

# Eagle Pharmaceuticals, Inc.

Audited Consolidated Financial Statements  
For the Years Ended December 31, 2024 and 2023



Tel: 732-750-0900  
Fax: 732-750-1222  
www.bdo.com

90 Woodbridge Center Dr., 4th Floor  
Woodbridge, NJ 07095

## **Independent Auditor's Report**

Board of Directors  
Eagle Pharmaceuticals, Inc.  
Woodcliff Lake, New Jersey

### ***Opinion***

We have audited the consolidated financial statements of Eagle Pharmaceuticals, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying 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 the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter***

As discussed in Note 3 to the consolidated financial statements, stockholders' equity as of December 31, 2022 has been restated to correct misstatements. Our opinion on the 2024 and 2023 consolidated financial statements is not modified with respect to this matter.

### ***Other Matters***

As part of our audit of the 2024 and 2023 consolidated financial statements, we audited the adjustments described in Note 3 that were applied to restate the stockholders' equity balance as of December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2022 consolidated financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2022 consolidated financial statements as a whole.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of

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America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*BDO USA, P.C.*

Woodbridge, New Jersey  
July 24, 2025

**EAGLE PHARMACEUTICALS, INC.  
CONSOLIDATED BALANCE SHEETS**

(In thousands, except share and per share amounts)	December 31, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 15,882	\$ 10,277
Accounts receivable, net	108,373	126,313
Inventories	14,424	23,753
Prepaid expenses and other current assets	25,235	22,056
Total current assets	163,914	182,399
Property and equipment, net	342	684
Intangible assets, net	2,302	10,435
Deferred tax asset	41,006	37,436
Other assets	15,203	22,467
Total assets	\$ 222,767	\$ 253,421
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 37,537	\$ 21,959
Accrued expenses and other liabilities	94,567	89,574
Short-term debt, net	56,834	76,669
Total current liabilities	188,938	188,202
Long-term litigation settlement	—	16,500
Other long-term liabilities	13,707	18,331
Total liabilities	202,645	223,033
<b>Commitments and contingencies</b> (Notes 12, 16, 18 and 19)		
<b>Stockholders' equity:</b>		
Preferred stock, 1,500,000 shares authorized and no shares issued or outstanding as of December 31, 2024 and 2023	—	—
Common stock, \$0.001 par value; 50,000,000 shares authorized; 17,800,419 and 17,708,948 shares issued; 13,023,123; and 12,931,652 shares outstanding as of December 31, 2024 and 2023, respectively	18	18
Additional paid in capital	376,090	372,693
Accumulated other comprehensive loss	(1,112)	(1,112)
Accumulated deficit	(107,759)	(94,096)
Treasury stock, at cost, 4,777,296 shares as of December 31, 2024 and 2023	(247,115)	(247,115)
Total stockholders' equity	20,122	30,388
Total liabilities and stockholders' equity	\$ 222,767	\$ 253,421

See accompanying notes to consolidated financial statements

**EAGLE PHARMACEUTICALS, INC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except share and per share amounts)	Year Ended December 31,	
	2024	2023
<b>Revenue:</b>		
Product sales, net	\$ 136,872	\$ 152,308
Royalty revenue	53,764	75,461
Total revenue	190,636	227,769
<b>Operating expenses:</b>		
Cost of product sales	48,527	80,654
Research and development	49,007	47,763
Selling, general and administrative	98,617	111,865
Restructuring charge	2,364	—
Intangible assets impairment	—	85,983
Goodwill impairment	—	49,768
Litigation settlement	—	26,500
Total operating expenses	198,515	402,533
Loss from operations	(7,879)	(174,764)
Interest income	800	684
Interest expense	(6,969)	(6,713)
Other income / (expense)	(1,102)	1,392
Total other expense, net	(7,271)	(4,637)
<b>Loss before income taxes and equity in losses of equity method investment</b>	(15,150)	(179,401)
Income tax benefit	1,888	1,453
<b>Net loss before equity in losses of equity method investment</b>	(13,262)	(177,948)
Equity in losses of equity method investment	(401)	(10,841)
<b>Net loss</b>	\$ (13,663)	\$ (188,789)
Loss per common share:		
Basic	\$ (1.05)	\$ (14.52)
Diluted	\$ (1.05)	\$ (14.52)
Weighted average number of common shares outstanding:		
Basic	12,958,633	12,999,046
Diluted	12,958,633	12,999,046

