Item 8. Financial Statements and Supplementary Data.

ITERUM THERAPEUTICS PLC

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Iterum Therapeutics plc:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Iterum Therapeutics plc and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive loss, shareholders' equity/(deficit), and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements).

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations since inception, is expecting operating losses for the foreseeable future, needs to raise additional capital to finance its future operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the (consolidated) financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Measurement of Royalty Linked Notes liability

As discussed in Notes 2 and 11 to the consolidated financial statements, the carrying amount of the Royalty-Linked Notes (RLN) which originated from the 2020 Private Placement amounted to $10.8 million as of December 31, 2024. The RLN liability is carried at fair value on the consolidated balance sheet and determined using a discounted cash flow (DCF) analysis.

We identified the evaluation of the fair value of the RLN liability as a critical audit matter. Subjective auditor judgment was required in assessing the discount rate and estimated sales volume assumptions used in the DCF analysis to estimate the fair value of the

RLN. Minor changes to these assumptions would have a material impact on the estimated fair value. Additionally, specialized skills and knowledge were needed to evaluate the discount rate.

The following are the primary procedures we performed to address this critical audit matter:

- We evaluated the design of a certain internal control related to the estimation of the RLN liability.
- We evaluated the reasonableness of the estimated sales volume assumptions by comparing them to (1) company-specific operational information and management's communication to the Board of Directors and (2) available industry or other third-party reports on expected market opportunities.
- We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the discount rates by comparing them against the ranges that were independently developed using publicly available market data of comparable entities.
- We performed sensitivity analyses on the fair value of the RLN liability based on changes to the discount rate.

s/ KPMG

We have served as the Company's auditor since 2015.

Dublin, Ireland
February 7, 2025

ITERUM THERAPEUTICS PLC
Consolidated Balance Sheets
(In thousands, except share and per share data)

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 24,125	$ 6,071
Short-term investments	—	17,859
Prepaid expenses and other current assets	614	1,628
Income taxes receivable	48	38
Total current assets	24,787	25,596
Intangible asset, net	19,746	—
Property and equipment, net	23	51
Restricted cash	34	34
Other assets	5	578
Total assets	$ 44,595	$ 26,259
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable	$ 251	$ 4,996
Accrued expenses	2,651	7,761
Exchangeable notes	14,463	—
Other current liabilities	240	761
Total current liabilities	17,605	13,518
Long-term debt - Exchangeable notes	—	11,453
Long-term debt - Pfizer Promissory Note	20,300	—
Royalty-linked notes	10,771	7,503
Other liabilities	—	188
Total liabilities	$ 48,676	$ 32,662
Commitments and contingencies *(Note 16)*		
Shareholders' deficit		
Undesignated preferred shares, $0.01 par value per share: 100,000,000 shares authorized at December 31, 2024 and December 31, 2023; no shares issued at December 31, 2024 and December 31, 2023	—	—
Ordinary shares, $0.01 par value per share: 80,000,000 shares authorized at December 31, 2024 and December 31, 2023, 31,534,233 shares issued at December 31, 2024; 13,499,003 shares issued at December 31, 2023	315	135
Additional paid-in capital	481,676	454,759
Accumulated deficit	(486,072)	(461,298)
Accumulated other comprehensive gain	—	1
Total shareholders' deficit	(4,081)	(6,403)
Total liabilities and shareholders' deficit	$ 44,595	$ 26,259

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

ITERUM THERAPEUTICS PLC
Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)

	Year ended December 31, 2024	2023	2022
Costs and expenses:			
Cost of sales	$ (254)	$ —	$ —
Research and development	(10,458)	(39,992)	(17,617)
General and administrative	(7,984)	(7,476)	(12,766)
Total operating expenses	(18,696)	(47,468)	(30,383)
Operating loss	(18,696)	(47,468)	(30,383)
Interest expense, net	(2,522)	(1,428)	(2,361)
Adjustments to fair value of derivatives	(3,269)	11,056	5,458
Cancellation of share options	—	—	(17,350)
Other (expense) / income, net	(47)	82	503
Total other (expense) / income	(5,838)	9,710	(13,750)
Loss before income taxes	(24,534)	(37,758)	(44,133)
Income tax expense	(240)	(613)	(301)
Net loss	$ (24,774)	$ (38,371)	$ (44,434)
Net loss per share – basic and diluted	$ (1.26)	$ (2.96)	$ (3.63)
Weighted average ordinary shares outstanding – basic and diluted	19,699,260	12,962,362	12,236,607
Statements of Comprehensive Loss			
Net loss	$ (24,774)	$ (38,371)	$ (44,434)
Other comprehensive (loss) / income:			
Unrealized (loss) / income on marketable securities	(1)	351	(350)
Comprehensive loss	$ (24,775)	$ (38,020)	$ (44,784)

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

ITERUM THERAPEUTICS PLC
Consolidated Statements of Shareholders' Equity / (Deficit)
(In thousands, except share and per share data)

	Ordinary Shares		Additional		Accumulated Other	
	Shares	Amount	Paid in Capital	Accumulated Deficit	Comprehensive Gain / (Loss)	Total
Balance at December 31, 2021	12,185,019	$ 122	$ 428,605	$ (378,493)	$ —	50,234
Issuance of ordinary shares, net	413,622	4	437	—	—	441
Share-based compensation expense	—	—	4,758	—	—	4,758
Cancellation of share options	—	—	17,350	—	—	17,350
Net loss	—	—	—	(44,434)		(44,434)
Unrealized loss on available-for-sale securities	—	—	—	—	(350)	(350)
Balance at December 31, 2022	12,598,641	$ 126	$ 451,150	$ (422,927)	$ (350)	27,999
Issuance of ordinary shares, net	732,763	7	1,027	—	—	1,034
Issuance of ordinary shares on conversion of exchangeable notes	167,599	2	1,798	—	—	1,800
Share-based compensation expense	—	—	784	—	—	784
Net loss	—	—	—	(38,371)	—	(38,371)
Unrealized income on available-for-sale securities	—	—	—	—	351	351
Balance at December 31, 2023	13,499,003	$ 135	$ 454,759	$ (461,298)	$ 1	(6,403)
Issuance of ordinary shares, net	16,449,752	164	21,953	—	—	22,117
Issuance of warrants for ordinary shares, net	—	—	2,718	—	—	2,718
Exercise of warrants for ordinary shares	1,498,145	15	1,797	—	—	1,812
Exercise of share options	87,333	1	86	—	—	87
Share-based compensation expense	—	—	363	—	—	363
Net loss	—	—	—	(24,774)	—	(24,774)
Unrealized loss on available-for-sale securities	—	—	—	—	(1)	(1)
Balance at December 31, 2024	31,534,233	$ 315	$ 481,676	$ (486,072)	$ —	(4,081)

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

ITERUM THERAPEUTICS PLC
Consolidated Statements of Cash Flows
(In thousands, except share and per share data)

	Year ended December 31, 2024	2023	2022
Cash flows from operating activities:			
Net loss	$ (24,774)	$ (38,371)	$ (44,434)
Adjustments to reconcile net loss to cash used in operating activities:			
Depreciation	30	31	84
Amortization	254	1,719	1,716
Lease termination adjustments	—	473	—
Share-based compensation expense	363	784	4,758
Cancellation of share options expense	—	—	17,350
Amortization of short-term investments	(352)	(1,145)	(183)
Interest on short-term investments	1	55	(55)
Amortization of debt discount and deferred financing costs	2,288	2,339	2,338
Interest on exchangeable notes - non-cash	723	811	819
Interest on promissory note - non-cash	300	—	—
Adjustments to fair value of derivatives	3,269	(11,056)	(5,458)
Other	3,859	2,267	2,281
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(2,663)	(3,188)	(1,551)
Other assets	17	322	—
Accounts payable	(4,745)	2,223	1,895
Accrued expenses	(5,110)	3,489	3,185
Income taxes	155	271	(510)
Other liabilities	(385)	(354)	(708)
Net cash used in operating activities	(26,770)	(39,330)	(18,473)
Cash flows from investing activities:			
Purchases of property and equipment	(2)	(13)	(62)
Purchases of short-term investments	(12,390)	(41,179)	(45,708)
Proceeds from sale of short-term investments	30,600	64,528	59,727
Net cash provided by investing activities	18,208	23,336	13,957
Cash flows from financing activities:			
Repayments of long-term bank debt	—	—	(2,251)
Proceeds from issuance of ordinary shares, net of transaction costs	26,691	1,034	433
Net cash provided by / (used in) financing activities	26,691	1,034	(1,818)
Effect of exchange rates on cash and cash equivalents	(75)	(61)	(50)
Net increase / (decrease) in cash, cash equivalents and restricted cash	18,054	(15,021)	(6,384)
Cash, cash equivalents and restricted cash, at beginning of period	6,105	21,126	27,510
Cash, cash equivalents and restricted cash, at end of period	$ 24,159	$ 6,105	$ 21,126
Supplemental Disclosure of Cash Flow Information:			
Income tax paid—U.S.	$ 220	$ 401	$ 821
Interest paid	—	—	22
Non-cash proceeds — Pfizer Promissory Note	20,000	—	—

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

(1)Nature of Operations and Basis of Presentation

Description of Business

Iterum Therapeutics plc (the Company) was incorporated under the laws of the Republic of Ireland in June 2015 as a limited company and re-registered as a public limited company on March 20, 2018. The Company maintains its registered office at 3 Dublin Landings, North Wall Quay, Dublin 1, D01 C4E0, Ireland. The Company commenced operations in November 2015. The Company licensed global rights to its novel anti-infective compound, sulopenem, from Pfizer Inc. (Pfizer). The Company is dedicated to maximizing the commercial potential of ORLYNVAH™, the first oral branded penem available in the United States and potentially the first and only oral and intravenous (IV) branded penem available globally. The Company has developed sulopenem in an oral tablet formulation, sulopenem etzadroxil-probenecid, which is referred to herein as oral sulopenem or ORLYNVAH™, as the context so requires, and is advancing the development of an IV formulation. The Company refers to sulopenem delivered intravenously as sulopenem and, sulopenem together with oral sulopenem/ORLYNVAH™, as its sulopenem program.

Liquidity and Going Concern

Since inception, the Company has devoted substantially all of its efforts to research and development, recruiting management and technical staff, and raising capital, and has financed its operations through the issuance of ordinary and convertible preferred shares, debt raised under a financing arrangement with Silicon Valley Bank (SVB) including the Paycheck Protection Program loan (PPP loan), a sub-award from the Trustees of Boston University under the Combating Antibiotic Resistant Bacteria Biopharmaceutical Accelerator (CARB-X) program and the proceeds of a private placement (Private Placement) and subsequent rights offering (the 2020 Rights Offering) pursuant to which its wholly owned subsidiary, Iterum Therapeutics Bermuda Limited (Iterum Bermuda) issued and sold approximately $51.8 million aggregate principal amount of 6.500% Exchangeable Senior Subordinated Notes due 2025 (Exchangeable Notes) and $0.1 million aggregate principal amount of Limited Recourse Royalty-Linked Subordinated Notes (the RLNs and, together with the Exchangeable Notes, the Securities), which Securities were sold in units consisting of an Exchangeable Note in the original principal amount of $1,000 and 50 RLNs (the Units). The Company has not generated any product revenue. The Company is subject to risks and uncertainties common to early-stage companies in the pharmaceutical industry, including, but not limited to, the ability to secure additional capital to fund operations, failure to successfully develop and commercialize its product candidates, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology and compliance with government regulations.

Even with receipt of U.S. Food and Drug Administration (FDA) approval, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and include the accounts of the Company and its subsidiaries.

