele ration, or otherwise, and any such amount shall remain unpaid for a period of five (5) days after delivery to the Company of notice of nonpayment; or

(b) any breach or default by Company in the performance of any term covenant, agreement, condition, undertaking or provision of any Loan Document (as such term is defined in the Agreement); or

(c) Company's breach of or failure to observe or comply with Section 5.2.1. of the Agreement; or

(d) the Company shall (i) admit in writing its inability to pay its debts generally as they become due; (ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act; (iii) make an assignment of its property for the benefit of its creditors; (iv) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; (v) file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; (vi) be declared insolvent according to any law; or a receiver or trustee is appointed for the Company or its property; or the interest of the Company under this Note is levied on under execution or other legal process; or any petition is filed by or against the Company to declare the Company bankrupt or to delay, reduce or modify the Company's capital structure if the Company be a corporation or other entity; (vii) after a petition in bankruptcy is filed against it, be adjudicated a bankrupt, or if a court of competent jurisdiction shall enter an order or decree appointing, without the consent of the Company, as the case may be, a receiver of the Company or of the whole or substantially all of its property, or approving a petition filed against it seeking reorg aniz'ation or arrangement of the Company under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such judgment, order or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof; or

(e) At any time there occurs a Change in control transaction (a "Change in Control Transaction"). For purposes of this Note, a Change in Control Transaction shall mean (i) a sale, lease or other disposition of assets or properties of the Company and its subsidiaries (calculated on a consolidated basis) having a book value of fifty-one percent (51%) or more of the book value of all the assets and properties thereof, or (ii) any transaction in which any person or entity shall directly or indirectly acquire from the holders thereof, by purchase or in a merger, consolidation or other transfer or exchange of outstanding capital stock, ownership or control over capital stock of the Company (or securities exchangeable for or convertible into such stock or interests), entitled to elect a majority of the Company's Board of Directors or representing at least fifty-one percent (51%) of the number of shares of Common Stock outstanding; or

(f) Company is liquidated or dissolved , or shall begin proceedings toward such liquidation or dissolut ion, or shall, in any manner , permit the sale or divestiture of substantially all of its assets other than in connection with a merger or consolidation of the Company into, or a sale of substantially all of Company's assets to, another corporation or entity; or

(g) On or at any time after the date of this Note any of the Loan Documents for any reason, other than a partial or full release in accordance with the terms thereof, ceases to be in full force and effect or is declared to be null and void, and such default is not cured or waived within ten (10) days after Company receives notice of such default from Holder, or

(h) Company or any subsidiary of Company contests the validity or enforceability of any Loan Document in writing or denies that it has further liability under any Loan Document to which it is party, or gives notice to such effect.

9. Remedies Upon Event of Default; Acceleration. In the Event of a Default shall occur for any reason, whether voluntary or involuntary, and be continuing, Holder may, upon notice or demand, declare the outstanding indebtedness under this Note to be due and payab le , whereupon the outstanding indebtedness under this Note shall be and become immediately due and payable, and the Company shall immediately pay to Holder all such indebtedness.

10. Security. This Note is a direct debt obligation of the Company and is secured by a first priority perfected security interest in all of the assets of the Company for the benefit of the Holder. The Holder and the Company have agreed to and more fully provided the Holder's security interest in the Agreement.

11. Governing Law. This Note shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law or choice of law that would cause the substantive laws of any other jurisdiction to apply. Company irrevocab ly submits and consents to the jurisdiction of any California state court or federal court sitting in the County of Los Angeles, State of California over any action or proceeding arising out of or relating to this Note, and the Company hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts.

12. Amendment. Any term of this Note may be amended and the observance of any term of this Note may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and Holder.

13. Notices. Except as may otherwise be provided herein, all notices, requests, waivers and other communications made pursuant to this Note shall be made in accordance with Section 8.4 of the Agreement.

14. Severability. If any provision of this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

IN **WITNESS WHEREOF,** Company has executed and delivered this Note as of the date first stated above.

MATEON THERAPEUTICS, INC. ("COMPANY")

By: */s/ Vuong Trieu*
Name: Vuong Trieu, PhD
Title: Chief Executive Officer

Schedule A
Notice of Conversion

The undersigned, the Holder of the Note issued by Mateon Therapeutics, Inc. (which is attached to this Notice of Conversion), hereby elects to convert the below stated outstanding principal portion of this Note into shares of Common Stock of Mateon Therapeutics, Inc., effective as of the date the Company receives this Notice.

Please send a certificate for the appropriate number of shares of Common Stock and a balance Note (if applicable) to the following address:

Holder: Golden Mountain, LLC
c/o Synergy Healthcare Innovations, LLC
800 W. Sixth Street, Suite 900
Los Angeles, California 90017

Principal Amount of Note Being Converted: $_ _ _ _ _ _ _ _ _ _ _ _ _ _

Register and issue certificates for shares of Common Stock in the following name at the address set forth above.

GOLDEN MOUNTAIN PARTNERS, LLC
("HOLDER")

By: _____
Name: _____
Title: _____
Date: _____

Tax Identification Number: 37-1664077

LICENSE, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT

This License, Development and Commercialization Agreement (this "Agreement") is entered into as of this 10th day of October, 2020, (the "Effective Date") by and between

WINDLAS BIOTECH PRIVATE LIMITED, a company incorporated under the laws of India, having its registered office address at Plot No. 40/1, Mohabewala Industrial Area, Dehradun 248110, Uttarakhand, India (hereinafter referred to as "**WINDLAS**", which expression shall unless repugnant to the context and meaning there of be deemed to mean and include its permitted assigns and successors-in-interest).

AND

MATEON THERAPEUTICS, INC., a Delaware Corporation, having its registered office at 29397 Agoura Road, Suite 107, Agoura Hills, CA 91301, USA (hereinafter referred to as "**MATEON**" which expression, unless repugnant to the subject or context therein, shall mean and include its permitted assigns, nominees, agents & successors-in-interest).

WINDLAS and **MATEON** are individually referred to as "Party" and collectively as "Parties"

WHEREAS,

A. MATEON Therapeutics is an immuno-oncology company (OTC: MATN) dedicated to the development of first in class RNA therapeutics as well as small molecule drugs against cancers and COVID-19. MATEON has caused some trials that have demonstrated potent anti-viral activity of the Artemisinin or Artemisinin derivatives herbal supplements versus SARS-CoV-2 based on in-vitro testing of medical grade Artemisinin;

B. WINDLAS is a company having substantial expertise in the research, development, distribution, sales and marketing of cGMP compliant dosage forms of herbal supplements, nutraceuticals, AYUSH products, allopathic medicines and pharmaceutical products;

C. MATEON wishes to collaborate with WINDLAS on formulation development, manufacturing, clinical research, commercialization and distribution of Artemisinin as a herbal supplement and a medicinal drug in future (hereinafter "Product(s)") for use as an anti-viral, including for COVID-19 patients in India and for manufacturing and supply of Product by WINDLAS to MATEON for a worldwide market, excluding the Americas and China;

D. Subject to the terms and conditions agreed herein, WINDLAS is willing to collaborate with MATEON and agrees to accept the exclusive rights to develop, manufacture, perform clinical research, commercialize and distribute Product the Product in India and to manufacture and supply the Product to MATEON for worldwide markets excluding the Americas and China.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, covenants and conditions contained in this Agreement, the Parties hereto agree as follows:

1. Definitions and Interpretation

1.1. Definitions. For the purposes of this Agreement, the following words and phrases shall bear the respective meanings assigned to them below (and cognate expressions shall bear corresponding meanings):

1.1.1. "Affiliate" means any corporation, firm, partnership, limited liability company or other entity that controls, is controlled by or is under common control with a Party to this Agreement. For purposes of this definition, any entity will be regarded as in "control" of another entity if (a) it directly or indirectly owns more than fifty percent (50%) of the voting stock of the other entity or such lesser maximum percentage permitted in those jurisdictions where majority ownership by foreign entities is prohibited, (b) it owns, directly or indirectly, or has a right to own more than fifty percent (50%) of the net assets of an entity without voting securities, or (c) it possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the entity, whether through contract or otherwise.