See accompanying notes to consolidated financial statements

**EAGLE PHARMACEUTICALS, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

(In thousands)	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Total Stockholders' Equity
	Number of Shares	Amount					
<b>Balance at December 31, 2022 (Restated)</b>	17,569	\$ 18	\$ 366,265	\$ (243,115)	\$ (1,112)	\$ 94,693	\$ 216,749
Stock-based compensation expense	—	—	7,631	—	—	—	7,631
Issuance of common stock upon exercise of stock option grants, net of taxes	21	—	(83)	—	—	—	(83)
Issuance of common stock related to vesting of restricted stock units, net	69	—	(1,120)	—	—	—	(1,120)
Issuance of restricted common stock for services	50	—	—	—	—	—	—
Common stock repurchases	—	—	—	(4,000)	—	—	(4,000)
Net loss	—	—	—	—	—	(188,789)	(188,789)
<b>Balance at December 31, 2023</b>	<b>17,709</b>	<b>\$ 18</b>	<b>\$ 372,693</b>	<b>\$ (247,115)</b>	<b>\$ (1,112)</b>	<b>\$ (94,096)</b>	<b>\$ 30,388</b>
Stock-based compensation expense	—	—	3,644	—	—	—	3,644
Issuance of common stock related to vesting of restricted stock units, net	91	—	(247)	—	—	—	(247)
Net loss	—	—	—	—	—	(13,663)	(13,663)
<b>Balance at December 31, 2024</b>	<b>17,800</b>	<b>\$ 18</b>	<b>\$ 376,090</b>	<b>\$ (247,115)</b>	<b>\$ (1,112)</b>	<b>\$ (107,759)</b>	<b>\$ 20,122</b>

See accompanying notes to consolidated financial statements

**EAGLE PHARMACEUTICALS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<b>(In thousands)</b>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (13,663)	\$ (188,789)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Intangible assets impairment	—	85,983
Goodwill impairment	—	49,768
Deferred income taxes	(4,680)	(11,013)
Depreciation expense	272	322
Noncash operating lease expense related to right-of-use assets	1,551	1,392
Amortization expense of intangible assets	8,133	21,909
Stock-based compensation expense	3,644	7,631
Fair value adjustments on equity investment	548	(1,840)
Amortization of debt issuance costs	887	453
Loss on equity instruments- Enalare	401	10,841
Amortization of inventory step up	1,895	1,702
Provision for bad debt	215	999
Provision for excess and obsolete inventory	854	14,797
Other	(168)	194
<b>Changes in operating assets and liabilities which provided (used) cash:</b>		
Accounts receivable	17,724	(68,976)
Inventories	6,580	7,938
Prepaid expenses and other current assets	1,048	(6,938)
Accounts payable	15,578	3,392
Accrued expenses and other liabilities	(15,046)	26,727
Other assets and other long-term liabilities, net	(2,090)	1,844
Net cash provided by (used in) operating activities	<u>23,683</u>	<u>(41,664)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investment in Syros Pharmaceuticals, Inc. ("Syros ")	2,866	—
Proceeds from sale of property and equipment	84	—
Purchase of property and equipment	(59)	(64)
Investment in Enalare	—	(12,500)
Net cash provided by (used in) investing activities	<u>2,891</u>	<u>(12,564)</u>
<b>Cash flows from financing activities:</b>		
Repurchases of common stock	—	(4,000)
Proceeds from existing revolving credit facility	15,000	70,000
Repayment of existing revolving credit facility	(25,000)	(50,000)
Payment of debt	(10,000)	(6,250)
Payment of debt financing costs	(722)	—
Payment of employee withholding tax upon vesting of stock-based awards	(247)	(1,203)
Net cash (used in) provided by financing activities	<u>(20,969)</u>	<u>8,547</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,605</b>	<b>(45,681)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>10,277</b>	<b>55,958</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 15,882</u></b>	<b><u>\$ 10,277</u></b>

See accompanying notes to consolidated financial statements

**EAGLE PHARMACEUTICALS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)	Year Ended December 31,	
	2024	2023
<b>Supplemental disclosures of cash flow information:</b>		
<b>Cash paid during the period for:</b>		
Income taxes, net	\$ 195	\$ 24,908
Interest	\$ 6,253	\$ 6,566
<b>Non-cash Disclosures:</b>		
Right-of-use assets obtained in exchange for lease obligations, inclusive of a lease amendment	\$ —	\$ 4,764