The Company filed a universal shelf registration statement on Form S-3 with the SEC, which was declared effective on October 17, 2022 (File No. 333-267795), and pursuant to which the Company registered for sale up to $100.0 million of any combination of debt securities, ordinary shares, preferred shares, subscription rights, purchase contracts, units and/or warrants from time to time and at prices and on terms that the Company may determine. On October 7, 2022, the Company entered into a sales agreement with HC Wainwright (the Sales Agreement), as agent, pursuant to which it could offer and sell ordinary shares, nominal value $0.01 per share (the ordinary shares) for aggregate gross sales proceeds of up to $16.0 million (subject to the availability of ordinary shares), from time to time through HC Wainwright by any method permitted that is deemed to be an “at the market offering” as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933, as amended (the Securities Act). On December 10, 2024 the Company filed a prospectus supplement with the Securities and Exchange Commission (SEC) pursuant to which it may offer and sell ordinary shares having an aggregate offering price of up to an additional $25.0 million through HC Wainwright pursuant to the Sales Agreement.

On August 9, 2024, the Company completed a rights offering (the 2024 Rights Offering) in which it sold an aggregate of 6,121,965 units (2024 Units) at a subscription price of $1.21 per whole 2024 Unit, consisting of (a) one ordinary share, (b) a warrant to purchase 0.50 ordinary shares, at an exercise price of $1.21 per whole ordinary share from the date of issuance through its expiration one year from the date of issuance (the 1-year warrants) and (c) a warrant to purchase one ordinary share, at an exercise price of $1.21 per whole ordinary share from the date of issuance through its expiration five years from the date of issuance (the 5-year warrants and, together with the 1-year warrants, the warrants). The Company's net proceeds from the 2024 Rights Offering, after deducting dealer-manager fees and other offering expenses payable by the Company, were $5.4 million. The warrants are exercisable upon issuance at a price of $1.21 per ordinary share. The 1-year warrants expire on August 9, 2025 and the 5-year warrants expire on August 9, 2029.

In accordance with Accounting Standards Update (ASU) 2014-15, *Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern (Subtopic 205-40)*, the Company has evaluated whether there are conditions and events, considered in aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year of the date of issue of the consolidated financial statements.

The Company has funded its operations to date primarily with proceeds from the sale of preferred shares and ordinary shares, warrants, debt raised under its financing arrangement with SVB including the PPP loan (both of which have been repaid), payments received under the CARB-X program and proceeds of the Private Placement and Rights Offering. The Company has incurred operating losses since inception, including net losses of $24,774, $38,371 and $44,434 for the years ended December 31, 2024, 2023 and 2022, respectively. The Company had an accumulated deficit of $486,072 as of December 31, 2024 and expects to continue to incur net losses for the foreseeable future. The Company's future cash flows are dependent on sales and key variables such as its ability to secure additional sources of funding in the form of public or private financing of debt or equity or collaboration agreements. Based on its available cash and cash equivalents, the Company does not have cash on hand to fund its current operations and capital expenditure requirements for the next 12 months from the date of this Annual Report on Form 10-K. This condition raises substantial doubt about the Company's ability to continue as a going concern for one year from the date these consolidated financial statements are issued.

The Company plans to address this condition by raising funding through the possible sale of the Company's equity or debt through public or private equity financings, which may include sales of the Company's ordinary shares under the Company's Sales Agreement with HC Wainwright. Although management intends to pursue plans to obtain additional funding to finance its operations, and the Company has successfully raised capital in the past, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all. In addition, in parallel, the Company is evaluating its corporate, strategic, financial and financing alternatives, with the goal of maximizing value for its shareholders. These alternatives could potentially include the licensing, sale or divestiture of the Company's assets or proprietary technologies or another strategic transaction involving the Company. The evaluation of corporate, strategic, financial and financing alternatives may not result in any particular action or any transaction being pursued, entered into or consummated, and there is no assurance as to the timing, sequence or outcome of any action or transaction or series of actions or transactions.

If the Company is unable to obtain funding, it could be forced to significantly delay, scale back or discontinue the development and commercialization of its sulopenem program, or otherwise change its strategy, which could adversely affect its business prospects, or the Company may be unable to continue operations. Based on the Company's operating losses since inception, the expectation of continued operating losses for the foreseeable future, and the need to raise additional capital to finance its future operations, management has concluded there is substantial doubt about the Company's ability to continue as a going concern within one year from the date these consolidated financial statements are issued.

The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

(2)Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of expenses during the reporting period and the assessment of the Company's ability to continue as a going concern. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, the valuation of the RLNs. The Company bases its estimates on historical experience, known trends and other market specific or other relevant factors that it believes to be reasonable under the circumstances. On an ongoing basis, management evaluates its estimates as there are changes in circumstances, facts and experience. Actual results could differ materially from those estimates.

Specifically, management has estimated variables used to calculate the DCF analysis to value the RLN liability (see Note 3 – Fair Value of Financial Assets and Liabilities).

Comprehensive Loss

Comprehensive loss includes net loss as well as other changes in shareholders' equity that result from transactions and economic events other than those with shareholders. For the years ended December 31, 2024, 2023 and 2022, respectively, these changes related to unrealized gains and losses on the Company's available-for-sale short-term investments. There were no reclassifications out of comprehensive loss for the years ended December 31, 2024, 2023 and 2022, respectively.

Consolidation

The accompanying consolidated financial statements include the accounts of Iterum Therapeutics plc and its wholly owned subsidiaries (which are referred to herein, collectively, as the Company where context requires). All significant intercompany balances and transactions have been eliminated on consolidation. The Company has no involvement with variable interest entities.

Short-term Investments

The Company's investments consisted primarily of debt securities, including investment-grade corporate bonds. The Company considers its portfolio of investments to be available-for-sale. Accordingly, these investments are recorded at fair value, which is based on quoted market prices. Investments with maturities beyond one year are generally classified as short term, based on their highly liquid nature and because such marketable securities represent the investment of cash that is available for current operations. Unrealized gains and losses are reported as a component of accumulated other comprehensive loss in shareholders' equity. Realized gains and losses and declines in value are included as a component of interest expense, net based on the specific identification method. Any credit impairments are recorded through an allowance account.

Cash and Cash Equivalents

The Company's cash and cash equivalents consist of cash balances and highly liquid investments with maturities of three months or less at the date of purchase. Accounts held at U.S. financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250, while accounts held at Irish financial institutions are insured under the Deposit Guarantee Scheme up to $104 (€100).

Cash accounts with any type of restriction are classified as restricted cash. If restrictions are expected to be lifted in the next twelve months, the restricted cash account is classified as current. Included within restricted cash on the Company's consolidated balance sheet is $17 and $17 for the years ended December 31, 2024 and 2023, respectively, relating to the warrants issued on June 5, 2020 pursuant to the securities purchase agreement (June 3, 2020 SPA) in the June 3, 2020 registered direct offering (June 3, 2020 Offering), $6 and $6 for the years ended December 31, 2024 and 2023, respectively, relating to the warrants issued on July 2, 2020 pursuant to the securities purchase agreement (June 30, 2020 SPA) in the June 30, 2020 registered direct offering (June 30, 2020 Offering) and $11 and $11 for the years ended December 31, 2024 and 2023, respectively, relating to warrants issued in the underwritten offering in October 2020 (October 2020 Offering). On the closing date of each of the registered direct offerings in June 2020 (June 3 Offering) and July 2020 (June 30 Offering) and the underwritten offering in the October 2020 Offering, each investor deposited $0.01 per warrant issued being the nominal value of the underlying ordinary share represented by each warrant. This amount will be held in trust by the Company pending a decision by the relevant investor to exercise the warrant by means of a "cashless exercise" pursuant to the terms of the warrant, in which case the $0.01 will be used to pay up the nominal value of the ordinary share issued pursuant to the warrant. Upon the exercise of the warrants other than by means of a "cashless exercise", the amount held in trust will be returned to the relevant investor in accordance with the terms of the applicable purchase agreement or prospectus.

Foreign Currencies

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in U.S. dollars.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into the functional currency at the rate of exchange at the balance sheet date, and the resulting gains and losses are recognized in the consolidated statement of operations and comprehensive loss. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of transaction.

Intangible Assets

The Company's finite-lived intangible assets consist of the regulatory milestone payment payable to Pfizer upon approval of ORLYNVAH™ by the FDA and is stated at cost less accumulated amortization. The Company calculates amortization expense, which is recognized in cost of sales, using the straight-line method over the estimated useful life of the related asset which the Company believes reasonably represents the time period in which the economic benefit of the intangible asset is consumed or otherwise realized. The Company evaluates recoverability of the intangible asset periodically by considering events or changes in circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired and, when there were indications that this asset is more likely than not to have become impaired, would test for impairment.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment are depreciated using the straight-line method over the estimated useful life of each asset as follows:

	Estimated Useful Life
Leasehold improvements	Shorter of life of lease or 10 years
Furniture and fixtures	5 years
Computer equipment	3 years

Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in loss from operations. Repairs and maintenance costs are expensed as incurred. The Company reviews the recoverability of all long-lived assets, including the related useful life, whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset might not be recoverable.

Leases

The Company determines if an arrangement contains a lease at inception or renewal. For arrangements that contain a lease, lease classification, recognition, and measurement are determined at the lease commencement or renewal date. The Company has elected to separately account for lease and non-lease components in determining the lease liabilities and right-of-use assets. Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected lease term. The Company's lease agreements generally do not provide an implicit borrowing rate; therefore, the Company uses its incremental borrowing rate at lease commencement to determine the present value of lease payments. The incremental borrowing rate is an entity-specific rate which represents the rate of interest a lessee would pay to borrow on a collateralized basis over a similar term with similar payments. All operating lease expenses are recognized on a straight-line basis over the lease term.

Research and Development Expenses

The Company expenses the cost of research and development as incurred. Research and development expenses comprise costs incurred in performing research and development activities, including salaries, share-based compensation and benefits, facilities costs, depreciation, amortization, manufacturing expenses and external costs of third-parties engaged to supply active pharmaceutical ingredient and drug product and conduct preclinical and clinical development activities and trials, as well as the cost of licensing technology, license fees, and other external costs. Advance payments for goods and services that will be used in future research and development activities are recorded as prepaid expenses and expensed when the activity is performed or when the goods have been received.

Accrued Research and Development Expenses

The Company has entered into various research and development contracts with research institutions and other companies. These agreements are generally cancelable, and related payments are recorded as research and development expenses as incurred. This process involves reviewing open contracts and purchase orders, communicating with Company personnel to identify services that have been performed on the Company's behalf and estimating the level of service performed and the associated cost incurred for the service when the Company has not yet been invoiced or otherwise notified of actual costs. The majority of the Company's service providers invoice in arrears for services performed, on a pre-determined schedule or when contractual milestones are met; however, some require advanced payments. The Company estimates accrued expenses as of each balance sheet date in the consolidated financial statements based on facts and circumstances known at that time. It periodically confirms the accuracy of these estimates with the service providers and makes adjustments if necessary. Examples of estimated accrued research and development expenses include fees paid to:

- Vendors, including central laboratories, in connection with preclinical development activities;
- Clinical Research Organizations (CROs), and investigative sites in connection with preclinical studies and clinical trials; and
- Contract Manufacturing Organizations(CMOs), in connection with drug substance and drug product formulation of preclinical and clinical trial materials.

The Company bases expenses related to preclinical studies and clinical trials on estimates of the services received and efforts expended pursuant to quotes and contracts with multiple research institutions and CROs that conduct and manage preclinical studies and clinical trials on its behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to vendors will exceed the level of services provided and result in a prepayment of the expense. Payments under some of these contracts depend on factors such as the successful enrollment of patients and the completion of clinical trial milestones. In accruing service fees, the Company estimates the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from the estimate, the accrual or the amount of prepaid expenses is adjusted accordingly. Although the Company does not expect the estimates to be materially different from amounts actually incurred, its understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in reporting amounts that are too high or too low in any particular period. To date, there have not been any material adjustments to prior estimates of accrued research and development expenses.

Patent Costs

All patent related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses.

Share-Based Compensation

The Company measures share-based awards granted to employees and directors with service based vesting conditions only based on the fair value on the date of grant using the Black-Scholes option-pricing model. Compensation expense of those awards is recognized over the requisite service period, which is generally the vesting period of the respective award, using the straight-line method.