1.1.2. "Agreement" means this License, Development and Commercialization Agreement together will all Schedules and annexures, as may be amended, modified or supplemented from time to time.

1.1.3. "API" means the Artemisinin active pharmaceutical ingredient.

1.1.4. "Applicable Law" means all applicable laws, rules and regulations including any rules, regulations, guidelines or other requirements of the Regulatory Authorities in the Territory that may be in effect from time to time.

1.1.5. "Batch" means a specific quantity of Product that is intended to be of uniform character and quality and is produced during the same cycle of manufacture as defined by the applicable batch record.

1.1.6. "cGMP" means (A) the current standards recognized and adopted worldwide for the control and management of manufacturing and quality control of foods, pharmaceutical products and medical devices; (B) the guidelines that outline the aspects of production that would affect the quality of pharmaceutical products or food; and (C) includes the guidelines that may be adopted by the Parties hereto corresponding to Applicable Law.

1.1.7. "Clinical Trials Cost" or "Biostudy Cost" shall mean and includes cost and expenses incurred by a local clinical research organization ("CRO") appointed by WINDLAS, or WINDLAS itself, in conducting clinical trials or biostudies as required by Regulatory Authorities for the approval of the Product in the Territory.

1.1.8. "COGS" shall mean and include (i) cost of raw materials, packaging materials, freight (ii) analytical cost, (iii) conversion and packaging charges ("CCPC") and (iv) administrative cost which shall be not more than twelve percent (12%) of sum of (i), (ii) and (iii).

1.1.9. "Commercialization" with a correlative meaning for "Commercialize" and "Commercializing", means all activities undertaken before and after obtaining Regulatory Approvals relating specifically to the pre-launch, launch, promotion, detailing, medical education and medical liaison activities, marketing, pricing, reimbursement, sale, and distribution of the Products, including: (a) strategic marketing, sales force detailing, advertising, medical education and liaison, and market and Product support; (b) any post marketing clinical studies for use in generating data to be submitted to Regulatory Authorities (and all associated reporting requirements); and (c) all customer support, Product distribution, invoicing and sales activities.

1.1.10. "Confidential Information" means any all information or material that at any time before or after the Effective Date has been or is provided or communicated to the receiving Party by or on behalf of the Disclosing Party including by a Third Party pursuant to this Agreement or in connection with the transactions contemplated hereby or any discussions or negotiations with respect thereto; including but not limited to any data, ideas, concepts or techniques , manufacturing formula, Regulatory Documentation, clinical or bioequivalence studies, process of preparation, Specifications, Batch records contained therein; and any modifications thereof or derivations therefor. Confidential Information may be disclosed either orally, visually, electronically, in writing, by delivery of materials containing confidential information or other any other form now known or hereafter invented. All Information disclosed by either Party shall be deemed to be such Party's Confidential Information disclosed hereunder.

1.1.11. "Control" means, with respect to any material, Information, or intellectual property right, that a Party owns or has a license to such material, Information, or intellectual property right and, in each case, has the ability to grant to the other Party access, a license, or a sublicense (as applicable) to the foregoing on the terms and conditions set forth in this Agreement without violating the terms of any then-existing agreement or other arrangement with any Third Party.

1.1.12. "Develop" or "Development" means all activities relating to performing Product pre-formulation activities, formulation development, API method verification and transfer, finished product analytical method development and transfer, analytical testing, analytical method validation from a GLP compliant laboratory, cleaning method development, manufacturing, packaging, stability testing, quality assurance, documentation, formulation and analytical technology transfer services and regulatory activities (e.g., regulatory applications) with respect to the Product, together with the manufacturing of the Product for the purpose of conducting the foregoing activities till the Regulatory Approval of the Product in the Territory. Development excludes Clinical trials or biostudies, which are conducted by local clinical research organization appointed by WINDLAS on behalf of and under guidance of MATEON.

1.1.13. "Development Costs" means the internal costs and out-of-pocket costs incurred as an expense by or on behalf of a Party or its Affiliates in carrying out the Development of the Product without limitation, (i) the costs of formulation and analytical development, (ii) costs related to manufacturing development including technology transfer cost; (iii) filing fees and other costs associated with any Regulatory Filings; and (iv) all other costs that are directly or indirectly attributable and reasonably allocable to the Development activities for the Products including out of pocket cost and internal costs. For purposes of this definition: (a) out-of-pocket costs mean the actual expense incurred with respect to a Third Party for specific Development activities relating to the Products; and (b) internal costs means the applicable FTE rates multiplied by the number of FTE hours expended in carrying out the Development activities in accordance with the development plan.

1.1.14. "Disclosing Party" means the Party disclosing Confidential Information under this Agreement.

1.1.15. "Dossier" shall mean and include dossier relating to the Product which is developed by WINDLAS and which contains all technical, chemistry, non-clinical and/or clinical information relating to the Product.

1.1.16. "Effective Date" has the meaning set forth in preamble hereto.

1.1.17. "Facility" or "Windlas Facility" means the manufacturing facility of WINDLAS Khasra number 40/1 Mohabewala Industrial Area, Dehradun – 248110, Uttarakhand, India or facility of the WINDLAS nominated sublicensee or subcontractor .

1.1.18. "Intellectual Property" means all patents, copyrights, trademarks, service marks, service names, trade names, internet domain names, e-mail addresses, applications or registration for any of the foregoing, or extensions, renewals, continuations or re-issues thereof, or amendments or modifications thereto, brand marks, brand names, trade dress, labels, logos, technical and non-technical information, trade secrets, formulae, techniques, sketches, drawings, models, inventions, designs, specifications, processes, apparatus, equipment, databases, research, experimental work, development, pharmacology and clinical data, software programs and applications, software source documents and any similar or other type of titles, rights and interests and intangible assets recognized under any laws as intellectual property, whether now existing or hereafter created, together with all modifications, enhancements and improvements thereto.

1.1.19. "Know-How" means any information or material that is confidential (except as provided hereinbelow) and proprietary, including, without limitation, ideas, concepts, discoveries, inventions, developments, improvements, know-how, trade secrets, designs, devices, equipment, process conditions, algorithms, notation systems, works of authorship, computer programs, technologies, formulas, techniques, methods, procedures, assay systems, applications, data, documentation, reports, chemical compounds, products and formulations, whether patentable or otherwise.

1.1.20. "Launch Date" means in respect of the Product, the first commercial supply of the Product by WINDLAS or MATEON to a Third Party in an arms-length transaction for Marketing the Product in the Territory.

1.1.21. "Liabilities" or "Liability" or "Damages" means all losses, costs, damages, judgments, settlements, interest, fees or expenses including, without limitation, all reasonable attorneys' fees, experts' or consultants' fees, expenses and costs pursuant to any litigation or claim by Innovator or any Third Party(s)related to or arising from this Agreement or Commercialization of the Product.