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

## **1. Organization and Business**

Eagle Pharmaceuticals, Inc. (the "Company", or "Eagle") is an integrated pharmaceutical company focused on finding ways to help medicines do more for patients. The Company and its collaborators have the capabilities to take a molecule from preclinical research through regulatory approval and into the marketplace, including development, manufacturing and commercialization. The Company's business model applies its scientific expertise, proprietary research-based insights and marketplace proficiency to identify challenging-to-treat diseases of the central nervous system or metabolic critical care therapeutic areas as well as in oncology. The Company's product portfolio consists of: (i) PEMFEXY® (pemetrexed for injection) ("PEMFEXY"), (ii) RYANODEX® (dantrolene sodium) ("RYANODEX"), (iii) BELRAPZO® (bendamustine hydrochloride ready-to-dilute ("RTD") solution) ("BELRAPZO"), (iv) rapidly infused bendamustine hydrochloride RTD ("BENDEKA"), (v) bendamustine hydrochloride ready-to-dilute and rapidly infused RTD in Japan ("TREAKISYM"), (vi) BARHEMSYS® (amisulpride for injection) ("BARHEMSYS"), (vii) BYFAVO® (remimazolam for injection) ("BYFAVO"), and vasopressin (discontinued in the first quarter of 2023), an A-rated generic alternative to Vasostrict®.

The Company markets its products through a combination of marketing partners and its internal direct sales force. The Company markets PEMFEXY, RYANODEX, BELRAPZO, BARHEMSYS and BYFAVO, and the Company's marketing partner Teva Pharmaceutical Industries Ltd. ("Teva") markets BENDEKA. Symbio Pharmaceuticals Limited ("Symbio"), markets TREAKISYM.

## **2. Summary of Significant Accounting Policies**

### **Basis of Presentation**

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and pursuant to the rules and regulations of the U.S. Securities Exchange Commission (the "SEC"). The consolidated financial statements include the accounts of the Company and all of its subsidiaries in which it has a controlling financial interest. Controlling financial interest is determined by majority ownership interest and the absence of substantive third-party participating rights for voting entities, or, in the case of variable interest entities, where Eagle is determined to be the primary beneficiary. All intercompany balances and transactions are eliminated upon consolidation. Material subsequent events are evaluated and disclosed through the report issuance date.

License arrangements, alliances and other agreements are reviewed to determine whether the terms provide control over the entity. Entities controlled by means other than a majority voting interest are referred to as variable interest entities and are consolidated when the Company has both the power to direct the activities of the variable interest entity that most significantly impact its economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entity, see Note 16, "License and Collaboration Agreements".

The Company's consolidated financial statements include the operations of acquired businesses after the acquisition date. Acquired businesses are accounted for using the acquisition method of accounting, which requires that assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date and that the fair value of acquired in-process research and development ("IPR&D") be recorded on the balance sheet. Transaction costs incurred by the Company are expensed as incurred. Any excess of the consideration transferred over the assigned values of the net assets acquired is recorded as goodwill. In cases where the Company acquires net assets that do not constitute a business under U.S. GAAP, no goodwill is recognized, transaction costs are capitalized as part of the cost of the acquired assets, and acquired IPR&D is expensed if it does not have an alternative future use.

The Company manages its commercial operations through one operating segment, which also represents one reportable segment, see Note 22, "Segment Information".

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates and assumptions can impact all elements of the Company's financial statements. The more significant estimates that are used when preparing the Company's financial statements include accounting for deductions from revenues including chargebacks, rebates, discounts, and returns related to sales, determining the cost of inventory that is sold, allocating cost in the form of depreciation, amortization, and estimating restructuring charges and the impact of contingencies, as well as determining uncertain tax positions and provisions for taxes on income. On the consolidated balance sheets, estimates are used in determining the valuation and recoverability of assets, and in determining the reported amounts of certain liabilities, all of which also impact the consolidated statements of operations. Certain estimates of fair value and amounts recorded in connection with acquisitions, revenue deductions, impairment reviews, restructuring-associated charges, investments and financial instruments, valuation allowances, contingencies, share-based compensation, and other calculations can result from a complex series of judgments about future events and uncertainties and can rely heavily on estimates and assumptions. Estimates are often based on complex judgments and assumptions that the Company believes to be reasonable, but that can be inherently uncertain and unpredictable. If estimates and assumptions are not representative of actual outcomes, results could be materially impacted. As future events and their effects cannot be determined with precision, estimates and assumptions may prove to be incomplete or inaccurate, or unanticipated events and circumstances may occur that might cause the Company to change those estimates and assumptions including, but not limited to, changes in the healthcare environment, competition, litigation, legislation, development of competing assets by the Company or others, regulatory actions, or product recalls or withdrawals. The Company regularly evaluates estimates and assumptions using historical experience and expectations about the future. The Company adjusts estimates and assumptions when facts and circumstances indicate the need for change. Actual results may differ from those estimates.