For awards granted to consultants and non-employees, compensation expense is recognized over the period during which services are rendered until completed. At the end of each financial reporting period prior to completion of the service, the fair value of these awards is re-measured using the then-current fair value of the Company's ordinary shares and updated assumption inputs in the Black-Scholes option-pricing model.

The Company classifies share-based compensation expense in the consolidated statement of operations and comprehensive loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

The Black-Scholes option-pricing model uses key inputs and assumptions including the expected term of the option, share price volatility, risk-free interest rate, dividend yield, share price and exercise price which is equivalent to closing market value on the date of grant. Many of the assumptions require significant judgment and any changes could have a material impact in the determination of share-based compensation expense.

The Company has elected to account for forfeitures as they occur.

Research and Development Credits

Research and development credits are available to the Company under the tax laws in both Ireland and the United States, based on qualifying research and development spend in each jurisdiction as defined under those tax laws. Research and development credits are generally recognized as a reduction of research and development expenses.

Fair Value of Financial Instruments

The Financial Accounting Standards Board (FASB) guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. 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).

The three levels of the fair value hierarchy are as follows:

- Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g. quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or

similar assets or liabilities in markets that are not active). Level 2 includes financial instruments that are valued using models or other valuation methodologies.

•Level 3 — Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

The Company's short-term investments and RLNs are carried at fair value, determined according to the fair value hierarchy above, see Note 3 for further details. The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, prepaid expenses and other current assets, accounts payable, accrued expenses and other liabilities approximate their fair value based on the short-term maturity of these instruments.

Borrowings

Interest bearing long-term debt is recognized initially at fair value, net of transactions costs incurred. Subsequent to initial recognition, interest bearing long-term debt is measured at amortized cost with any difference between cost and redemption value being recognized as a non-cash component of interest expense in the income statement over the period of the borrowings on an effective interest basis.

Derivative Liability

The Company accounted for derivative instruments in accordance with ASC 815, *Derivatives and Hedging*, which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other financial instruments or contracts which require bifurcation and measurement at fair value for accounting purposes on the balance sheet date. Any liabilities recorded at fair value were revalued each reporting period with the resulting change in fair value reflected in adjustments to fair value of derivatives.

Royalty-Linked Notes

On recognition, the RLNs qualified as debt instruments under ASC 470, *Debt*, and were initially recorded at fair value, applying a DCF model, and then subsequently measured at amortized cost. In January 2021, the RLNs were exchange listed, and therefore, derivative accounting has been applied in accordance with ASC 815, *Derivatives and Hedging,* which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other financial instruments or contracts which require bifurcation and measurement at fair value for accounting purposes on the balance sheet date. Any liabilities recorded at fair value are revalued at each reporting period with the resulting change in fair value reflected in adjustments to fair value of derivatives.

Ordinary Share Warrants

The Company accounts for ordinary share warrants in accordance with applicable accounting guidance provided in ASC 815, *Derivatives and Hedging – Contracts in Entity's Own Equity*, as either derivative liabilities or as equity instruments depending on the specific terms of the warrant agreement. Any warrants that (i) require physical settlement or net-share settlement or (ii) provide the Company with a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement), provided that such warrants are indexed to the Company's own shares is classified as equity. The Company completed a number of offerings containing freestanding derivatives which satisfy the criteria for classification as equity instruments as the warrants do not contain cash settlement features or variable settlement provisions that cause them to not be indexed to the Company's own stock. The Company assesses classification of its ordinary share warrants at each reporting date to determine whether the instruments still qualify for the scope exception under ASC 815, *Derivatives and Hedging*.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company has most of its cash and cash equivalents at three accredited financial institutions in the United States and Ireland, in amounts that exceed federally insured limits. The Company does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

(In thousands, except share and per share data)

Income Taxes

The Company accounts for income taxes under the asset and liability method which requires deferred tax assets and liabilities to be recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as net operating loss carryforwards and research and development tax credits.

Valuation allowances are provided if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses.

Net Loss Per Ordinary Share

Basic and diluted net loss per ordinary share is determined by dividing net loss attributable to ordinary shareholders by the weighted-average ordinary shares outstanding during the period in accordance with ASC 260, *Earnings per Share*. For the periods presented, the following ordinary shares underlying the options, unvested restricted share units, warrants and the Exchangeable Notes have been excluded from the calculation because they would be anti-dilutive.

	Year ended December 31,		
	2024	**2023**	**2022**
Options to purchase ordinary shares	841,720	1,108,988	355,591
Unvested restricted share units	—	16,666	128,728
Warrants	8,164,980	480,178	480,178
Exchangeable Notes	2,815,536	1,255,451	1,287,660
Total	11,822,236	2,861,283	2,252,157

Segment and Other Information

The Company determines and presents operating segments based on the information that is internally provided to the Chief Executive Officer and Chief Financial Officer, who together are considered the Company's chief operating decision maker, in accordance with ASC 280, *Segment Reporting*. The Company has determined that it operates as a single business segment, which is the development and commercialization of innovative treatments for drug resistant bacterial infections. Refer to Note 12 – Segment Reporting for further information related to our segment.

Retirement Plan

The Company has a defined contribution plan under Section 401(k) of the Internal Revenue Code (the 401(k) Plan). The 401(k) Plan covers all U.S. employees who meet defined minimum age and service requirements, and allows participants to defer a portion of their annual compensation on a pre-tax basis. If the 401(k) Plan is considered top-heavy at the end of the financial year, with key employee accounts accounting for greater than 60% of total 401(k) Plan assets, the Company is required to contribute a deferral rate of up to 3% to the 401(k) Plan on behalf of certain employees. The Company was required to make a top-heavy contribution for the years ended December 31, 2024, 2023 and 2022 of $0.01 million, $0.03 million and $0.02 million, respectively.

Inventory

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method for all inventories. The Company's policy is to write down inventory that has become obsolete, inventory that has a cost basis in excess of its expected net realizable value and inventory in excess of expected requirements. The estimate of excess quantities is subjective and primarily dependent on the estimates of future demand for a particular product. If the estimate of future demand changes, the Company considers the impact on the reserve for excess inventory and adjusts the reserve as required. Increases in the reserve are recorded as charges in cost of product sales. For product candidates that have not been approved by the FDA, inventory used in clinical trials is expensed at the time of production and recorded as research and development expenses. For products that have been approved by the FDA, inventory used in clinical trials is expensed at the time the inventory is packaged for the clinical trial. Prior to an advisory committee providing a recommendation to the FDA that the Company's application should be approved, costs related to manufacturing the product candidates are recorded as research and development expenses. All direct manufacturing costs incurred after this recommendation will be capitalized into inventory. The Company had no inventory as of December 31, 2024 or December 31, 2023.

Contingent Consideration

Certain license agreements contain milestone payments that could result in the requirement to make contingent consideration payments, see Note 16 – Commitments and Contingencies for further details. Contingent consideration is recorded at the acquisition date estimated fair value of the contingent payment. The fair value of the contingent consideration is measured at each reporting period. Any related unwinding of discount is recognized as a finance expense. Other changes in fair value are recognized in profit or loss or capitalized as an intangible asset depending on the stage of development. The Company did not record any contingent consideration amounts as at December 31, 2024 or December 31, 2023.

Recently Adopted Accounting Pronouncements

On November 27, 2023, the FASB issued Accounting Standards Update (ASU) No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU 2023-07), which enhances segment disclosures and requires additional disclosures of segment expenses. This ASU is effective for annual periods in fiscal years beginning after December 15, 2023, and interim periods beginning after December 15, 2024. We adopted this ASU for the annual period ended December 31, 2024 and the amendments have be applied retrospectively to all prior periods presented in the financial statements by expanding the disclosure of expenses included in our segment measures of profitability. Refer to our segments disclosure in Note 12 – Segment Reporting for more information.

Recent Accounting Pronouncements

On October 9, 2023, the FASB issued ASU No. 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative* (ASU 2023-06), which incorporates into the Codification several disclosures and presentation requirements currently residing in SEC Regulations S-X and S-K. For entities subject to the existing SEC disclosure requirements, including those preparing for sale or issuance of securities, the effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. For all other entities, the amendments will be effective two years later, with early adoption permitted. ASU 2023-06 is not expected to have a material impact on the consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (ASU 2023-09), which enhances the annual income tax disclosures for the effective tax rate reconciliation and income taxes paid. The amendments are effective for public business entities, for annual periods beginning after December 15, 2024 and for annual periods beginning after December 15, 2025 for all other entities. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 applies on a prospective basis to annual financial statements for periods beginning after the effective date. However, retrospective application in all prior periods presented is permitted. The Company is assessing what impact ASU 2023-09 will have on the consolidated financial statements.

On November 04, 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (ASU 2024-03), which requires new disclosures to disaggregate prescribed natural expenses underlying any income statement caption. ASU 2024-03 is effective for annual periods in fiscal years beginning after December 15, 2026, and interim periods thereafter. Early adoption is permitted. ASU 2024-03 applies on a prospective basis for periods beginning after the effective date. However, retrospective application to any or all prior periods presented is permitted. We are currently assessing the impact ASU 2024-03 will have on the consolidated financial statements and disclosures.

On November 26, 2024, the FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments* (ASU 2024-04), which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. ASU 2024-04 is effective for all entities for annual and interim periods in fiscal years beginning after December 15, 2025. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. ASU 2024-04 is not expected to have a material impact on the consolidated financial statements.

(In thousands, except share and per share data)

(3)Fair Value of Financial Assets and Liabilities

The Company did not hold financial assets carried at fair value as of December 31, 2024.

The following table presents information about the Company's financial assets that were carried at fair value on a recurring basis on the consolidated balance sheet as of December 31, 2023 and indicates the fair value hierarchy of the valuation inputs utilized to determine such fair value.

December 31, 2023 Assets	Total	Level 1	Level 2	Level 3
Short-term investments:				
Corporate bonds	$ 1,179	$ —	$ 1,179	$ —
Commercial paper	3,287	—	3,287	—
U.S. Treasury bonds	13,393	—	13,393	—
	$ 17,859	$ —	$ 17,859	$ —

See Note 4 – Short-term Investments, for details on the short-term investments. The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, prepaid expenses and other current assets, accounts payable, accrued expenses and other current liabilities approximate their fair value based on the short-term maturity of these instruments.

The following table presents information about the Company's Exchangeable Notes, Promissory Note and RLNs and indicates the fair value hierarchy of the valuation inputs utilized to determine the approximate fair value:

December 31, 2024 Current liabilities	Book Value	Approximate Fair Value	Level 1	Level 2	Level 3
Exchangeable Notes					
Short-term exchangeable notes	$ 14,463	$ 14,444	$ —	$ 14,444	$ —
Total current liabilities	$ 14,463	$ 14,444	$ —	$ 14,444	$ —
Long-term liabilities					
Promissory Note					
Long-term promissory note	20,300	20,412	—	20,412	—
Revenue Futures					
Royalty-linked notes	10,771	10,771	—	—	10,771
Total	$ 31,071	$ 31,183	$ —	$ 20,412	$ 10,771

December 31, 2023 Long-term liabilities	Book Value	Approximate Fair Value	Level 1	Level 2	Level 3
Exchangeable Notes					
Long-term exchangeable notes	$ 11,453	$ 11,645	$ —	$ 11,645	$ —
Revenue Futures					
Royalty-linked notes	7,503	7,503	—	—	7,503
Total	$ 18,956	$ 19,148	$ —	$ 11,645	$ 7,503

The fair value of Exchangeable Notes was determined using DCF analysis using the fixed interest rate outlined in the indenture governing the Exchangeable Notes (Exchangeable Notes Indenture), without consideration of transaction costs, which represents a Level 2 basis of fair value measurement.