1.1.22. "Litigation Costs" means out of pocket legal costs incurred by a Party regarding the Product, including all legal fees, costs and expenses incurred by such Party associated with any third party litigation and/or government investigation in connection with the Product (including settlement and damage awards, court costs and attorneys' fees).

1.1.23. "Market" or "Marketing" or "Marketed" means promotion, distribution, marketing, advertising, use, sell, offer to sell and/or sale.

1.1.24. "Product" means a finished dosage, for human consumption, containing Artemisinin as specified in Annexure I, co-developed and owned by WINDLAS and MATEON and as may be amended by the Parties from time to time.

1.1.25. "Receiving Party" means the Party receiving Confidential Information.

1.1.26. "Regulatory Approval" means, with respect to the Product in the in any country or jurisdiction, any and all approvals, licenses, registrations, or authorizations of any Regulatory Authority necessary to Market such Product in such country, including, where applicable, (i) the Regulatory Approval Application ("RAA") filed with the Regulatory Authority, and all variations thereto; (ii) pricing or reimbursement approval in such country, (iii) pre and post-approval marketing authorizations (including any prerequisite manufacturing approval or authorization related thereto), and (iv) labeling approval.

1.1.27. "Regulatory Authority(s)" means any and all governmental bodies, organizations and agencies whose approval is necessary to manufacture, store, import, use, export and/or market herbal, nutraceutical or pharmaceutical Product in the Territory.

1.1.28. "Regulatory Filings" means, with respect to the Products, any submission to a Regulatory Authority of any appropriate regulatory application specific to Products, and shall include, without limitation, any submission to a regulatory advisory board and any supplement or amendment thereto.

1.1.29. "Retained Territories" shall (a) for manufacturing mean as the Americas and China (and its territories including Hong Kong, Macau, and Taiwan); and (b) for marketing mean worldwide except India.

1.1.30. "Specifications" means the requirements and standards of the Regulatory Authority, and as agreed by the Parties, relating to the Product including manufacturing, handling, storing and packaging requirements of the Product, which may be amended or supplemented from time to time.

1.1.31. "Technology" shall mean detailed technological process which enables the manufacturing regulatory batches of the Product with all relevant technological parameters, including list of equipment necessary for application of the Technology; in-process controls with corresponding specifications and test methods, including specifications and test methods for used raw materials; and final product specifications and test methods with corresponding analytical and cleaning method validation and quality control methods.

1.1.32. "Term" shall have the meaning given in Section 6 of this Agreement

1.1.33. "Territory" shall mean India.

1.1.34. "Third Party" means any individual, partnership, association, corporation, limited liability company, trust, or other legal person or entity other than WINDLAS, MATEON and their respective Affiliates and Sublicensee.

1.2. Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires. The terms "hereof", "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules, exhibits and appendices hereto) and not to any particular provision of this Agreement. Article, Section, Exhibit, Schedule and Appendix references are to the Articles, Sections, Exhibits, Schedules and Appendices to this Agreement unless otherwise specified. The word "including" and words of similar import when used in this Agreement shall mean "including, without limitation", unless the context otherwise requires or unless otherwise specified.

2. Subject Matter of Agreement

2.1. MATEON and WINDLAS intend to collaborate on formulation development, manufacturing, clinical research, commercialization and distribution of Artemisinin as a herbal supplement (or as a medicinal drug in future) for use as an anti-viral (including for COVID-19 patients) in a humanitarian effort for India. The collaboration is driven by the Parties desire to expedite the treatment and prevention of COVID-19. MATEON represented that it has demonstrated potent anti-viral activity of the supplement versus SARS-CoV-2 based on in-vitro testing of medical grade Artemisinin. WINDLAS has the required experience in developing cGMP compliant dosage forms of herbal supplements, nutraceuticals, AYUSH products and allopathic medicines. MATEON will provide technical support to WINDLAS to seek government approval of the herbal supplement in India with a clinical trial to demonstrate the efficacy of Artemisinin as a therapy. WINDLAS shall Develop the Artemisinin formulation, scale up the Product, manufacture batches, sponsor and conduct the biostudy of the Product by engaging a local CRO, manage clinical trials, seek regulatory approval of the Product, manufacture and market the Product(s) in India.

2.2. MATEON shall retain exclusive rights to market Product worldwide except in India. For the purpose of clarity and for the purpose of this Agreement, Mateon shall have rights to market the Product in all countries of the world (including Retained Territories) except India. WINDLAS shall have exclusive rights to market the Product only in India. WINDLAS shall have exclusive rights to Develop, Manufacture and Market Artemisinin Product in India. MATEON agrees and acknowledges that WINDLAS shall have right to manufacture Artemisinin Product (or its future herbal or allopathic variants) at its own or subcontracted sites and supply to MATEON's (or its other marketing partners') worldwide market excluding Retained Territories. Subject to terms and conditions agreed herein, MATEON shall purchase the requirement of the Product (or its future herbal or allopathic variants) from WINDLAS for worldwide market excluding Retained Territories.

3. Licenses

3.1. Parties agree that MATEON has conducted in-vitro studies and demonstrated potent anti-viral activity of the Artemisinin herbal supplement on SARS-CoV-2 based on in-vitro testing of medical grade of Artemisinin. MATEON Control and owns Know-how, Non-Clinical data and Intellectual Property Rights of the Product (collectively "MATEON Property"). MATEON agrees to license an exclusive, royalty-free, irrevocable, perpetual rights of MATEON's Property to WINDLAS to perform formulation development, manufacture, conduct or have conducted clinical research or clinical trials, use or have used, sale, offer to sell, market, distribute, and otherwise commercialize Artemisinin as a herbal supplement or medicinal drug in future for use as an anti-viral (including for COVID-19 patients) in the Territory.

3.2. WINDLAS will, at its own cost, Develop the Product, its Know-How and Technology. WINDLAS shall compile Dossier and do Regulatory Fillings of the Dossier with the Regulatory Authority in the Territory. For all other countries, other than the Territory, Parties shall mutually agree, in writing, to extend this collaboration for WINDLAS to Develop, manufacture, compile Dossier and do Regulatory filings at Mateon's cost on country-by-country basis. WINDLAS shall provide reasonable support to MATEON for regulatory submissions.

3.3. MATEON shall have exclusive rights to Market the Product worldwide, on its own or its sublicensees, except for India wherein WINDLAS shall have the exclusive marketing rights. Notwithstanding anything contained herein, WINDLAS shall have exclusive rights to Manufacture, Market or Commercialize the Product in the Territory.

3.4. MATEON agrees to license non-exclusive, irrevocable, perpetual rights of MATEON's Property to WINDLAS to manufacture, supply and export the Product for worldwide market except Retained Territories. The supply price of the Product shall be negotiated in good faith at arm's-length based on CMO industry standards. Parties shall agree on a Base Supply Price (*defined in Section 6.2*) for each Product and atleast three (03) months before the launch of the Product in any country, Parties shall, in good faith discuss, and finalize sharing of margins or markup percentages or other business arrangement on country by country basis over and above the Base Supply Price.

3.5. Upon commercialization of a Product in the India, WINDLAS shall built a margin over and above the COGS (hereinafter "Profit Margin"), before selling or offering it any other Third Party including co-marketing partners or sub-licensee for marketing the Product in India. WINDLAS agrees to share fifty percent (50%) of the said Profit Margin to MATEON as royalty on sale of Product in the Territory.