**Contingencies**

The Company is subject to numerous contingencies arising in the ordinary course of business and are uncertain by nature and estimation of such loss requires significant management judgment as to the probability of loss and estimation of such loss. Examples of the nature of contingencies include patent litigation, commercial and other asserted or unasserted matters, government investigations, and other matters. In assessing contingencies related to legal proceedings that are pending against the Company, or unasserted claims that are probable of being asserted, the Company records accruals for these contingencies to the extent that the Company concludes that a loss is both probable and reasonably estimable. Determination of whether a loss estimate can be made is a complex undertaking that considers the judgement of management, third-party research, the prospect of negotiation and interpretations by regulators and courts, among other information. If some amount within a range of loss appears to be a better estimate than any other amount within the range, the Company accrues that amount. Alternatively, when no amount within a range of loss appears to be a better estimate than any other amount, the Company accrues the lowest amount in the range. Related legal costs are expensed as incurred. The Company records receivables from third-party insurers up to the amount of the loss when recovery has been determined to be probable. Gain contingencies are not recognized until realized.

**Foreign Currency Translation and Transactions**

On June 9, 2022, the Company acquired all of the outstanding share capital of Acacia Pharma Group ("Acacia") and its direct subsidiary Acacia Pharma Limited ("APL" and, together with Acacia, the "Acacia subsidiaries"). Effective January 1, 2023, the Company adopted the U.S. dollar as its functional currency for the Acacia subsidiaries. Prior to January 1, 2023, the functional currency of the Acacia subsidiaries was the Pound Sterling. The change in functional currency of the Acacia subsidiaries was due to the integration into the Company being completed beginning in the first quarter of 2023. As a result of the integration, the nature and volume of the United Kingdom (the "UK") operations and funding received by the UK entities are denominated in U.S. dollars. Therefore, the UK operations of the Acacia subsidiaries are considered integrated and parent dependent. The

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

effect of a change in the functional currency is accounted for prospectively. Transaction gains and losses resulting from changes in foreign currency exchange rates are recorded in other income/(expense) within the consolidated statements of operations.

**Cash and Cash Equivalents**

Cash and cash equivalents include bank deposits and money market funds. Cash equivalents consist of highly liquid investments with original maturities of three months or less at the time of purchase and are recognized at cost. The carrying amount of cash and cash equivalents approximates its fair value due to its short-term nature. Cash and cash equivalents are primarily held in United States financial institutions. The Company, at times, maintains balances with financial institutions in excess of the Federal Deposit Insurance Corporation limit.

**Accounts Receivable**

Accounts receivables are stated at amortized cost less allowance for credit losses. The allowance for credit losses reflects the best estimate of future losses over the contractual life of outstanding accounts receivable and is determined on the basis of historical experience, specific allowances for known troubled accounts, other currently available information including customer financial condition and both current and forecasted economic conditions. Accounts receivables are written off against the allowance account when the Company deems the receivable to be uncollectible.

During 2024 and 2023, additions to the allowance for credit losses, write-offs and recoveries of customer receivables were not material to the Company's consolidated financial statements.

The following table presents a rollforward of the allowance for credit losses:

<b>(in thousands)</b>	
As of December 31, 2022	\$ —
Provisions charged to operating results	999
Account write-off and recoveries	—
As of December 31, 2023	<u>\$ 999</u>
As of December 31, 2023	\$ 999
Provisions charged to operating results	215
Account write-off and recoveries	(968)
As of December 31, 2024	<u><u>\$ 246</u></u>

**Inventories**

Inventories are recorded at the lower of cost and net realizable value, with cost determined on a first-in first-out basis. The Company periodically reviews the composition of its inventories in order to identify obsolete, slow-moving or otherwise non-saleable items. If non-saleable items are observed and there are no alternate uses for the inventories, the Company will record a write-down to net realizable value in the period that the decline in value is first recognized, with a corresponding charge to cost of goods sold in the Company's consolidated statements of operations. Inventories that are not expected to be sold within 12 months are classified as other noncurrent assets in the Company's consolidated balance sheets.