The fair value of the long-term Promissory Note was determined using DCF analysis using the fixed interest rate outlined in the license agreement with Pfizer for the worldwide exclusive rights to research, develop, manufacture and commercialize sulopenem (Pfizer License), which represents a Level 2 basis of fair value measurement (see Note 10 – Debt).

The Level 3 liabilities held as of December 31, 2024 and 2023, consist of a separate financial instrument, that was issued as part of the Units, the RLNs (see Note 11 – Royalty-Linked Notes).

At any time on or after January 21, 2021, subject to specified limitations, the Exchangeable Notes are exchangeable for the Company's ordinary shares, cash or a combination of ordinary shares and cash, at an exchange rate of 191.7028 shares per $1,000 of principal and interest on the Exchangeable Notes (equivalent to an exchange price of approximately 5.2164 per ordinary share) as of

(In thousands, except share and per share data)

December 31, 2024, which was adjusted from an initial exchange rate of 66.666 shares per $1,000 principal and interest on the Exchangeable Notes (equivalent to an initial exchange price of $15.00 per ordinary share) and is subject to further adjustment pursuant to the terms of the Exchangeable Notes Indenture. Beginning on January 21, 2021 to December 31, 2024, certain noteholders of $40,691 aggregate principal amount of Exchangeable Notes have exchanged their notes for an aggregate of 3,760,155 of the Company's ordinary shares, which included accrued and unpaid interest relating to such notes. The aggregate principal amount of Exchangeable Notes outstanding as of December 31, 2024 was $11,117. See Note 18 – Subsequent Events for details of repayment of the Exchangeable Notes in January 2025.

The RLN liability is carried at fair value on the consolidated balance sheet (see Note 11 – Royalty-Linked Notes). The total fair value of $10,771 was determined using DCF analysis, without consideration of transaction costs, which represents a Level 3 basis of fair value measurement. The key inputs to valuing the RLNs were the terms of the indenture governing the RLNs (RLN Indenture), the expected cash flows to be received by holders of the RLNs based on management's revenue forecasts of U.S. sulopenem sales and a discount rate to derive the net present value of expected cash flows. The RLNs will be subject to a maximum return amount, including all principal and payments and certain default interest in respect of uncurable defaults, of $160.00 (or 4,000 times the principal amount of such note). The discount rate applied to the model was 22% for the years ended December 31, 2024 and 2023. Fair value measurements are highly sensitive to changes in these inputs and significant changes in these inputs could result in a significantly higher or lower fair value.

There have been no transfers of assets or liabilities between the fair value measurement levels.

(4)Short-term Investments

The Company classifies its short-term investments as available-for-sale. Short-term investments comprise highly liquid investments with minimum "A-" rated securities and have maturities of more than three months at the date of purchase. The investments are reported at fair value with unrealized gains or losses recorded in the consolidated statements of operations and comprehensive loss. Any differences between the amortized cost and fair value of investments are represented by unrealized gains or losses. The fair value of U.S. Treasury bonds, corporate bonds and commercial paper are represented by Level 2 fair value measurements - quoted price for a similar asset, or other observable inputs such as interest rates or yield curves.

The Company did not hold any short-term investments for the year ended December 31, 2024.

The following table represents the Company's available for sale short-term investments by major security type as of December 31, 2023:

December 31, 2023					**Maturity by period**	
Available-for-sale	**Amortized Cost**	**Unrealized Gains**	**Unrealized (Losses)**	**Fair Value Total**	**Less than 1 Year**	**1 to 5 Years**
Corporate bonds	$ 1,179	$ 1	$ —	$ 1,180	$ 1,180	$ —
Commercial paper	3,288	—	(1)	3,287	3,287	—
U.S. Treasury bonds	13,391	3	(2)	13,392	13,392	—
Total	$ 17,858	$ 4	$ (3)	$ 17,859	$ 17,859	$ —

(5)Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	December 31, 2024	**December 31, 2023**
Prepaid insurance	$ 389	$ 472
Other prepaid assets	138	89
Right of use assets, net	65	—
Research and development tax credit receivable	18	195
Prepaid research and development expenses	4	872
Total	$ 614	$ 1,628

(In thousands, except share and per share data)

(6)Intangible Asset, net

Intangible asset and related accumulated amortization are as follows:

	December 31, 2024	December 31, 2023
Gross intangible asset	$ 20,000	$ —
Less: accumulated amortization	(254)	—
	$ 19,746	$ —

On November 18, 2015, the Company and Iterum Therapeutics International Limited (ITIL), a wholly owned subsidiary of the Company, entered into the Pfizer License. Under the Pfizer License, ITIL agreed to make certain regulatory and sales payments, including a regulatory milestone payment of $20.0 million to Pfizer upon approval of ORLYNVAH™ by the FDA for commercial sale in the United States. On October 25, 2024, the Company received FDA approval for ORLYNVAH™ (sulopenem etzadroxil and probenecid) for the treatment of uncomplicated urinary tract infections in adult women who have limited or no alternative oral antibacterial treatment options, and the regulatory milestone payment was capitalized on that date. The milestone payment is being amortized over a period of 14.4 years based on the patent life of ORLYNVAH™ and the amortization is recorded as cost of sales. The Company deferred this payment for a two-year period, at an annual rate of eight percent on a daily compounded basis until paid in full, as was permitted pursuant to the terms of the Pfizer License.

The estimated future amortization related to intangible assets included on the consolidated balance sheet as of December 31, 2024 for the following five fiscal years and thereafter were as follows:

Due in 12 month period ended December 31,	
2025	$ 1,389
2026	1,389
2027	1,389
2028	1,389
2029	1,389
Thereafter	12,801
	$ 19,746

The preceding expected amortization expense is an estimate. Actual amounts of amortization expense may differ from estimated amounts due to additional intangible asset acquisitions, measurement period adjustments to intangible assets, impairments of intangible assets, accelerated amortization of intangible assets, and other events.

(7)Property and Equipment, net

Property and equipment and related accumulated depreciation are as follows:

	December 31, 2024	December 31, 2023
Leasehold improvements	$ 148	$ 148
Furniture and fixtures	120	120
Computer equipment	95	98
	363	366
Less: accumulated depreciation	(340)	(315)
	$ 23	$ 51

Depreciation expense was $30, $31 and $84 for the years ended December 31, 2024, 2023 and 2022, respectively. In addition, accumulated depreciation decreased by $5 due to the removal of fully depreciated computer equipment during the year ended December 31, 2024.

(8)Leases

The Company has entered into a number of operating leases, primarily for office space and commercial property. These leases have remaining terms which range from 0.08 years to 0.58 years. The renewal option on one lease was exercised in February 2022 for an additional period of three years, extending this lease term to June 2025. A Deed of Assignment was signed in August 2023 in relation to a commercial property lease and accordingly the related Right of Use asset and lease liability were derecognized. In

(In thousands, except share and per share data)

September 2020, the Company entered into a sublease agreement for a commercial unit. This sublease agreement was assigned with the related lease in August 2023.

In November 2021, the Company entered into a 12-month lease, with a rolling extension, for office space, and in May 2022, the Company entered into a 6-month lease for office space, which was extended to November 2023, and elected not to apply the measurement and recognition requirements of ASC 842 to these short-term leases as any renewal term exercised or considered reasonably certain of exercise by the Company did not extend more than 12 months from the end of the previously determined lease term. In August 2023, the Company extended the lease agreements for a further nine months, with a rolling extension, and twelve months, respectively. While neither of the extended agreements were for more than 12 months from the end of the previously determined lease term, it was considered to be reasonably certain that these lease arrangements would be extended beyond a period of more than 12 months. Accordingly, the Company applied the measurement and recognition requirements of ASC 842 to these lease arrangements. In September 2024, the Company notified the landlord of its intention to terminate the twelve month lease on November 30, 2024 and in October 2024, the Company notified the landlord of its intention to terminate the lease with the rolling extension on January 31, 2025 and the related Right of Use assets and lease liabilities have accordingly been reduced.

Certain leases contain variable lease payments, including payments based on an index or rate. Variable lease payments based on an index or rate are initially measured using the index or rate in effect at lease commencement. Certain agreements contain both lease and non-lease components. The Company has elected to separately account for these components in determining the lease liabilities and right-of-use assets. The Company's lease agreements generally do not provide an implicit borrowing rate; therefore, an internal incremental borrowing rate was determined based on information available at lease commencement date for the purposes of determining the present value of lease payments. The Company used the incremental borrowing rate on January 1, 2019 for all leases that commenced prior to that date.

All operating lease expenses are recognized on a straight-line basis over the lease term. The Company recognized \$389, \$363 and \$753 of operating lease costs for right-of-use assets during the years ended December 31, 2024, 2023 and 2022, respectively. The Company recognized \$5, \$194 and \$243 of rental expenses on short-term leases during the .years ended December 31, 2024, 2023 and 2022, respectively. The Company did not recognize any sublease income during the year ended December 31, 2024. The Company recognized \$199 and \$293 of sublease income during the years ended December 31, 2023 and 2022, respectively.

Information related to the Company's right-of-use assets and related lease liabilities is as follows:

	December 31, 2024	December 31, 2023
Cash paid for operating lease liabilities	$ 385	$ 354

	December 31, 2024	December 31, 2023
Weighted-average remaining lease term	0.39 years	1.46 years
Weighted-average discount rate	11.5 %	12.9 %

Right-of-use assets and lease liabilities for the Company's operating leases were recorded in the consolidated balance sheet as follows, representing the Company's right to use the underlying asset for the lease term ("Prepaid expenses and other current assets" and "Other assets") and the Company's obligation to make lease payments ("Other current liabilities" and "Other liabilities"):

	December 31, 2024	December 31, 2023
Prepaid expenses and other current assets	$ 65	$ —
Other assets	—	549
Total lease assets	65	549
Other current liabilities	$ 67	$ 365
Other liabilities	—	188
Total lease liabilities	$ 67	$ 553

(In thousands, except share and per share data)

Future lease payments included in the measurement of lease liabilities on the consolidated balance sheet as of December 31, 2024 for the following five fiscal years and thereafter were as follows:

Due in 12 month period ended December 31,		
2025	$	68
2026		—
2027		—
2028		—
2029		—
Thereafter		—
	$	68
Less imputed interest		(1)
Total lease liabilities	$	67

(9)Accrued Expenses

Accrued expenses consist of the following:

		December 31, 2024		**December 31, 2023**
Accrued manufacturing expenses	$	1,148	$	71
Accrued payroll and bonus expenses		1,138		2,742
Accrued professional fees		246		37
Accrued other expenses		74		76
Accrued clinical trial costs		45		4,835
Total	$	2,651	$	7,761

(10)Debt

Secured Credit Facility

On April 27, 2018, the Company's subsidiaries, Iterum Therapeutics International Limited, Iterum Therapeutics US Holding Limited and Iterum Therapeutics US Limited (the Borrowers), entered into a loan and security agreement (the Loan and Security Agreement) with SVB pursuant to which SVB agreed to lend the Borrowers up to $30,000 in two term loans. $15,000 of the secured credit facility was funded on closing. A second draw of up to $15,000 was available to the Company through October 31, 2019, upon satisfaction of either of the following: (i) the achievement by the Company of both non-inferiority and superiority primary endpoints from its Phase 3 uncomplicated urinary tract infection (uUTI) trial, as well as reporting satisfactory safety data from the trial, or (ii) the achievement of non-inferiority primary endpoints from both its Phase 3 uUTI and complicated urinary tract infection (cUTI) trials, as well as reporting satisfactory safety data from the trials. The Company did not satisfy the conditions for the second draw before the deadline of October 31, 2019.

Required monthly amortization payments for the initial $15,000 draw commenced on November 1, 2019 and total principal repayments of $1,552 were made during the year ended December 31, 2022. Interest accrued at a floating per annum rate equal to the greater of (i) 8.31%; or (ii) 3.89% above the Wall Street Journal prime rate, and was payable monthly in arrears. All outstanding principal, plus a 4.20% final interest payment, were due and paid on March 1, 2022 (the maturity date), effectively terminating the Loan and Security Agreement. The final payment fee of $630, which represented 4.2% of the funded loan, was accreted using the effective interest method over the life of the loan as interest expense.