3.6. Sublicenses. Parties may grant sublicenses to one or more Third Parties of the licenses granted to WINDLAS hereunder for performance of certain obligations in this Agreement including conduct of clinical trials or marketing of Product in any country under this Agreement, subject to other Party's prior written consent, such consent shall not be unreasonably withheld. Each Party shall remain responsible for the performance of its obligations set forth herein by each of its Sublicensees.

4. Scope of Work

4.1. MATEON has represented WINDLAS that MATEON controls, owns and holds the MATEON's Property. MATEON will transfer the Technology of the Product to WINDLAS for WINDLAS to Develop the formulation of the Product and scale up the process for manufacturing batches for clinical trials and other batches for regulatory submission of the Dossier *(defined above)* to the Regulatory Authority in the Territory as per the terms and conditions set forth in this Agreement. MATEON shall take supplies of clinical batches and other batches from WINDLAS. WINDLAS, on behalf of MATEON and its cost, shall conduct the clinical trials of the Product in the Territory or have it conducted by the clinical research organization, compile and submit the Dossier to Regulatory Authority in the Territory and do all necessary acts required for approval of the Dossier in the Territory. The scope of work to be performed by the Parties to the Agreement is set forth in Annexure I as amended from time to time. Subject to the specific activities and other details set forth in Annexure I, below is a general outline of the activities of the Parties to be performed under this Agreement:

4.1.1. Obligations of MATEON: MATEON shall, at its own cost,

4.1.1.1. engage WINDLAS to sponsor and conduct the study in India.

4.1.1.2. pay management & services fee to WINDLAS as provided in Annexure –II of this Agreement

4.1.1.3. work in exchange for access to the formulation development data of WINDLAS and the clinical trial data for the trial conducted in India.

4.1.1.4. collaborate with WINDLAS and its CRO on final protocol submission to the Ethical Committees (hereinafter “EC”).

4.1.1.5. Review submission Dossier to the EC’s for completion.

4.1.1.6. Provide scientific and operational oversight for the study.

4.1.1.7. Provide in-vitro testing protocol to WINDLAS for the Product.

4.1.1.8. Work with WINDLAS on a joint press release upon EC approval for international publication.

4.1.1.9. Collaborate with WINDLAS on publishing study in reputable scientific journals.

4.1.2. Obligations of WINDLAS: WINDLAS shall, at its own cost,

4.1.2.1. Sponsor and conduct the study in India by engaging a local CRO.

4.1.2.2. Develop the formulation as per the applicable GMP guidelines.

4.1.2.3. Manufacture the Clinical Trial Material (CTM) batches.

4.1.2.4. Secure the necessary approvals from Regulatory Authority for the clinical study including regulatory documents, dossiers for Ethical Committees, manufacturing licenses etc. in the Territory.

4.1.2.5. Supervise the Clinical Research Organization (hereinafter “CRO”) to ensure timelines and audit CRO to ensure data quality.

4.1.2.6. Advise MATEON on all aspects of the clinical trial in the course of the study.

4.1.2.7. Provide MATEON any data required on the GMP manufacturing process for the product.

4.1.2.8. Provide MATEON with relevant data from the study.

4.1.2.9. Provide MATEON with GMP manufactured Product for distribution worldwide.

4.1.2.10. Collaborate with MATEON on publishing study in reputable scientific journals.

4.1.2.11. Work with MATEON for a joint press release upon EC approval for international publication.

4.1.3. Obligations of Parties

4.1.3.1. Parties will collaborate on an expanded trial in India.

4.1.3.2. Parties companies will collaborate on a humanitarian effort for distribution to address the pandemic

5. PRODUCT DEVELOPMENT AND REGULATORY SUBMISSION

5.1. Within sixty (60) days after the Effective Date, the Parties will agree upon a development plan for the Development of the Products in the Territory (the "Development Plan"). The Development Plan includes all clinical studies to be performed for the Products, including those that are required for Regulatory Approval for the Products in the Territory. WINDLAS shall, at MATEON's cost, provide reasonable support to MATEON for regulatory submissions in all countries other than the Territory.

5.2. WINDLAS shall Develop the Products and seek Regulatory Approval of the Product in the Territory by timely and diligently conducting all development activities under the Development Plan. MATEON shall co-operate with WINDLAS and shall provide all the information, data, documents required by WINDLAS.

5.3. Developmental Cost. Subject to terms and conditions agreed herein, as agreed herein between the Parties, all Development Costs associated with Product in the Territory shall be borne by WINDLAS. MATEON shall bear the Clinical Trials Cost or Biostudies Cost conducted by WINDLAS or WINDLAS designated local CRO on behalf of MATEON. WINDLAS shall not be responsible for any Developmental Cost incurred by MATEON on the Product outside the Territory.

5.4. WINDLAS shall be responsible, at its sole cost, for preparing and filing all regulatory applications, submissions, notifications, and registrations made to or with a Regulatory Authority that are necessary to for approval of the Product in the Territory, with all necessary aid and support to be provided by MATEON. WINDLAS shall be the sole holder of all approvals granted by the Regulatory Authorities in the Territory and will have operational responsibility for interactions with Regulatory Authorities, including meeting with Regulatory Authorities. WINDLAS shall keep MATEON updated on the Regulatory Submissions made by WINDLAS.

5.5. WINDLAS shall manufacture clinical trial batches and submission batches required for conducting clinical trial in the Territory and seeking Regulatory Approval of the Product in the Territory.

5.6. WINDLAS shall comply with all Applicable Laws in the performance of the obligations in the Territory. WINDLAS will be responsible for obtaining and maintaining, at its expense, all permits, licenses, approvals, authorizations and the like required for its performance of the obligations in the Territory.

5.7. WINDLAS shall prepare and compile the Dossier for seeking Regulatory Approval of the Product in the Territory as per the Applicable Laws.

6. MANUFACTURING AND SUPPLY

6.1. Agreement to Supply and to Purchase.

6.1.1. Post approval of the Product in the Territory or any country in the world except Retained Territories, WINDLAS shall manufacture and supply the cGMP compliant Product as per MATEON's requirement for worldwide markets except Retained Territories.

6.1.2. During the Term of this Agreement, MATEON shall purchase the Products from WINDLAS for commercialization of the Product worldwide, excluding within the Retained Territories, on terms and conditions set forth in this Agreement.

6.2. Supply Price or Base Supply Price. Subject to Section 3.4, Parties shall in good faith discuss and mutually agree on a Base Supply Price. Base Supply price will be sum of COGS and an additional ten percent (10%) margin on the COGS. Base Supply Price shall be reviewed and revised on annual basis.

6.3. Forecast. Unless otherwise mutually agreed between the Parties, Four months prior to the anticipated Launch Date for the Product in the Territory or any country in the world except Retained Territories, MATEON shall provide to WINDLAS with a twelve (12) month rolling forecast of its anticipated demand for the Product, set out on a quarterly basis, which shall be updated by MATEON after the Launch Date for the Product in each country of the Territory, by the seventh (7^{th}) date of calendar quarter ("Rolling Forecast").