The Company does not currently own manufacturing facilities and depends on an outsourced manufacturing strategy for the production of its products.

**Property and Equipment**

Property and equipment are stated at cost, including any significant improvements after purchase, less accumulated depreciation. Depreciation is computed on a straight-line method based on the estimated useful lives of the related assets

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

ranging from 4 to 7 years. Leasehold improvements are being amortized over the shorter of their useful lives or the remaining lease term.

**Intangible Assets, net**

Finite-lived intangible assets are measured at their respective fair values on the date they were acquired and stated net of accumulated amortization. The fair values assigned to the Company's intangible assets are based on reasonable estimates and assumptions given available facts and circumstances. The Company amortizes its definite-lived intangible assets based on the pattern of their accelerated or on a straight-line basis over their estimated useful lives.

The Company reviews the recoverability of its finite-lived intangible assets and long-lived assets for indicators of impairments. Events or circumstances that may require an impairment assessment include significant changes in the Company's forecasted projections for the asset or asset group for reasons including, but not limited to, significant under-performance of a product in relation to expectations, significant changes or planned changes in the Company's use of the assets, significant negative industry or economic trends, and new or competing products that enter the marketplace. If such indicators are present, the Company assesses the recoverability of affected assets by determining if the carrying value of such assets is less than the sum of the undiscounted future cash flows of the assets. If such assets are found to not be recoverable, the Company measures the amount of the impairment by comparing the carrying value of the assets to the fair value of the assets. In 2023, the Company recognized an impairment loss of \$86.0 million related to the BARHEMSYS and BYFAVO finite-lived intangible assets. See Note 9, "Goodwill and Other Intangible Assets, Net" for additional information.

**Goodwill**

Goodwill was attributed to prior acquisitions (Acacia in 2022 and Arsia Therapeutics in 2016) and represents the excess of purchase price over the fair value of net assets acquired. Goodwill is not amortized, but is evaluated for impairment on an annual basis, in the fourth quarter, or more frequently if events or changes in circumstances indicate that the reporting unit's goodwill is less than its carrying amount. The Company performed its annual goodwill impairment test during the fourth quarter of 2023 and recognized an impairment loss of \$49.8 million, fully impairing goodwill. The goodwill balance was zero throughout 2024. See Note 9, "Goodwill and Other Intangible Assets, Net" for additional information.

**Equity Method Investments**

For equity investments in common stock where the Company has significant influence over the financial and operating policies of the investee, the Company uses the equity method of accounting. When the Company acquires an equity method investment in an investee that does not meet the definition of a business as defined in ASC 805 - Business Combinations ("ASC 805") (including the application of the "screen test"), any acquired IPR&D relating to the investee is recognized as an expense and immediate reduction to the equity method investment so long the IPR&D has no alternative future use. The Company records its equity method investments under other assets, on the Company's consolidated balance sheets. See Note 19, "Investment in Enalare Therapeutics Inc." for additional information.

Under the equity method of accounting, the investment is adjusted to recognize the Company's proportionate share of net earnings or losses of the investee. When the Company's share of losses in an equity investment equals or exceeds the carrying amount of the Company's investment including advances made by us, the Company does not recognize further losses, unless the Company has guaranteed obligations or are otherwise committed to provide further financial support to the investee, or have other investments in the investee. The Company evaluates its equity method investments for other-than-temporary impairment. If the qualitative assessment indicates the investment is impaired, the fair value of the investment would be estimated, which could involve a significant degree of judgement and subjectivity.

**Other Equity Investments**

Investments that have readily determinable fair values are remeasured each reporting period, with changes recognized in other income (expense).

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Investments in which the Company does not have the ability to exercise significant influence and does not have readily determinable fair values, are recorded at cost minus impairment, plus or minus changes from observable price changes in orderly transactions for identical or similar investments in the same issuer.

The Company evaluates other equity investments for possible indicators of impairment whenever events or changes in circumstances indicate the carrying amount of the investment might not be recoverable. If the qualitative assessment indicates the investment is impaired, the fair value of the investment would be estimated, which could involve a significant degree of judgement and subjectivity.