In connection with the initial $15,000 draw, the Company issued SVB and Life Sciences Fund II LLC (LSF) warrants to purchase an aggregate of 19,890 Series B convertible preferred shares (which converted into warrants to purchase 1,326 ordinary shares upon the Company's initial public offering (IPO)) at an exercise price of $282.75 per share. These warrants will expire on April 27, 2028.

The loan proceeds were allocated based on the relative fair values of the debt instrument and the warrant instrument. The fair value of the warrants and the closing costs were recorded as debt discounts and are being amortized using the effective interest rate method over the term of the loan. The effective annual interest rate of the outstanding debt was approximately 12.51% on March 1, 2022. The Company recognized $16 of interest expense related to the Loan and Security Agreement during the year ended December 31, 2022 including $6 related to the accretion of the debt discounts and deferred financing costs during the year ended

December 31, 2022. All outstanding amounts were repaid on March 1, 2022, effectively terminating the Loan and Security Agreement.

In connection with the Private Placement, Iterum Bermuda was joined as a party to the Loan and Security Agreement as a borrower and the Loan and Security Agreement was amended on January 16, 2020 to, among other things, modify the definition of subordinated debt to include the RLNs and Exchangeable Notes.

2025 Exchangeable Notes

On January 21, 2020, the Company completed a Private Placement pursuant to which its wholly owned subsidiary, Iterum Bermuda issued and sold $51,588 aggregate principal amount of Exchangeable Notes and $103 aggregate principal amount of RLNs, to a group of accredited investors. On September 8, 2020, the Company completed a Rights Offering pursuant to which Iterum Bermuda issued and sold $220 aggregate principal amount of Exchangeable Notes and $0.5 aggregate principal amount of RLNs, to existing shareholders. The Securities were sold in Units with each Unit consisting of an Exchangeable Note in the original principal amount of $1,000 and 50 RLNs. The Units were sold at a price of $1,000 per Unit.

At any time on or after January 21, 2021, subject to specified limitations, the Exchangeable Notes are exchangeable for the Company’s ordinary shares, cash or a combination of ordinary shares and cash, at the Company’s election, at an exchange rate of 191.7028 shares per $1,000 principal and interest on the Exchangeable Notes (equivalent to an exchange price of approximately 5.2164 per ordinary share) as of December 31, 2024, which exchange rate was adjusted from an initial exchange rate of 66.666 shares per $1,000 principal and interest on the Exchangeable Notes (equivalent to an initial exchange price of $15.00 per ordinary share) and is subject to further adjustment pursuant to the terms of the Exchangeable Notes Indenture. Any accrued and unpaid interest being exchanged will be calculated to include all interest accrued on the Exchangeable Notes being exchanged to, but excluding, the exchange settlement date. Beginning on January 21, 2021 to December 31, 2024, certain noteholders of $40,691 aggregate principal amount of Exchangeable Notes have completed a non-cash exchange of their notes for an aggregate of 3,760,155 of the Company’s ordinary shares, which included accrued and unpaid interest relating to such notes. The aggregate principal amount of Exchangeable Notes outstanding as of December 31, 2024 was $11,117. See Note 18 – Subsequent Events for details of repayment of the Exchangeable Notes in January 2025.

In addition, the Exchangeable Notes will become due and payable by the Company upon the occurrence of a Fundamental Change as defined in the Exchangeable Notes Indenture. The Company will be required to pay each holder of the Exchangeable Notes the greater of three times the outstanding principal amount of such Exchangeable Note and the consideration that would be received by the holder of such Exchangeable Note in connection with such Fundamental Change if the holder had exchanged its note for ordinary shares immediately prior to the consummation of such Fundamental Change, plus any accrued and unpaid interest.

The Company evaluates its debt and equity issuances to determine if those contracts, or embedded components of those contracts, qualify as derivatives under ASC 815-15, *Derivatives and Hedging*, requiring separate recognition in the Company’s financial statements. The Company evaluated the accounting for the issuance of the Exchangeable Notes and concluded that the embedded exchange option and change of control feature are considered a derivative liability under ASC 815-15 requiring bifurcation, from the Exchangeable Notes, as it does not qualify for the scope exceptions for contracts in an entity’s own equity given the terms of the Exchangeable Notes. The exchange option and change of control feature are accounted for as a derivative liability, under ASC 815-15, and are required to be separated and recorded as a single liability, which is revalued each reporting period with the resulting change in fair value reflected in other income, net, in the consolidated statements of operations and comprehensive loss.

The fair value of the derivative liability related to the Private Placement on January 21, 2020 was $27,038, and the fair value of the derivative liability related to the Rights Offering on September 8, 2020 was $82, both of which were recorded as a reduction to the book value of the host debt contract. This debt discount is being amortized to interest expense over the term of the debt using the effective interest method. Transaction costs amounting to $2,848 were allocated to the exchange option. These costs are reflected in financing transaction costs in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2020. Transaction costs amounting to $2,814 were allocated to the debt host and capitalized in the host debt book value.

In circumstances where the embedded exchange option in a convertible instrument is required to be bifurcated, and there are other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the derivative instruments are accounted for as a single, compound derivative instrument. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is reassessed at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not settlement of the derivative instrument is expected within twelve months of the balance sheet date.

(In thousands, except share and per share data)

The Company determined that all other features of the Exchangeable Notes were clearly and closely associated with a debt host and did not require bifurcation as a derivative liability. The initial value of the Exchangeable Notes on inception, net of transaction costs was $9,891.

The Company recognized $723, $811 and $820 of interest expense related to the Exchangeable Notes during the years ended December 31, 2024, 2023 and 2022, respectively, and $2,288, $2,339 and $2,344 related to the amortization of the debt discounts and deferred financing costs during the years ended December 31, 2024, 2023 and 2022, respectively. These amounts are recorded in interest expense, net in the consolidated statements of operations and comprehensive loss for the years ended December 31, 2024, 2023 and 2022, respectively. The balance of the Exchangeable Notes at each reporting date is as follows:

	December 31, 2024	
	Principal	Accrued Interest
January 2020 $1,000 Exchangeable Notes, 6.5% interest, due January 31, 2025 (2025 Exchangeable Notes)	$ 51,588	$ 6,576
September 2020 $1,000 Exchangeable Notes, 6.5% interest, due January 31, 2025 (2025 Exchangeable Notes)	220	36
Conversion of $1,000 Exchangeable Notes, 6.5% interest, due January 31, 2025 (2025 Exchangeable Notes)	(40,691)	(3,071)
2025 Exchangeable Notes	11,117	3,541
Unamortized discount and debt issuance costs	(195)	—
2025 Exchangeable Notes, net	$ 10,922	$ 3,541

	December 31, 2023	
	Principal	Accrued Interest
January 2020 $1,000 Exchangeable Notes, 6.5% interest, due January 31, 2025 (2025 Exchangeable Notes)	$ 51,588	$ 5,861
September 2020 $1,000 Exchangeable Notes, 6.5% interest, due January 31, 2025 (2025 Exchangeable Notes)	220	28
Conversion of $1,000 Exchangeable Notes, 6.5% interest, due January 31, 2025 (2025 Exchangeable Notes)	(40,691)	(3,071)
2025 Exchangeable Notes	11,117	2,818
Unamortized discount and debt issuance costs	(2,482)	—
2025 Exchangeable Notes, net	$ 8,635	$ 2,818

Payment Protection Program

On April 3, 2020, the U.S. Small Business Administration (SBA) launched the Paycheck Protection Program, which was established following the signing of the CARES Act on March 27, 2020. On April 30, 2020, our wholly owned subsidiary, Iterum Therapeutics US Limited (Iterum US Limited), entered into the PPP loan with SVB under the Paycheck Protection Program, pursuant to the Company receiving a PPP loan of $744 with a fixed 1% annual interest rate and a maturity of two years. Under the terms of the agreement, there were no payments due by the Company until the SBA remitted the forgiveness amount to Iterum US Limited or until after the 10 months after the end of the six-month period beginning April 30, 2020 (the Deferral Period). Following the Deferral Period, equal monthly repayments of principal and interest were due to fully amortize the principal amount outstanding on the PPP loan by the maturity date. The SBA forgave $340 of the loan in November 2020, and the remaining loan of $404 began amortization in December 2020 with equal monthly repayments through March 2022. Total principal repayments of $69 were made during the year ended December 31, 2022. The Company recognized $0 of interest expense related to the loan agreement during the year ended December 31, 2022. All outstanding amounts were repaid on March 17, 2022, effectively terminating the PPP loan.

Pfizer Promissory Note

On November 18, 2015, the Company and ITIL entered into the Pfizer License. Under the Pfizer License, ITIL agreed to make certain regulatory and sales milestone payments, including a regulatory milestone payment of $20.0 million to Pfizer upon approval of oral sulopenem for commercial sale in the United States by the FDA. On October 25, 2024, the Company received FDA approval for ORLYNVAH™ (sulopenem etzadroxil and probenecid) for the treatment of uncomplicated urinary tract infections caused by the designated microorganisms *Escherichia coli, Klebsiella pneumoniae*, or *Proteus mirabilis* in adult women who have limited or no alternative oral antibacterial treatment options. On October 28, 2024, the Company notified Pfizer that it was electing to defer payment of the milestone payment for two years, or until October 25, 2026 (the Deferral Period), and delivered a promissory note (the

(In thousands, except share and per share data)

Promissory Note) issued by ITIL in the amount of the milestone payment to Pfizer, as permitted pursuant to the terms of the Pfizer License.

The Promissory Note bears interest at an annual rate of eight percent (8.0%) on a daily compounded basis until paid in full and matures on October 25, 2026. ITIL has the right to prepay the unpaid principal balance of the Promissory Note together with accrued and unpaid interest at any time without premium or penalty. Pursuant to the terms of the Promissory Note, ITIL may (i) assign the Promissory Note to an affiliate of ITIL; (ii) designate one of its affiliates to perform its obligations thereunder; or (iii) assign the Promissory Note in the event of a change of control, provided that in the case of clauses (i) and (ii) ITIL is not relieved of any liability thereunder. Pursuant to the terms of the Pfizer License, if a change of control of ITIL or the Company occurs during the Deferral Period, Pfizer may, in its sole discretion and at its sole option, declare the milestone payment to be immediately due and payable together with all interest accrued under the Promissory Note. The Company has guaranteed all of the amounts payable by ITIL under the terms of the Pfizer License, including the amounts owed under the Promissory Note, pursuant to the guarantee entered into by and among ITIL, the Company and Pfizer on November 18, 2015 in connection with the Pfizer License.

Principal Payments on Outstanding Debt

Scheduled principal payments on outstanding debt, including principal amounts owed to RLN holders (see Note 11 – Royalty-Linked Notes) as of December 31, 2024, for the following five fiscal years and thereafter were as follows:

Year Ending December 31,		
2025	$	11,117
2026		20,000
2027		—
2028		—
2029		—
Thereafter		104
	$	31,221

(11)Royalty-Linked Notes

Liability Related to Sale of Future Royalties

On January 21, 2020, as part of the Private Placement, the Company issued 2,579,400 RLNs to a group of accredited investors. On September 8, 2020, as part of the Rights Offering, the Company issued 11,000 RLNs to existing shareholders. The RLNs will entitle the holders thereof to payments, at the applicable payment rate, based solely on a percentage of the Company's net revenues from U.S. sales of specified sulopenem products earned through December 31, 2045, but will not entitle the holders thereof to any payments unless the Company receives FDA approval for one or more specified sulopenem products prior to December 31, 2025 and the Company earns net revenues on such product. If any portion of the principal amount of the outstanding RLNs, equal to $0.04 per RLN, has not been paid as of the end date on December 31, 2045, Iterum Bermuda must pay the unpaid portion of the principal amount. The RLNs will earn default interest if the Company breaches certain obligations under the RLN Indenture (but do not otherwise bear interest) and will be subject to a maximum return amount, including all principal and payments and certain default interest in respect of uncurable defaults, of $160 (or 4,000 times the principal amount of such note). The RLNs are redeemable at any time, at the Company's option, subject to the terms of the RLN Indenture.