6.4. Ordering. MATEON shall order the Product by issuing a purchase order to WINDLAS from time-to-time ("Purchase Order"). Unless otherwise mutually agreed between the Parties, the First Purchase Order shall be placed one hundred and twenty (120) days prior to the required Delivery Date and all subsequent Purchase Orders shall be placed ninety (90) days prior to the required Delivery Date and such Purchase Order shall set out the following:

6.4.1.1. the description of the Product required;

6.4.1.2. the required delivery date ("Delivery Date")

6.4.1.3. number of Batches required; and

6.4.1.4. such other conditions and information that are necessary for supplying the Product to MATEON.

6.5. Delivery and Shelf-Life. WINDLAS shall deliver the Product by the Delivery Date to MATEON on Ex-Factory (WINDLAS Facility) (Incoterms 2010) ("Delivery Destination"). MATEON shall be responsible for insuring, storing and transporting the Product from the Delivery Destination at its own expense. Unless otherwise mutually agreed herein, the Product shall, upon dispatch of Product from Facility, have a minimum shelf-life of eighty-five (85%) of the total shelf-life of the Product.

7. **COMMERCIAL TERMS.**

7.1. Invoice. WINDLAS will invoice MATEON at the Supply Price agreed between the Parties on Product by Product and country-by-country basis. For the first consignment of Product, MATEON shall make 50% (fifty percent) of total invoice amount payment along with the Purchase Order and the balance 50% (fifty percent) before the shipping of the Product. For all subsequent Product purchases, MATEON shall pay invoices within 60 days (sixty days) from the date of invoice and the total amount in said invoice will be guaranteed by a irrevocable Letter of Credit. Parties shall on annual basis review the Supply Price. In case of increase or decrease in cost of raw materials, API, packaging materials, labour, markup or operational expenses, Parties shall in good faith revise the Supply Price ("Revised Supply Price").

7.2. Payments. Any delay in payment of invoices for a period of more than 15 (fifteen) days shall attract a payment of interest @1.5% per month for number of days of delay. Unless otherwise agreed, all payments required to be paid under this Agreement shall be made in United States Dollars [USD].

7.3. Taxes.

7.3.1. Both Parties shall abide by the tax laws and shall be solely responsible for any breach of such tax laws (as applicable).

7.3.2. **Taxes on Supply of Products.** All payments hereunder for supply of Products shall be exclusive of all applicable taxes at the time being in force or levied on supply of Product. Further, any applicable taxes will be deducted from the payment to be made to other Party subject to avail of required documents under laws of land and proof of payment of such taxes to the government will be provided to the said party for claiming tax credit within 30 days of receiving certificate from the relevant authority. Each Party shall bear sole responsibility for payment of compensation to their respective personnel, employees and subcontractors and for all employment taxes, income tax and withholding with respect to such compensation pursuant to Applicable Law.

7.3.3. **Royalty Payments.** All royalty payments made under this Agreement by WINDLAS to MATEON shall be subject to deduction of tax on source (plus surcharge and cess, as may be applicable) under the Income Tax Act or any other applicable law of land at the time being in force. At the end of each quarter, WINDLAS shall provide MATEON with proof of payment of such taxes to the government (Withholding certificate) for claiming tax credit within 30 (thirty) days of receiving certificate from the relevant authority.

7.3.4. **Service Fee.** For any services performed by WINDLAS for or on behalf of MATEON, WINDLAS shall raise service invoice for pre approved service fees towards providing of service under this agreement with applicable tax at the time being in force. MATEON shall pay invoice after deducting tax as per the law of land and India US tax treaty.

7.3.5. **Reimbursement of Expenses.** WINDLAS shall raise invoice for pre-approved expenses advanced or incurred by WINDLAS under this Agreement for MATEON. MATEON shall reimburse the invoice within thirty (30) days of receipt of the invoice. No tax shall be deducted from the payment of invoice for reimbursement unless applicable as per the law of land.

8. **COMMERCIALIZATION OF THE PRODUCT**

8.1. WINDLAS shall, at its own cost, obtain all necessary permissions, licenses and/or permits required to Market the Product in the Territory. WINDLAS shall employ its own sales force or any other distribution mechanism for Marketing the Product in the Territory. WINDLAS shall Market the Product under its own Trademark. WINDLAS shall solely be responsible for any liability arising out of use of promotional material, artwork, and Trademark of the Product in the Territory. WINDLAS shall conduct all pharmacovigilance or post marketing activities in the Territory at its own expense and shall keep MATEON updated. WINDLAS may also offer the Product to co-marketing partners who may launch the Product under their own brand names and their own distribution networks.

8.2. MATEON shall, at its own cost or through its Sublicensee, obtain all necessary permissions, licenses and/or permits required to Market the Product outside the Territory. MATEON shall employ its own sales force for Marketing or any other distribution mechanism for the Product outside the Territory. MATEON shall solely be responsible for any liability arising out of the Product or this Agreement outside the Territory. MATEON shall conduct all pharmacovigilance or post marketing activities outside the Territory at its own expense and shall keep WINDLAS updated.

9. **REPRESENTATIONS AND WARRANTIES**

9.1. Representation and Warranties

9.1.1. Each Party represents, and warrants to other Party that:

9.1.1.1. it has the corporate authority to enter into this Agreement and to perform its obligations hereunder;

9.1.1.2. to the best of its knowledge neither the execution and delivery of this Agreement nor its performance hereunder conflicts with violates any statute, law, rule, regulation, writ, injunction, judgment, order or decree of any court, administrative agency or governmental authority;

9.1.1.3. this Agreement is a legal, valid and binding instrument and is enforceable in accordance with its terms;

9.1.1.4. it has not entered or will enter, directly or indirectly, into any contract or any other transaction with any Third Party or Affiliate that conflicts or derogates from its undertakings under this Agreement;

9.1.1.5. it has requisite expertise and financial capability to enter this Agreement; and

9.1.1.6. None of each Party or any of its employees, consultants, sublicensee or subcontractors providing services or otherwise engaging in activities under this Agreement has been debarred, or convicted of a crime which could lead to debarment, under the United States Generic Drug Enforcement Act of 1992, 21 United States Code §§335(a) and (b), or any comparable foreign law or regulation. In the event any such person has been debarred or convicted of a crime which could lead to debarment, each Party shall provide written notice to other Party immediately upon becoming aware of such occurrence;

9.1.1.7. Any or all the documents, data, information provided by one Party to other Party shall be true and shall not contain any falsified data.

9.1.2. MATEON hereby represents, warrants and covenants to WINDLAS that:

9.1.2.1. MATEON owns and holds the MATEON's Property including Know-How and Intellectual Property of the Product;

9.1.2.2. MATEONS's Property does not infringe Third Party rights including Intellectual Property Rights;

9.1.2.3. There are no pending claims against MATEONS's Property and MATEON is free to license MATEON's Property to WINDLAS;

9.1.2.4. WINDLAS performance of obligations under this Agreement will not infringe any Third Party rights including Intellectual Property Rights;

9.1.2.5. MATEON grants exclusive rights to WINDLAS to Develop, register, Manufacture, conduct clinical trials, Market, use, sell, offer to sell, and Commercialize the Product in the Territory;

9.1.2.6. MATEON shall purchase the Product from WINDLAS for worldwide markets except Retained Territories;

9.1.2.7. WINDLAS's Market or Commercialization of the Product(s) in the Territory does not and will not infringe any Third Party rights including intellectual property rights; and

9.1.2.8. Licenses granted or will be granted by MATEON under this Agreement shall be irrevocable, perpetual and royalty free.