### **Treasury Stock**

Treasury stock is accounted for under the cost method and is included as a deduction from equity in the stockholders' equity section of the consolidated balance sheets.

### **Revenue Recognition**

Revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606 - Revenue from Contracts with Customers ("ASC 606"), the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations, and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. Sales, value add, and other taxes collected on behalf of third parties are excluded from revenue.

Product Revenue - The Company sells BENDEKA and TREAKISYM to its commercial partners, Teva and SymBio (the "Commercial Partners"). The Company sells PEMFEXY, BELRAPZO, RYANODEX, BARHEMSYS, and BYFAVO, and the Company previously sold vasopressin prior to exiting the vasopressin market in the first quarter of 2023, primarily to wholesalers and distributors (collectively, "Customers"), with a limited amount of sales that are made directly to hospitals, clinics, and surgery centers which belong to U.S. Public Health Service institutions, non-profit clinics, government entities, group purchasing organizations ("GPOs"), and health maintenance organizations (collectively, "Healthcare Providers") and other end users. Customers then resell to Healthcare Providers pursuant to contractual pricing arrangements with the Company. In addition to distribution agreements with Customers and contractual pricing arrangements with Healthcare Providers, the Company enters into arrangements with GPOs that provide for U.S. government-mandated or privately negotiated rebates, chargebacks and discounts. The Company also enters into rebate arrangements with third-party payors, which consist primarily of commercial insurance companies and government entities, to cover the reimbursement of products to Healthcare Providers. Revenue from product sales is recognized at the point when a Customer obtains control of the product and the Company satisfies its performance obligation, which generally occurs at the time product is delivered to the Customers or, in the case of sales to Commercial Partners, at the time the product is shipped. Receivables from the Company's product sales have payment terms ranging from 30 to 120 days, with select extended terms of up to 275 days to Customers on certain product purchases.

The Company assesses whether it is the principal or the agent for each arrangement with a client that involves a third party. The principal versus agent evaluation is a matter of judgment that depends on facts and circumstances of the arrangement and is dependent on whether the Company controls the good before it is transferred to the Customer or whether the Company is acting as an agent of a third party. The Company is the principal in its arrangements with Customers and therefore presents revenue gross of amounts paid to third parties because the Company controls the products before they are transferred to the Customer.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or services to a Customer. To the extent the transaction price includes variable consideration, the Company estimates the amount

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

of variable consideration that should be included in the transaction price generally utilizing the most likely amount method. As such, revenue on sales to Customers for PEMFEXY, BELRAPZO, RYANODEX, BARHEMSYS, BYFAVO, and vasopressin (discontinued in 2023) are recorded net of chargebacks, rebates, returns, prompt pay discounts, wholesaler fees and other deductions. Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Determination of whether to include estimated amounts in the transaction price is based largely on an assessment of the Company's estimate of Customer sell-through of products and other information (historical, current and forecasted) that is reasonably available. The Company believes that the estimates it has established are reasonable based upon currently available information. Applying different judgments to the same facts and circumstances could result in the estimated amounts included as variable consideration to vary. Shipping and handling activities performed after a Customer obtains control of the product are treated as fulfillment activities and are not considered to be a separate performance obligation. Related shipping and handling expenses are recorded in cost of product sales.

*Components of Gross-to-Net (GTN) Estimates*

Chargebacks: Chargebacks are discounts that occur when Healthcare Providers purchase directly from the Customers. Healthcare Providers generally purchase products at a discounted price. The Customer, in turn, charges back to the Company the difference between the price initially paid to the Company by the Customer and the discounted price paid by the Healthcare Providers (Contract Price) to the Customer. The allowance for chargebacks in the Company's recognized revenue is based on an estimate of sales through to Healthcare Providers from the Customer. The Company recognizes estimates for these chargebacks at the time of sale from the Company to its Customer as deductions from gross revenues, with corresponding adjustments to its accounts receivable reserves and allowances at the time of sale from the Company to its Customer. Changes in the chargeback provision from period to period are primarily dependent on the Company's sales to Customers, the level of inventory held by Customers, and the Customers' Customer mix. The Company's estimate of the provision for chargebacks is analyzed quarterly.

The provision for chargebacks is the most significant provision in the context of the Company's gross-to-net adjustments in the determination of net revenue.