In accordance with exceptions allowed under ASC 815-10, *Derivatives and Hedging*, this transaction was initially accounted for as a debt liability under ASC 470. Subsequent to the listing of the RLNs on the Bermuda Stock Exchange in January 2021, the RLNs are accounted for as a derivative and are remeasured to fair value at each reporting date. In accordance with ASC 815, the fair value of the RLNs is determined using DCF analysis, without consideration of transaction costs, which represents a Level 3 basis of fair value measurement. Fair value measurements are highly sensitive to changes in inputs and significant changes to inputs can result in a significantly higher or lower fair value. The Company periodically assesses the revenue forecasts of the specified sulopenem products and the related payments. The Company has no obligation to pay any amount to the noteholders until the net revenue of the specified products are earned.

(In thousands, except share and per share data)

The balance of the RLNs at each reporting date is as follows:

		December 31, 2024
Total liability related to the sale of future royalties, on inception	$	10,990
Liability related to the sale of future royalties, arising from the Rights Offering		51
Amortization of discount and debt issuance costs		3,666
Adjustments to fair value		(3,936)
Total liability related to the sale of future royalties at December 31, 2024	$	10,771
Current Portion		—
Long-term Portion	$	10,771

		December 31, 2023
Total liability related to the sale of future royalties, on inception	$	10,990
Liability related to the sale of future royalties, arising from the Rights Offering		51
Amortization of discount and debt issuance costs		3,666
Adjustments to fair value		(7,204)
Total liability related to the sale of future royalties at December 31, 2023	$	7,503
Current Portion		—
Long-term Portion	$	7,503

(12) Segment Reporting

In accordance with FASB ASC Topic 280, *Segment Reporting*, the Company has determined that it operates as a single business segment, which is the development and commercialization of innovative treatments for drug resistant bacterial infections. The financial results of the Company's operations are managed and reported to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), who together are considered the Company's chief operating decision maker (CODM), on a consolidated basis. The CODM assesses performance and allocates resources based on the Company's consolidated statements of operations and key components and processes of the Company's operations are managed centrally. Segment asset information is not used by the CODM to allocate resources.

As a single reportable segment entity, the Company's segment performance measure is net income / (loss) attributable to shareholders. Significant segment expenses, as provided to the CODM, are presented below.

	Years Ended December 31,					
		2024		2023		2022
Segment cost of sales (a)	$	—	$	—	$	—
Segment research and development (b) (c) (d)		(10,247)		(37,842)		(14,456)
Segment general and administration (c) (d)		(7,789)		(7,092)		(9,369)
Share-based compensation expense (see Note 14)		(376)		(784)		(4,758)
Depreciation and amortization		(284)		(1,750)		(1,800)
Operating loss	$	(18,696)	$	(47,468)	$	(30,383)

a)Amortization expense of $254 related to the Pfizer Intangible asset has been excluded for the year ended December 31, 2024 and included within depreciation and amortization.

b)Amortization expense of $1,719 and $1,716 related to the ACSD intangible asset has been excluded for the years ended December 31, 2023 and 2022, respectively, and included within depreciation and amortization.

c)Share-based payment expense of $193, $412 and $1,396 related to research and development and $170, $372 and $3,362 related to general and administration have been excluded for the years ended December 31, 2024, 2023 and 2022, respectively, and included within share-based compensation expense.

d)Depreciation expense of $18, $19 and $49 related to research and development and $12, $12 and $35 related to general and administration have been excluded for the years ended December 31, 2024, 2023 and 2022, respectively, and included within depreciation and amortization.

(In thousands, except share and per share data)

Interest Expense, Net

	Years Ended December 31,		
	2024	2023	2022
Interest income	$ 789	$ 1,722	$ 819
Interest expense	(3,311)	(3,150)	(3,180)
Interest expense, net	$ (2,522)	$ (1,428)	$ (2,361)

Long-Lived Assets

The distribution of long-lived assets by geographical area was as follows:

Long lived assets	December 31, 2024	December 31, 2023
Ireland	$ 19,759	$ 342
U.S.	15	287
Total	$ 19,774	$ 629

(13)Shareholders' Equity / (Deficit)

The Company's capital structure consists of ordinary shares and undesignated preferred shares. Under Irish law, the Company is prohibited from allotting shares without consideration. Accordingly, at least the nominal value of the shares issued underlying any warrant, pre-funded warrant, restricted share award, restricted share unit, performance share award, bonus share or any other share based grant must be paid pursuant to the Irish Companies Act 2014 (Irish Companies Act).

Ordinary Shares

On August 9, 2024, the Company completed the 2024 Rights Offering in which it sold an aggregate of 6,121,965 2024 Units. Aggregate gross proceeds to the Company's from the 2024 Rights Offering were $7.4 million and net proceeds were $5.4 million after deducting fees payable to the dealer-manager fees and other offering expenses payable by the Company.

At the Company's annual general meeting of shareholders on May 3, 2023, the Company's shareholders approved an increase of 60,000,000 ordinary shares of $0.01 par value each to the number of authorized ordinary shares and the Company's Articles of Association were amended accordingly. The Company has authorized ordinary shares of 80,000,000 ordinary shares of $0.01 par value each as of December 31, 2024. The holders of ordinary shares are entitled to one vote for each share held. There are no redemption or sinking fund provisions with respect to the authorized ordinary shares.

The Company filed a universal shelf registration statement on Form S-3 with the SEC, which was declared effective on October 17, 2022 (File No. 333-267795), and pursuant to which the Company registered for sale up to $100.0 million of any combination of debt securities, ordinary shares, preferred shares, subscription rights, purchase contracts, units and/or warrants from time to time and at prices and on terms that the Company may determine.

On October 7, 2022, we entered into the Sales Agreement with HC Wainwright, as agent, pursuant to which the Company could offer and sell ordinary shares for aggregate gross sales proceeds of up to $16.0 million (subject to the availability of ordinary shares), from time to time through HC Wainwright by any method permitted that is deemed to be an "at the market offering" as defined in Rule 415(a)(4) promulgated under the Securities Act. On December 10, 2024 the Company filed a prospectus supplement with the Securities and Exchange Commission pursuant to which it may offer and sell ordinary shares having an aggregate offering price of up to an additional $25.0 million through HC Wainwright pursuant to the Sales Agreement. During the years ended December 31, 2024 and 2023, the Company sold 10,327,787 and 639,825 ordinary shares under the Sales Agreement at an average price of $1.94 and $1.68 per share for net proceeds of $19,405 and $1,034 respectively.

On February 3, 2021, the Company entered into an underwriting agreement (the Underwriting Agreement) pursuant to which it issued and sold 2,318,840 ordinary shares, $0.01 nominal value per share, at a public offering price per share of $17.25 (the February 2021 Underwritten Offering). The February 2021 Underwritten Offering closed on February 8, 2021. Pursuant to the Underwriting Agreement, the Company granted the underwriter an option for a period of 30 days to purchase up to an additional 347,826 ordinary shares on the same terms and conditions, which the underwriter exercised in full on February 10, 2021. This exercise increased the total number of ordinary shares sold by the Company in the offering to 2,666,666 shares, which resulted in aggregate gross proceeds of $46,000 and net proceeds of $42,119 after deducting underwriting discounts and commissions and other offering expenses.

On February 9, 2021, the Company completed a registered direct offering (the February 2021 Registered Direct Offering), pursuant to which the Company issued and sold an aggregate of 1,166,666 ordinary shares, $0.01 nominal value per share, at a purchase price per share of $30.00, for aggregate gross proceeds of $35,000 and net proceeds of $32,235 after deducting placement agent fees and other offering expenses. The closing date of the February 2021 Registered Direct Offering was February 12, 2021. The Company offered the ordinary shares in the June 3, 2020 Offering, June 30, 2020 Offering, February 2021 Underwritten Offering and February 2021 Registered Direct Offering pursuant to its universal shelf registration statement on Form S-3, which was declared effective on July 16, 2019 (File No. 333-232569).

Beginning on January 21, 2021 to December 31, 2024, certain noteholders of $40,691 aggregate principal amount of Exchangeable Notes have exchanged their notes for an aggregate of 3,760,155 of the Company's ordinary shares, which included accrued and unpaid interest relating to such notes. The aggregate principal amount of Exchangeable Notes outstanding as of December 31, 2024 was $11,117. See Note 18 − Subsequent Events for details of repayment of the Exchangeable Notes in January 2025.

Warrants to purchase Ordinary Shares

In connection with the initial drawdown under the Loan and Security Agreement, the Company issued SVB and LSF warrants to purchase an aggregate of 19,890 Series B convertible preferred shares (which converted into warrants to purchase 1,326 ordinary shares upon the Company's IPO) at an exercise price of $282.75 per share. These warrants will expire on April 27, 2028. No warrants had been exercised as of December 31, 2024.

In connection with the June 3, 2020 Offering completed on June 5, 2020, pursuant to the June 3, 2020 SPA, in a concurrent private placement, the Company issued and sold to institutional investors warrants to purchase up to 99,057 ordinary shares. Upon closing, the warrants became exercisable immediately at an exercise price of $24.30 per ordinary share, subject to adjustment in certain circumstances, and will expire on December 5, 2025. Warrants to purchase 13,868 ordinary shares, amounting to 7% of the ordinary shares issued under the June 3, 2020 SPA, were issued to designees of the placement agent on the closing of the June 3, 2020 Offering. Upon closing, the warrants issued to such designees were exercisable immediately at an exercise price of $31.5465 per ordinary share and will expire on June 3, 2025. No warrants had been exercised as of December 31, 2024.

In connection with the June 30, 2020 Offering completed on July 2, 2020, pursuant to the June 30, 2020 SPA, in a concurrent private placement, the Company has also issued and sold to institutional investors warrants to purchase up to 112,422 ordinary shares. Upon closing, the warrants became exercisable immediately at an exercise price of $21.30 per ordinary share, subject to adjustment in certain circumstances, and will expire on January 2, 2026. Warrants to purchase 15,739 ordinary shares, amounting to 7% of the ordinary shares issued under the June 30, 2020 SPA, were issued to designees of the placement agent on closing of the June 30, 2020 Offering. Upon closing, the warrants issued to such designees were exercisable immediately at an exercise price of $27.7965 per ordinary share and will expire on June 30, 2025. As of December 31, 2024, warrants issued in connection with the June 30, 2020 Offering had been exercised for 84,317 ordinary shares, for net proceeds of $1,796.

In connection with the October 2020 Offering, the Company issued and sold warrants to purchase up to 1,346,153 ordinary shares. Upon closing, the warrants became exercisable immediately at an exercise price of $9.75 per ordinary share, subject to adjustment in certain circumstances, and will expire on October 27, 2025. Warrants to purchase 125,641 ordinary shares, which represents a number of ordinary shares equal to 7.0% of the aggregate number of ordinary shares and pre-funded warrants sold in the October 2020 Offering, were issued to designees of the placement agent on closing of the October 2020 Offering. Upon closing, the warrants issued to such designees became exercisable immediately at an exercise price of $12.1875 per ordinary share and expire on October 22, 2025. As of December 31, 2024, warrants issued in connection with the October 2020 Offering had been exercised for 1,392,701 ordinary shares, for net proceeds of $13,885.

In connection with the February 2021 Underwritten Offering, the Company issued to the underwriter's designees warrants to purchase 162,318 ordinary shares, amounting to 7.0% of the aggregate number of ordinary shares sold in the February 2021 Underwritten Offering which closed on February 8, 2021. The warrants issued to such designees have an exercise price of $21.5625 per ordinary share, were exercisable upon issuance and will expire on February 3, 2026. As of December 31, 2024, warrants issued in connection with the February 2021 Underwritten Offering had been exercised for 25,333 ordinary shares, for net proceeds of $546.