9.1.3. WINDLAS hereby represents, warrants and covenants to MATEON that:

9.1.3.1. WINDLAS shall manufacture and supply cGMP compliant Product to MATEON;

9.1.3.2. WINDLAS shall maintain all permits, licenses, approvals required for manufacturing and Marketing of the Product in the Territory;

9.1.3.3. It has qualified and experienced personnel to assume responsibility for the proper conduct of the Project;

9.1.3.4. Product supplied for clinical trials shall be in conformity to the standards set forth by Regulatory Authority in the Territory as per the Applicable Law and are free from any manufacturing defect;

9.1.3.5. WINDLAS shall maintain the manufacturing facility as per the requirement of Regulatory Authorities as per Applicable laws in the Territory; and

9.1.3.6. WINDLAS shall manufacture and supply Products to MATEON.

10. INTELLECTUAL PROPERTY.

10.1. Ownership of Intellectual Property Rights. All Intellectual Property Rights owned by a Party hereto on the Effective Date and all improvements thereto made by a Party shall continue to be owned by such Party. WINDLAS agrees that MATEON shall be the absolute owner of MATEON's Property. Intellectual Property which is independently generated by a Party at its own cost shall be retained by the said Party. WINDLAS shall own absolute rights in Intellectual Property generated by WINDLAS during Development of Product including formulation or process Intellectual Property Rights. Any Intellectual Property which will be generated by joint efforts of the Party, shall be jointly owned by the Parties. Notwithstanding anything contained herein, no implied licensing of any IP of either party may be assumed by virtue of supply of any materials/ sharing of documents / joint technical discussions unless otherwise explicitly agreed between the Parties in writing in this Agreement.

10.2. Intellectual Property Matters.

10.2.1. MATEON agrees that MATEON, at its own cost and expense, shall be responsible for and shall defend and hold WINDLAS fully harmless against the claims of any Third Parties related to or arising out of infringement of Intellectual Property Rights owned or controlled by any Third Party except for the matters set forth in Section 10.3. WINDLAS shall do reasonable efforts to provide all information required by MATEON in litigation matters.

10.2.2. MATEON shall be entitled to postpone, delay, suspend the Launch Date or cease the Marketing and commercialization of the Product in the country other than the Territory in the event litigation relating to such Product is pending, threatened or reasonably anticipated by MATEON. In the Territory, WINDLAS shall be entitled to postpone, delay, suspend the Launch Date or cease the Marketing and commercialization of the Product in the event litigation relating to such Product is pending, threatened or reasonably anticipated by WINDLAS.

10.3. Trademark. WINDLAS shall have the sole right to determine and own the trademark under which the Product will be sold in the Territory. WINDLAS shall own all right, title, and interest to the trademarks affixed to the Product, and shall be responsible for the registration, prosecution, and maintenance thereof. WINDLAS shall defend and hold MATEON fully harmless against the claims of any Third Parties related to or arising out of infringement of Trademark owned or controlled by any WINDLAS in the Territory.

11. **INDEMNIFICATION: LIMITATION ON LIABILITY.**

11.1. Indemnification by MATEON. MATEON hereby agrees to indemnify, defend and hold WINDLAS, its Affiliates, and their respective directors, managers, officers, shareholders, employees, consultant and agents (collectively "WINDLAS Indemnitees"), harmless from and against any losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and disbursements (collectively, "Damages") incurred by WINDLAS Indemnitees in connection with any suits, investigations, claims or demands by Third Parties resulting directly from or arising out of (i) breach by MATEON of any of its representations or warranties and obligations under this Agreement; (ii) gross negligence or willful misconduct of MATEON or its Affiliates; (iii) any acts or omissions of Mateon outside the Territory; (iv) use of or reference to Mateon's Property; (v) Market, Commercialization or sell of the Product by Mateon, its Affiliates or Sublicensee in any country outside Territory; (vi) any product liability claim arising out of disposal, misapplication of, handling, use of defective or unsafe Products, the cause of which is attributable to the storage, handling and/or transportation of the Product after the delivery thereof to MATEON; (vii) any claim arising out of the infringement or misappropriation of any rights of Third Parties including the Intellectual Property rights of any third party relating to promotion, marketing, disposition, sale, offer to sale, use, distribution, labelling, shipment of the Product or product incorporating the Product by MATEON or its Affiliates or Sublicensee; and/or (viii) commercialization of the Product in any country; except, in each case, to the extent of WINDLAS's indemnification obligations under Section 11.2.

11.2. Indemnification by WINDLAS. WINDLAS hereby agrees to indemnify, defend and hold MATEON, its Affiliates, and their respective directors, managers, officers, shareholders, employees and agents (collectively "MATEON's Indemnitees"), harmless from and against any Damages incurred by MATEON's Indemnitees, in connection with any and all suits, investigations, claims or demands by Third Parties resulting from or rising out of (i) breach by WINDLAS of any of its representations or warranties and obligations under this Agreement; (ii) any gross negligence or willful misconduct of WINDLAS or its Affiliates; (iii) manufacture, shipment, storage, testing and/or handling of the proven defective Product(s) by WINDLAS; (iv) any claim arising out of the infringement or misappropriation of any rights of Third Parties by Windlas Trademark in the Territory; except, in each case, to the extent of MATEON's indemnification obligations under Section 11.1.

11.3. Indemnification Procedure. As soon as a Party becomes aware of the possibility of a claim involving indemnification under this Section 11 ("Indemnified Party"), the Indemnified Party shall give the other Party ("Indemnifying Party") prompt written notice in writing and shall permit the Indemnifying Party to have control over the defense of such claim or suit. The Indemnified Party agrees to provide all reasonable information and assistance to the Indemnifying Party in such defense. No such claims shall be settled other than by the Indemnifying Party defending the same, and then only with the consent of the other Party, which shall not be unreasonably withheld or delayed; provided however, that the Indemnified Party shall have no obligation to consent to any settlement of any such claim which imposes on the Indemnified Party any liability or obligation which cannot be assumed and performed in full by the Indemnifying Party.

11.4. Limitation of Liability. In no event shall either Party be liable to the other Party for any incidental, special, exemplary, consequential or punitive damages, even if other Party has been advised of the possibility of such damages, arising out of or in connection with this Agreement or arising from any claim relating to this Agreement, whether such claim is based on contract, tort or otherwise. Notwithstanding anything above, WINDLAS total and aggregate liability arising out of any and all claims under this Agreement (or any agreement entered into in furtherance to this Agreement) in any particular calendar year during the Term shall not exceed any amount paid by MATEON to the WINDLAS in the immediately preceding 12 (twelve) months.

11.5. **INSURANCE.** During the Term of the Agreement and for a period of three (3) years from the last delivery of the Product or until the expiry date of the last batch manufactured whichever is later, each Party shall obtain and maintain, at its sole expense, adequate insurance policy as is necessary to cover its responisbilities and risks under this Agreement. Each Party shall provide proof of insurance to the other Party.