In connection with the February 2021 Underwritten Offering, the Company granted the underwriter an option for a period of 30 days to purchase an additional 347,826 ordinary shares. Upon the underwriter's exercise of its option, on February 10, 2021, the Company issued warrants to purchase an additional 24,347 ordinary shares to the underwriter's designees, amounting to 7.0% of the aggregate number of additional ordinary shares sold pursuant to the underwriter's option. The warrants issued to such designees have an exercise price of $21.5625 per ordinary share, were exercisable upon issuance and will expire on February 3, 2026. No warrants had been exercised as of December 31, 2024.

(In thousands, except share and per share data)

In connection with the February 2021 Registered Direct Offering which closed on February 12, 2021, warrants to purchase 81,666 ordinary shares, amounting to 7.0% of the aggregate number of ordinary shares issued under the securities purchase agreement, were issued to designees of the placement agent upon closing. The warrants issued to such designees were exercisable upon issuance at an exercise price of $37.50 per ordinary share and will expire on February 9, 2026. No warrants had been exercised as of December 31, 2024.

In connection with the 2024 Rights Offering, the Company issued and sold 1-year warrants to purchase up to 3,060,982 ordinary shares and 5-year warrants to purchase up to 6,121,965 ordinary shares. Upon closing, the warrants became exercisable immediately at an exercise price of $1.21 per ordinary share and will expire on August 9, 2025 and August 9, 2029, respectively. As of December 31, 2024, 1-year warrants issued in connection with the 2024 Rights Offering were exercised for 850,998 ordinary shares for net proceeds of $1,030 and 5-year warrants issued in connection with the 2024 Rights Offering were exercised for 647,147 ordinary shares for net proceeds of $783.

The Company has classified the warrants as equity in accordance with ASC 815. Accordingly, the proceeds were allocated between ordinary shares, the 1-year warrants and the 5-year warrants based on the relative fair value of the individual components. The fair value of the warrants were determined using a Black-Scholes option pricing model and the ordinary shares based on the closing date share price and were recorded in additional paid-in capital within shareholders' deficit on the consolidated balance sheets. The following assumptions were used in the Black-Scholes option pricing model:

	August 9, 2024	
	1-year warrants	5-year warrants
Volatility	109 %	109 %
Expected term in years	1.00	5.00
Dividend rate	0 %	0 %
Risk-free interest rate	4.50 %	3.80 %
Share price	$ 1.18	$ 1.18
Strike price	$ 1.21	$ 1.21
Fair value of warrants issued	$ 0.50	$ 0.94

Undesignated Preferred Shares

The Company has authorized 100,000,000 undesignated preferred shares of $0.01 par value each as of December 31, 2024. The Company's Board of Directors is authorized by the Company’s Articles of Association to determine the rights attaching to the undesignated preferred shares including rights of redemption, rights as to dividends, rights on winding up and conversion rights. There were no undesignated preferred shares in issue as of December 31, 2024 or December 31, 2023.

(14)Share-Based Compensation

On November 18, 2015, the Company’s Board of Directors adopted and approved the 2015 Equity Incentive Plan (the 2015 Plan), which authorized the Company to grant up to 14,895 ordinary shares in the form of incentive share options, nonstatutory share options, share appreciation rights, restricted share awards, restricted share units and other share awards. The types of share-based awards, including the rights amount, terms, and exercisability provisions of grants are determined by the Company’s Board of Directors. The purpose of the 2015 Plan was to provide the Company with the flexibility to issue share-based awards as part of an overall compensation package to attract and retain qualified personnel. On May 18, 2017, the Company amended the 2015 Plan to increase the number of ordinary shares available for issuance under the 2015 Plan by 14,640 shares to 29,535 shares.

On March 14, 2018, the Company’s Board of Directors adopted and approved the 2018 Equity Incentive Plan (the 2018 Plan), which became effective upon the execution and delivery of the underwriting agreement related to the Company’s IPO in May 2018. Since adopting the 2018 Plan, no further grants will be made under the 2015 Plan. The ordinary shares underlying any options that are forfeited, canceled, repurchased or are otherwise terminated by the Company under the 2015 Plan will not be added back to the ordinary shares available for issuance.

The 2018 Plan originally authorized the Company to grant up to 67,897 ordinary shares in the form of incentive share options, nonstatutory share options, share appreciation rights, restricted share awards, restricted share units, performance share awards, performance cash awards and other share awards. The types of share-based awards, including the amount, terms, and exercisability provisions of grants are determined by the Company’s Board of Directors. The ordinary shares underlying any options that are forfeited, canceled, repurchased or are otherwise terminated by the Company under the 2018 Plan are added back to the ordinary shares available for issuance under the 2018 Plan.

On December 5, 2018, pursuant to powers delegated to it by the Board of Directors of the Company, the Compensation Committee approved an increase in the number of ordinary shares available to be granted pursuant to the 2018 Plan by 4% of the total number of shares of the Company's issued share capital on December 31, 2018, being 38,272 ordinary shares.

On February 14, 2020, pursuant to powers delegated to it by the Board of Directors of the Company, the Compensation Committee approved, by written resolution, an increase of 39,650 ordinary shares to the number of ordinary shares available to be granted pursuant to the 2018 Plan, being just under 4% of the total number of the Company's ordinary shares outstanding on December 31, 2019, in accordance with the terms of the 2018 Plan.

On June 10, 2020, at the Company's annual general meeting of shareholders, the shareholders approved and adopted an Amended and Restated 2018 Plan which, among other things included an increase of 150,000 ordinary shares to the number of ordinary shares reserved for issuance under the 2018 Plan.

On June 23, 2021, at the Company's annual general meeting of shareholders, the shareholders approved an amendment to the Amended and Restated 2018 Plan to increase the number of ordinary shares reserved for issuance under the amended and restated 2018 Plan by 1,000,000 ordinary shares to 1,295,819 ordinary shares.

On November 24, 2021, the Company's Board of Directors adopted and approved the 2021 Inducement Equity Incentive Plan (the 2021 Inducement Plan) reserving 333,333 of its ordinary shares to be used exclusively for grants of awards to individuals that were not previously employees or directors of the Company (or following such individuals' bona fide period of non-employment with the company), as a material inducement to such individuals' entry into employment with the company within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules. The terms and conditions of the 2021 Inducement Plan are substantially similar to the 2018 Plan.

Share Options

Unless specified otherwise in an individual option agreement, share options granted under the 2015 Plan, the 2018 Plan and the 2021 Inducement Plan generally have a ten year term and a three or four year vesting period for employees and a one year vesting period for directors. The vesting requirement is conditioned upon a grantee's continued service with the Company during the vesting period. Once vested, all awards are exercisable from the date of grant until they expire. The option grants are non-transferable. Vested options generally remain exercisable for 90 days subsequent to the termination of the option holder's service with the Company. In the event of an option holder's disability or death while employed by or providing service to the Company, the exercisable period extends to twelve months or eighteen months, respectively.

The fair value of options granted are estimated using the Black-Scholes option-pricing model. The inputs for the Black-Scholes model require significant management assumptions. The risk-free interest rate is based on a normalized estimate of the 7-year U.S. treasury yield. The Company has estimated the expected term utilizing the "simplified" method for awards that qualify as "plain vanilla". The Company does not have sufficient company-specific historical and implied volatility information and it therefore estimates its expected share volatility based on historical volatility information of reasonably comparable guideline public companies and itself. The Company expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded share price. Expected dividend yield is based on the fact that the Company has never paid cash dividends and the Company's future ability to pay cash dividends on its shares may be limited by the terms of any future debt or preferred securities. The Company has elected to account for forfeitures as they occur.

The Company did not grant any share options to employees and directors during the year ended December 31, 2024 and 857,500 and 197,085 share options were granted to employees and directors during the years ended December 31, 2023 and 2022, respectively. There were 307,908, 930,010 and 296,199 unvested employee and director options outstanding as of December 31, 2024, 2023 and 2022, respectively. Total expense recognized related to the employee and director share options was $368, $468, and $3,580, for the years ended December 31, 2024, 2023 and 2022, respectively. Total unamortized compensation expense related to employee and director share options was $268, $1,000 and $929 as of December 31, 2024, 2023 and 2022, respectively, expected to be recognized over a remaining weighted average vesting period of 1.24 years, 2.09 years and 1.41 years as of December 31, 2024, 2023 and 2022, respectively.

On July 7, 2022, certain of the Company's executive officers and employees agreed to the surrender and cancellation of certain previously granted share options for an aggregate of 906,800 ordinary shares in order to make additional shares available under the 2018 Plan. Total expense recognized in connection with the cancellation of these employee share options was $17,350 for the year ended December 31, 2022, and was recorded in other income and expense as Cancellation of Share Options.

(In thousands, except share and per share data)

The range of assumptions that the Company used to determine the grant date fair value of employee and director options granted were as follows:

	Year Ended December 31, 2023	2022
Volatility	100%	100 - 130%
Expected term in years	6.00 - 6.25	5.50 - 6.25
Dividend rate	0%	0%
Risk-free interest rate	3.55% - 3.67%	1.90 - 3.96%
Share price	$1.00 - $1.04	$0.81-$6.72
Fair value of option on grant date	$0.80 - $0.84	$0.64-$5.95

The following table summarizes total stock option activity for all Company plans:

	Equity Plans	Inducement Plan	Total
Options outstanding December 31, 2021	948,639	120,000	1,068,639
Granted	190,753	6,332	197,085
Exercised	—	—	—
Forfeited	—	(3,333)	(3,333)
Cancelled Shares	(906,800)	—	(906,800)
Expired	—	—	—
Options outstanding December 31, 2022	232,592	122,999	355,591
Granted	855,000	2,500	857,500
Exercised	—	—	—
Forfeited	(103,437)	(666)	(104,103)
Expired	—	—	—
Options outstanding December 31, 2023	984,155	124,833	1,108,988
Granted	—	—	—
Exercised	(87,333)	—	(87,333)
Forfeited	(59,935)	(120,000)	(179,935)
Expired	—	—	—
Options outstanding December 31, 2024	836,887	4,833	841,720

The following table summarizes the total number of options outstanding and the weighted-average exercise price:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value (in thousands)
Options outstanding December 31, 2021	1,068,639	$ 30.12	9.42	—
Granted	197,085	$ 2.88		
Exercised	—			
Forfeited	(3,333)	$ 6.15		
Cancelled Shares	(906,800)	$ 33.16		
Expired	—			
Options outstanding December 31, 2022	355,591	$ 7.49	9.12	—
Granted	857,500	$ 1.00		
Exercised	—			
Forfeited	(104,103)	$ 2.08		
Expired	—			
Options outstanding December 31, 2023	1,108,988	$ 2.73	8.94	$ 832
Granted	—			
Exercised	(87,333)	$ 1.00		
Forfeited	(179,935)	$ 5.30		
Expired	—			
Options outstanding December 31, 2024	841,720	$ 2.37	7.76	$ 549
Exercisable at December 31, 2024	533,812	$ 3.10	7.50	$ 314

The aggregate intrinsic value of share options is calculated as the difference between the exercise price of the share options and the fair value of the Company's ordinary shares for those share options that had exercise prices lower than the fair value of the Company's ordinary shares as of December 31, 2024, 2023 and 2022, respectively.

The weighted average grant-date fair value per share of share options granted during the years ended December 31, 2023 and 2022 was $0.80 and $2.39, respectively.

Restricted Share Units (RSUs)

No RSUs were granted to employees or directors during the years ended December 31, 2024 and 2023. The Company granted 66,398 RSUs to employees and directors during the year ended December 31, 2022.