12. **CONFIDENTIAL INFORMATION.**

12.1. Each Party to this Agreement shall maintain in strict, confidence, and shall not disclose to any Third Party, any Confidential Information observed by or disclose or on behalf of the other Party pursuant to this Agreement. Each Party shall not use or disclose such Confidential Information except as permitted by this Agreement. Each Party shall safeguard with confidential and proprietary nature of the Confidential Information of the other Party with at least the same degree of care as it holds its own Confidential Information of like kind, which shall be no less than a reasonable degree of care. Notwithstanding the foregoing, the preceding restrictions shall not apply to information that the Receiving Party can sufficiently demonstrate by written records:

12.1.1. Was lawfully in its possession prior to the time of disclosure pursuant to this Agreement;

12.1.2. Is or becomes public knowledge through no fault, omission, of the Receiving Party;

12.1.3. was disclosed to the receiving Party, other than under an obligation of confidentiality, by a third party who had no obligation to the disclosing Party not to disclose such information to others; or

12.1.4. Was independently developed for or by the Receiving Party, without violating the terms of this Agreement.

In case any disclosure of Disclosing Party's Confidential Information is required and if the Disclosing Party seeks a protective order or any other remedy, Receiving Party shall promptly cooperate with and reasonably assist the Disclosing Party in such efforts.

12.2. Return of Confidential Information. Upon expiry or termination of this Agreement, the Receiving Party shall promptly return or destroy, at the Disclosing Party's option, all Confidential Information of the Disclosing Party.

12.3. The provisions of this Section 12 shall survive the termination or expiration of this Agreement and for a period of five (05) years thereafter.

13. **TERM AND TERMINATION.**

13.1. Term. This Agreement shall commence on the Effective Date and shall continue for a period of five [(05)] years, unless earlier terminated pursuant to this Section 13 ("Initial Term"). Prior to expiry of the Initial Term, this Agreement may be renewed, as mutually agreed between the Parties by a written instrument, on mutually acceptable terms and conditions ("Renewal Term"). The Initial Term and the Renewal Term shall be collectively referred to as "Term".

13.2. **Pre-Termination Negotiation.** In an event that either Party intends to terminate this Agreement, for any reasons stated in Section 13 of this Agreement, the Party shall notify the other Party in writing stating the reason for such proposed termination ("Problem"). Parties shall then within five (05) working days of receipt of such notification, nominate two (02) persons from each Party, which will form joint forum for discussion ("JFD"). The JFD will, in good faith, try to amicably find the solution for the Problem. In an event the JFD is not able to reach a mutually agreeable solution within forty-five (45) days from the date of notification, the provisions of termination in Section 13.3 to 13.6 of this Agreement will automatically trigger.

13.3. Material Breach. This Agreement may be terminated by either Party, on a Product-by-Product basis or on a country-by-country basis or for a particular product for a particular country or in its entirety, by written notice of sixty (60) days provided to the other Party at any time during the Term if the other Party (the "Breaching Party") is in material breach or default of any of its obligations hereunder or any of its representations or warranties hereunder.

13.4. Change in Control. In the event of change in Control of a Party**,** such Party shall inform the other Party of such change in Control within no more than 30 days from the time the change of control occurs, after which, the other Party shall have the absolute right and discretion to either (i) seek reasonable assurances to its satisfaction that the terms and provisions hereof; or (ii) terminate this Agreement with a written notice to the other Party, which termination shall be effective immediately. In case of Change in Control or assignment or transfer of rights of a Party under this Agreement to any Third Party, the said Party shall seek No Objection Certificate ("NOC") from the other Party.

13.5. Mutual Termination. Parties shall mutually terminate the Agreement upon failure of the clinical trial of the Product in the Territory or refusal to approve the Product by Regulatory Authority in the Territory.

13.6. Consequences of termination. Expiration or termination of this Agreement for whatever reason shall not affect the liabilities or obligations of the Parties hereunder in respect of matters accrued at the time of such expiration or termination and shall be without prejudice to any other right or remedies available at law or in equity. Upon the effective date of expiration of the Term or upon termination of this Agreement, the following consequences shall apply:

13.6.1. In case Parties mutually agree to terminate the Agreement pursuant to section 13.4, MATEON agrees to pay WINDLAS for all the cost incurred or advanced by WINDLAS till the date of termination.

13.6.2. In case MATEON terminates the Agreement, post Regulatory Approval of the Product in the Territory, MATEON shall grant all rights in the Product and MATEON's Property for the Territory to WINDLAS. Licenses granted by MATEON to WINDLAS shall continue to survive till such time WINDLAS, WINDLAS Sub-licensee or co-marketing partner continues to market the Product in the Territory and three (03) years thereafter. The licenses granted hereunder this Agreement shall terminate three (03) years after WINDLAS Sub-licensee and co-marketing partner ceases to market the Product in the Territory.

13.6.3. In case MATEON terminates the Agreement for any country, other than the Territory, for the reasons related to supply price or failure to maintain regulatory approval of the facility and for the reasons not attributable to WINDLAS, Parties shall mutually agree on the future course of action including finding an alternative contract manufacturing organization for supply of products at reasonable cost.

13.6.4. MATEON shall purchase any Product ordered by means of Confirmed Purchase Order and shall have the right to sell off its available inventory of Product in the Retained Territory; and

13.6.5. Parties shall settle the accounts as of on the date of termination.

13.6.6. If MATEON terminates the Agreement due to Supply Failure solely attributable to WINDLAS, Parties shall, in good faith, decide the future course of action including supply from alternate facility. Parties shall, in good faith, mutually select and appoint a contract manufacturing organization ("CMO") within six (06) months of such supply failure and get the Product manufactured and supplied to each Party from the said CMO. WINDLAS shall make all reasonable efforts to ensure continuous supply of Product from the alternate CMO facility. If WINDLAS terminates this Agreement for reasons other than Supply failure or regulatory reasons, WINDLAS shall do reasonable efforts to manufacture and supply Products to MATEON till the supply starts from alternative CMO facility.

13.6.7. Except to the extent of the rights granted under Clause 13.6.2, each Party agrees that it shall not use Intellectual Property Rights, Confidential Information, Technology and Know-How (collectively "Property") of other Party. If any of the Party intends to use Property of the other Party, the Party intended shall pay reasonable compensation to the other Party, who is legal owner of that Property.

13.7. Survival. The termination or expiration of this Agreement shall not affect the survival and continuing validity of Section 7 (Disputes as to Payment), Section 9 (Representations and Warranties), Section 10 (Intellectual Property), Section 11(Indemnification), Section 11.5(Insurance), Section 12 (Confidential Information), Section 13.6 (Consequences of termination), Section 13.7 (Survival), Section 14 (Notices), Section 15 (Governing Law and Dispute Resolution) and Section 16 (Miscellaneous).

14. **NOTICES.**

14.1. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the Party giving such notice) hand delivered by messenger or courier service, sent by facsimile (with confirmation received of recipient's number) to the number set forth below, or mailed by registered or certified mail (postage prepaid), return receipt requested, or delivered by delivery service, addressed to:

If to MATEON: **MATEON THERAPERUTICS, INC.**
Attn: Vuong Trieu, Ph. D.
29397 Agoura Road, Suite 107
Agoura Hills, CA 91301

If to WINDLAS: **WINDLAS BIOTECH LTD**
Plot No. 40/1, Mohabewala Industrial Area,
Dehradun – 248110 (Uttaranchal)
Attention: Head, Legal
Facsimile: +91-124-2821059

14.2. Each such notice shall be deemed delivered (a) on the date delivered if by personal delivery (including by delivery service, with proof of delivery), (b) on the date telecommunicated if by facsimile (with confirmation of receipt), and (c) on the date upon which the return receipt is signed or delivery is refused, as the case may be, if mailed.

15. **GOVERNING LAW AND DISPUTE RESOLUTION.**

15.1. This Agreement shall be governed by and interpreted in accordance with international law, under exclusive jurisdiction of the courts of Singapore.