The following table summarizes the number of RSUs granted covering an equal number of the Company's ordinary shares for all of our plans:

	Equity Plans	Inducement Plan	Total
RSUs outstanding December 31, 2021	85,684	33,333	119,017
Granted	66,398	—	66,398
Shares vested	(48,353)	(8,334)	(56,687)
Forfeited	—	—	—
RSUs outstanding December 31, 2022	103,729	24,999	128,728
Granted	—	—	—
Shares vested	(103,729)	(8,333)	(112,062)
Forfeited	—	—	—
RSUs outstanding December 31, 2023	—	16,666	16,666
Granted	—	—	—
Shares vested	—	—	—
Forfeited	—	(16,666)	(16,666)
RSUs outstanding December 31, 2024	—	—	—

(In thousands, except share and per share data)

The table below shows the total number of RSUs granted and the weighted-average grant date fair value of the total RSUs granted:

	Number of Shares	Weighted Average Grant Date Fair Value per Share
RSUs outstanding December 31, 2021	119,017	$ 19.16
Granted	66,398	$ 2.91
Shares vested	(56,687)	$ 21.23
Forfeited	—	
RSUs outstanding December 31, 2022	128,728	$ 9.87
Granted	—	
Shares vested	(112,062)	$ 10.26
Forfeited	—	
RSUs outstanding December 31, 2023	16,666	$ 7.26
Granted	—	
Shares vested	—	
Forfeited	(16,666)	$ 7.26
RSUs outstanding December 31, 2024	—	

The fair value of the RSUs is determined on the date of grant based on the market price of the Company's ordinary shares on that date. The fair value of RSUs is expensed ratably over the vesting period, which is generally one year for directors and two years for employees under our 2018 Plan and four years for employees under our 2021 Inducement Plan. Total benefit recognized related to the RSUs was $5 for the year ended December 31, 2024, and total expense recognized related to the RSUs was $316 and $1,178 for the years ended December 31, 2023 and 2022, respectively. There was no unamortized compensation expense related to the RSUs as of December 31, 2024, and total unamortized compensation expense related to the RSUs was $116 and $434 as of December 31, 2023 and 2022, respectively, which was expected to be recognized over a remaining average vesting period of 1.92 years and 0.88 years as of December 31, 2023 and 2022, respectively.

The Company's share-based compensation expense was classified in the consolidated statements of operations and comprehensive loss as follows:

	Year ended December 31,		
	2024	2023	2022
Research and development expense	$ 193	$ 412	$ 1,396
General and administrative expense	170	372	3,362

There was a total of $268, $1,116 and $1,363 unamortized share-based compensation expense for share options and restricted share units as of December 31, 2024, 2023 and 2022, respectively, expected to be recognized over a remaining average vesting period of 1.24 years, 2.07 years and 1.28 years as of December 31, 2024, 2023 and 2022, respectively.

(15)Income Taxes

During the years ended December 31, 2024, 2023 and 2022, the Company recorded no income tax benefits for the net operating losses incurred in each year due to its uncertainty of realizing a benefit from those items.

(In thousands, except share and per share data)

The provision for income taxes consists of the following components:

	Year Ended December 31,		
	2024	2023	2022
Current			
U.S.	$ 240	$ 613	$ 301
Ireland	—	—	—
Total Current	$ 240	$ 613	$ 301
Deferred			
U.S.	$ —	$ —	$ —
Ireland	—	—	—
Total Deferred	$ —	$ —	$ —
Income Tax Provision	$ 240	$ 613	$ 301

Income taxes have been based on the following components of income (loss) before provision for income taxes:

	Year Ended December 31,		
	2024	2023	2022
U.S.	$ 370	$ 1,743	$ (13,701)
Ireland	(24,904)	(39,501)	(30,432)
Total	$ (24,534)	$ (37,758)	$ (44,133)

The Irish statutory rate is reconciled to the effective tax rate as follows:

	Year Ended December 31, 2024		Year Ended December 31, 2023		Year Ended December 31, 2022	
Statutory rate	12.50 %	$ (3,067)	12.50 %	$ (4,720)	12.50 %	$ (5,517)
Impact of U.S. tax rate	0.23 %	(57)	0.72 %	(272)	4.71 %	(2,080)
Impact of valuation allowance	(12.27)%	3,012	(14.48)%	5,466	(5.30)%	2,341
Adjustments for current tax of prior periods	2.13 %	(522)	0.14 %	(52)	(4.19)%	1,851
Cancellation of share options	0.00 %	—	0.00 %	—	(9.02)%	3,983
Fair value movements on derivative financial instruments	(2.53)%	621	3.66 %	(1,382)	1.55 %	(682)
Other, net	(1.03)%	253	(4.17)%	1,573	(0.92)%	405
Effective tax rate	(0.98)%	$ 240	(1.62)%	$ 613	(0.68)%	$ 301

The significant components of the Company's deferred tax assets and liabilities are as follows:

	Year Ended December 31,		
	2024	2023	2022
Deferred tax assets			
Share-based compensation	$ 73	$ 154	$ 438
Depreciation	1	45	42
Net operating loss carryforwards	44,536	41,525	36,059
Other	4	4	(11)
Valuation allowance	(44,614)	(41,728)	(36,528)
Total deferred tax assets	$ —	$ —	$ —
Deferred tax liabilities	—	—	—
Net deferred tax asset	$ —	$ —	$ —

As a company incorporated in Ireland, it is principally subject to taxation in Ireland.

The Company has net operating loss carryforwards in Ireland of approximately $44,536, $41,525 and $36,059 as of the years ended December 31, 2024, 2023 and 2022, respectively, for which a full valuation allowance has been recognized as it was determined that it is more-likely-than-not that these net deferred tax assets will not be realized. The net operating loss carryforwards do not expire, but are carried forward indefinitely. Realization of these deferred tax assets is dependent on the generation of sufficient taxable income. If the Company demonstrates consistent profitability in the future, the evaluation of the recoverability of these deferred tax assets may change and the remaining valuation allowance may be released in part or in whole. While management expects to realize the deferred tax assets, net of valuation allowances, changes in estimates of future taxable income or in tax laws may alter this expectation.

(In thousands, except share and per share data)

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	2024	2023
Balance at January 1	$ 2,020	$ 2,844
Decrease in tax positions	(111)	(824)
Balance at December 31	$ 1,909	$ 2,020

The Company's federal and state income tax returns for 2021 through 2023 remain open to examination by the IRS. The Company's income tax returns in Ireland remain open to examination from 2020 to 2023. The Company is not currently subject to any audits or examination.

In August 2022, the Inflation Reduction Act of 2022 (IRA) was signed into law in the United States. The IRA created a new corporate alternative minimum tax of 15% on adjusted financial statement income and an excise tax of 1% of the value of certain stock repurchases. The provisions of the IRA will be effective for periods beginning after December 31, 2022. The enactment of the IRA did not result in any material adjustments to the Company's income tax provisions or net deferred tax assets as of December 31, 2024.

(16)Commitments and Contingencies

License Agreement

On November 18, 2015, the Company and ITIL, entered into the Pfizer License.

Under the Pfizer License, the Company is obligated to make a potential one-time payment related to sublicensing income that exceeds a certain threshold. The Company is obligated to pay Pfizer potential future regulatory milestone payments, as well as sales milestones upon achievement of net sales ranging from $250.0 million to $1.0 billion for each product type. The Company is also obligated to pay Pfizer royalties ranging from a single-digit to mid-teens percentage based on marginal net sales of each licensed product.

Royalty-Linked Notes

On January 21, 2020, as part of the Private Placement, the Company issued 2,579,400 RLNs to a group of accredited investors. On September 8, 2020, as part of the Rights Offering, the Company issued 11,000 RLNs to existing shareholders. The RLNs will entitle the holders thereof to payments, at the applicable payment rate, based solely on a percentage of the Company’s net revenues from U.S. sales of specified sulopenem products earned through December 31, 2045, but will not entitle the holders thereof to any payments unless the Company receives FDA approval for one or more specified sulopenem products prior to December 31, 2025 and the Company earns net revenues on such product. If any portion of the principal amount of the outstanding RLNs, equal to $0.04 per RLN, has not been paid as of the end date on December 31, 2045, Iterum Bermuda must pay the unpaid portion of the principal amount. The RLNs will earn default interest if the Company breaches certain obligations under the RLN Indenture (but do not otherwise bear interest) and will be subject to a maximum return amount, including all principal and payments and certain default interest in respect of uncurable defaults, of $160.00 (or 4,000 times the principal amount of such note). The RLNs will be redeemable at the Company’s option, subject to the terms of the RLN Indenture.

Other Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. At each reporting date the Company evaluates whether or not a potential loss amount or a potential loss range is probable and reasonably estimable under the provisions of the authoritative guidelines that address accounting for contingencies. The Company expenses costs as incurred in relation to such legal proceedings. The Company has no contingent liabilities in respect of legal claims arising in the ordinary course of business.

Under the terms of their respective employment agreements, each of the named executive officers is eligible to receive severance payments and benefits upon a termination without “cause” (other than due to death or disability) or upon “resignation for good reason”, contingent upon the named executive officer’s continued performance for the Company. Under the terms of the Employee Severance Plan approved by the Compensation Committee in January 2022, an employee, who is not an executive officer of the Company, is entitled to severance pay and benefits on a "qualifying termination", that is termination at any time during the period beginning on the date that is 30 days prior to and ending on the date that is 12 months following a change of control without "cause" (other than due to death or disability) based on the employee's level/salary grade.

(17)Condensed Consolidating Financial Statements

On January 21, 2020, the Company completed a Private Placement pursuant to which its wholly owned subsidiary, Iterum Bermuda, issued and sold $51,588 aggregate principal amount of Exchangeable Notes and $103 aggregate principal amount of RLNs to a group of accredited investors. On September 8, 2020, the Company completed a Rights Offering pursuant to which Iterum Bermuda issued and sold $220 aggregate principal amount of Exchangeable Notes and $0.44 aggregate principal amount of RLNs to existing shareholders. The Securities were sold in Units with each Unit consisting of an Exchangeable Note in the original principal amount of $1,000 and 50 RLNs. As of December 31, 2024, $11,117 aggregate principal amount of Exchangeable Notes and all RLNs remained outstanding. See Note 18 – Subsequent Events for details of repayment of the Exchangeable Notes in January 2025.

The Units were issued by Iterum Bermuda, which was formed on November 6, 2019 and is a 100% owned "finance subsidiary" of the Company under Rule 3-10 of Regulation S-X with no independent function and no assets or operations other than those related to the issuance, administration and repayment of the Exchangeable Notes and RLNs. Iterum Therapeutics plc, as the parent company, has no independent assets or operations, and its operations are conducted solely through its subsidiaries. The assets, liabilities and results of operations of the Company, Iterum Bermuda and Iterum Therapeutics International Limited, Iterum Therapeutics US Holding Limited and Iterum Therapeutics US Limited (the Subsidiary Guarantors) are not materially different than the corresponding amounts presented in the consolidated financial statements of this Annual Report on Form 10-K. The Company and the Subsidiary Guarantors have provided a full and unconditional guarantee of Iterum Bermuda's obligations under the Exchangeable Notes and the RLNs, and each of the guarantees constitutes the joint and several obligations of the applicable guarantor. The Subsidiary Guarantors are 100% directly or indirectly owned subsidiaries of the Company. There are no significant restrictions upon the Company's or the Subsidiary Guarantors' ability to obtain funds from their subsidiaries by dividend or loan. None of the assets of Iterum Bermuda or the Subsidiary Guarantors represent restricted net assets pursuant to Rule 4-08(e)(3) of Regulation S-X.

(18) Subsequent Events

Exchangeable Notes Repayment

On January 31, 2025, the Exchangeable Notes matured and Iterum Bermuda repaid to the holders thereof an aggregate principal amount of $11,117 together with accrued interest of $3,628.

Equity

Subsequent to December 31, 2024, through February 6, 2025, the Company sold 3.0 million ordinary shares under the Sales Agreement, with HC Wainwright as agent, at an average price of $1.64 per share for net proceeds of $4,827.