15.2. If any question of Dispute shall, at any time during the term of this Agreement or thereafter arise between the Parties with respect to the validity, interpretation, implementation or alleged material breach of any provision of this Agreement or the rights and/or obligations of the Parties hereunder, or regarding any question including as to whether the termination of this Agreement by either Party has been legitimate, then the Parties shall attempt to settle such dispute amicably between them. In the event that such Dispute has not been amicably settled within 60 (sixty) days, then such a question or Dispute shall be referred to and finally resolved by arbitration under the SIAC Rules (Singapore International Arbitration Centre Rules). The seat of the arbitration shall be Singapore. All proceedings of such arbitration, including without limitation, any agreements or awards, shall be in the English language.

15.3. **Interim Relief.** Pending the selection of the arbitrator or pending the arbitrator's determination of the merits of any Dispute, either Party may seek appropriate interim or provisional relief from any court of competent jurisdiction in India, as deemed necessary by such Party, to protect the rights or property of such Party.

16. **MISCELLANEOUS**

16.1. Relationship. WINDLAS and MATEON are and shall remain independent contractors. Nothing contained herein shall be construed to place the Parties in relationship of partners, in a joint venture, principal, or an employer and employee. Neither Party shall have the power to assume, create or incur any liability or obligation of any kind, express or implied, in the name of or on behalf of the other Party by virtue of this Agreement.

16.2. Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

16.3. Force Majeure.

16.3.1. Notwithstanding anything contained herein, neither Party shall be liable to the other Party for any non-performance or delay in the fulfillment of its obligations when any such non-performance or delay shall be occasioned by any unforeseeable cause beyond the reasonable control of MATEON or WINDLAS (or their respective Affiliates), as the case may be, including acts of God, fire, flood, earthquakes, break-down of the plant, explosions, sabotage, strikes, civil commotion, riots, military invasions, wars, failure of carriers, or any acts, restraints, requisitions, regulations, or directives issued by a competent government authority ("Force Majeure Events"), provided that such non-performance or delay shall be promptly communicated to the Party not affected by the Force Majeure Event.

16.3.2. In the event that either Party is delayed in discharging its obligations under this Agreement beyond 120 days (one hundred and twenty days) on account of a Force Majeure Event, such Party shall notify the other forthwith, and shall nevertheless make every endeavor, in good faith, to discharge its said obligations, even if in a partial or compromised manner. If either Party is unable to perform its obligations hereunder as a result of a Force Majeure Event the Party not affected by the Force Majeure Event can terminate the Agreement.

16.4. Press Releases. Except as otherwise mutually agreed by the Parties or as required by applicable Law or the rules of any stock exchange, no Party shall issue or cause the publication of any other press release or public announcement with respect to the transactions contemplated by this Agreement without the express prior written approval of the other Party, which approval shall not be unreasonably withheld or delayed

16.5. Severability. Should any part or provision of this Agreement be held invalid or unenforceable or in conflict with Applicable Law by a court of competent jurisdiction, the invalid or unenforceable part or provision shall, provided that it does not go to the essence of this Agreement, be replaced with a revision which accomplishes, to the extent possible, the original commercial purpose of such part or provision in a valid and enforceable manner.

16.6. Amendment. No modification, amendment, variation, extension, or waiver of this agreement or any provision hereof shall be binding or effective unless in writing and signed by a duly authorized representative of each of the Parties.

16.7. Waiver. No waiver by either Party, whether express or implied, of its rights under any provision of this Agreement shall constitute a waiver of such Party's rights under such provisions at any other time or a waiver of such Party's right under any other provision of this Agreement. No failure by any Party to strictly enforce any of the provisions of this Agreement, to exercise any right under this Agreement, or to take any action against any breach of this Agreement or default by another Party shall constitute a waiver of the former Party's right to enforce any provision of this Agreement, to exercise such right or to take action against such breach or default or any subsequent breach or default by such other Party.

16.8. Entire Agreement. This Agreement (including its Schedules) constitutes the entire agreement between the Parties with respect to its subject matter and supersedes all prior agreements, arrangements, dealings or writings between the Parties.

16.9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed and together shall constitute one and the same instrument. This Agreement may be delivered by PDF transmission and receipt of a PDF copy of any Party's signature shall be considered to be receipt of an original copy thereof; provided that any Party executing this Agreement by PDF shall, as soon as practicable following execution of this Agreement, provide an originally executed counterpart of this Agreement to the other Party.

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

MATEON THERAPEUTICS, INC

By: */s/Vuong Trieu*
Name: Vuong Trieu, Ph. D.
Title: CEO

WINDLAS BIOTECH LIMITED

By: */s/ Hitesh Windlass*
Name: Hitesh Windlass
Title: Managing Director

ANNEXURE – I

PRODUCT

Product	API	Strengths	Territory	Packs	Approved By	Supply Price	Royalty
					Ayush	TBD	TBD
					FSSAI	TBD	TBD
					DCGI	TBD	TBD

SCOPE OF WORK:

[PLEASE INCLUDE SCOPE OF WORK/DEVELOPMENT PLAN]

ANNEXURE –II

FEE SCHEDULE

FINANCIAL DETAILS (to be finalized in the CTA between Windlas and CRO)

Professional Fee Charges	**Amount in INR**
Technical and advisory services	68,31,000
Insurance costs	5,50,000
Local taxes @ 18%	13,28,580
Any incidental costs approved by both parties (to be added in relevant milestone)	
Total Amount:	**87,09,850**

STUDY TIMELINES AND PAYMENT MILESTONE

Sr. No.	**Milestone Payment for Professional Fee**	**Amount in INR**
1.	On Signing Contract	22,61,116
2.	After 1st EC approval	16,12,116
3.	After 2 sites initiated for clinical trial	8,06,058
4.	50 % of Recruitment Over in Clinical trial	12,09,087
5.	100 % of Recruitment Over	8,06,058
6.	Database Lock	8,06,058
7.	Clinical Study Report + any incidental amount	12,09,087
	Total	**87,09,850***

- Incidental amount if any approved by both parties to be added in relevant milestone.

Exhibit 31.1

MATEON THERAPEUTICS, INC.
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vuong Trieu, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mateon Therapeutics, Inc. for the period ended September 30, 2020;

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

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

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

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

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

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

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

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

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

By: */s/ Vuong Trieu*
Vuong Trieu, Ph.D.
Chief Executive Officer (Principal Executive Officer)
Date: November 16, 2020

Exhibit 31.2

MATEON THERAPEUTICS, INC.
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Amit Shah, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mateon Therapeutics, Inc. for the period ended September 30, 2020;

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

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

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

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

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

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

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

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

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

By: */s/ Amit Shah*
Amit Shah
Chief Financial Officer (Principal Financial and Accounting Officer)
Date: November 16, 2020

Exhibit 32.1

MATEON THERAPEUTICS, INC.
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q for the period ended September 30, 2020 of Mateon Therapeutics, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

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

By: */s/ Vuong Trieu*
Vuong Trieu, Ph.D.
Chief Executive Officer (Principal Executive Officer)
Date: November 16, 2020

Exhibit 32.2

MATEON THERAPEUTICS, INC.
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q for the period ended September 30, 2020 of Mateon Therapeutics, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

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

By: */s/ Amit Shah*
Amit Shah
Chief Financial Officer (Principal Financial and Accounting Officer)
Date: November 16, 2020