Commercial and Medicaid Rebates: The provision for rebates is a significant estimate used in the recognition of revenue. Rebates include primarily amounts paid by the Company to Healthcare Providers and third-party payors in the U.S., including those paid to state Medicaid programs, and are based on contractual arrangements or statutory requirements. The Company estimates the rebates it will provide to third-party payors based upon a mix of information that primarily includes (i) the Company's contracts with these third-party payors, (ii) the government-mandated discounts applicable to government-funded programs, (iii) information obtained from Customers, (iv) actual rebate payments made, (v) processing time lags, (vi) expectations for payor mix, and (vii) the level of inventory in the distribution channel that will be subject to indirect rebates. Rebates reserves are recorded in the same period in which the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability. The current liability is included in accrued expenses and other current liabilities on the consolidated balance sheets for such period. Changes in the rebate provision from period to period are primarily dependent on the Company's sales to its wholesalers, the level of inventory held by wholesalers, the wholesalers' Customer mix, and achievement of certain purchasing tiers by Healthcare Providers and third-party payors. The Company's estimate of the provision for rebates is analyzed quarterly.

The provision for rebates is a significant provision in the context of the Company's gross-to-net adjustments in the determination of net revenue as described above.

Product Returns: The Company offers its Customers, Healthcare Providers, and other end users of PEMFEXY, BELRAPZO, BARHEMSYS, BYFAVO, and vasopressin (discontinued) limited product returns right for excess or expiring product, provided it is unopened, unprescribed, as set forth in the applicable individual agreement and the Company's policy. The Company has terms on sales of RYANODEX by which the Company does not accept returns. The Company estimates future product returns on sales of PEMFEXY, BELRAPZO, BARHEMSYS, BYFAVO, and vasopressin (discontinued) based on: (i) data provided to the Company by its Customers, (ii) data provided to the Company by a third-party data provider which collects and publishes pharmaceutical distribution data, and other third parties, (iii) historical industry information regarding return rates for similar pharmaceutical products, (iv) the estimated remaining shelf life of PEMFEXY, BELRAPZO, BARHEMSYS, BYFAVO, and vasopressin (discontinued) previously shipped and currently being shipped to Customers, (v) actual historical

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

returns experience, and (vi) contractual agreements intended to limit the amount of inventory maintained by the Company's Customers. Generally, these estimated product returns reserves are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included in accrued expenses and other current liabilities on the consolidated balance sheets in such period. The Company's estimate of the provision for returns is analyzed quarterly. Additionally, the Company regularly reviews and monitors estimated or actual inventory information at its largest Customers for its key products to inform its opinion of whether Customer inventories are in excess of ordinary course of business levels.

The provision for product returns is a significant provision in the context of the Company's gross-to-net adjustments in the determination of net revenue as described above.

Wholesaler fees and other incentives: The Company generally provides invoice discounts on PEMFEXY, BELRAPZO, RYANODEX, BARHEMSYS, BYFAVO, and vasopressin (discontinued) sales to its Customers for prompt payment and fees for distribution services, such as fees for certain data that distributors provide to the Company. The payment terms for sales to Customers generally include a 2% discount for prompt payment which is generally defined in invoice terms as a range from 30 to 120 days, with select extended terms of up to 275 days to wholesalers on certain product purchases, while the fees for distribution services are based on contractual rates agreed with the respective distributors. Based on historical data, the Company expects its distributors to earn these discounts and fees, and deducts the full amount of these discounts and fees from its gross product revenues and accounts receivable at the time such revenues are recognized. In certain cases, the Company may record the fees as accrued expenses if the Company expects that the fees will be paid to rather than deducted by the distributor from its payment to the Company. The Company's estimate of the provision for wholesaler fees is analyzed quarterly.

The Company's product sales, net were as follows:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>(In thousands)</b>		
PEMFEXY	\$ 80,758	\$ 77,042
RYANODEX	33,133	30,405
BARHEMSYS	5,410	3,812
BELRAPZO	3,890	18,985
vasopressin	—	4,311
BENDEKA	11,358	15,146
Other	2,323	2,607
Product sales, net	<u>\$ 136,872</u>	<u>\$ 152,308</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table provides a summary roll-forward of the Company's net product revenue allowances and related reserves for the years ended December 31, 2024 and 2023, on the consolidated balance sheets:

(In thousands)	Chargebacks	Commercial Rebates	Medicaid Rebates	Product Returns	Wholesaler Fees and Other Incentives	Total
<b>Balance at December 31, 2022 (restated)</b>	\$ 20,166	\$ 15,904	\$ 682	\$ 10,063	\$ 11,846	\$ 58,661
Provisions / Adjustments	77,530	47,878	3,224	13,556	28,124	170,312
Charges processed / Payments	(91,902)	(26,283)	(1,322)	(17,503)	(25,634)	(162,644)
<b>Balance at December 31, 2023</b>	\$ 5,794	\$ 37,499	\$ 2,584	\$ 6,116	\$ 14,336	\$ 66,329
Provisions / Adjustments	94,968	68,753	2,998	5,383	30,231	202,333
Charges processed / Payments	(93,827)	(68,078)	(4,080)	(5,194)	(29,154)	(200,333)
<b>Balance at December 31, 2024</b>	\$ 6,935	\$ 38,174	\$ 1,502	\$ 6,305	\$ 15,413	\$ 68,329

Such net product revenue allowances and reserves are included within accounts receivable, net and accrued expenses and other current liabilities within the Company's consolidated balance sheets.

*Royalty Arrangements* — The Company recognizes revenue from license arrangements with respect to net sales of BENDEKA and TREAKISYM by Teva and Symbio, respectively. Royalties are recognized as earned in accordance with contract terms when they can be reasonably estimated and collectability is reasonably assured. The Company's Commercial Partners are obligated to report their net product sales and the resulting royalty due to the Company within 25 days from the end of each quarter. The Company's receivables from royalty revenue are due 45 days from the end of the quarter. In collaboration arrangements where the Company is the principal in the transaction, the Company records amounts paid to collaboration partners for their share of net sales or profits earned, and all royalty payments to collaboration partners as Cost of sales. Royalty payments received from collaboration partners are included in Royalty revenues.

*Concentration of Major Customers*

The Company derives the majority of its revenue from contracts with its Commercial Partners, large wholesalers and distributors.

The Company is exposed to risks associated with extending credit to customers related to the sale of products. The Company does not require collateral to secure amounts due from its customers. The Company uses an expected loss methodology to calculate allowances for trade receivables. The Company's measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The Company does not currently have a material allowance for credit losses.

Further, the Company is dependent on its Commercial Partner, Teva, to market and sell BENDEKA. Therefore, the Company's future revenues are highly dependent on the collaboration and distribution arrangement with Teva.

Teva sells BENDEKA through a license agreement with the Company. Pursuant to that license agreement, Teva pays the Company a royalty based on net sales of the product and also purchases the product from the Company. A disruption in this arrangement, caused by, among other things, a supply disruption, loss of exclusivity or the launch of a superior product would have a material adverse effect of the Company's financial position, results of operations and cash flows.

On March 31, 2025, the Company entered into a royalty purchase agreement with an entity affiliated with Blue Owl Capital Inc. ("Blue Owl"), pursuant to which the Company sold a royalty interest in annual net sales of BENDEKA in the United States. The agreement is not expected to impact the Company's revenue recognition policies related to its royalty interest in sales of BENDEKA. See Note 24 - "Subsequent Events" for additional information.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The total revenues and accounts receivables broken down by major customers as a percentage of the total revenue are as follows:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Total revenues</b>		
Teva - <i>Commercial Partner</i>	34 %	38 %
Customer A	27 %	29 %
Customer B	17 %	13 %
Customer C	9 %	7 %
Customer D	11 %	9 %
Other	2 %	4 %
	<u>100 %</u>	<u>100 %</u>

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Accounts Receivable Concentration</b>		
Teva - <i>Commercial Partner</i>	14 %	15 %
Customer A	53 %	63 %
Customer B	13 %	7 %
Customer C	7 %	6 %
Customer D	12 %	7 %
Other	1 %	2 %
	<u>100 %</u>	<u>100 %</u>

*Concentration of Suppliers*

The Company depends on suppliers and contract manufacturers for the supply of its products and related raw materials. The Company is dependent on a single separate manufacturing workflow to produce each product. During the periods ended December 31, 2024 and 2023, the primary manufacturers that produce (i) PEMFEXY, (ii) RYANODEX and (iii) BELRAPZO and BENDEKA individually represented 10% or more of the Company's cost of sales. Disruptions from these suppliers or contract manufacturers could have a negative impact on the Company's business, financial position and results of operations.

**Research and Development and Acquired IPR&D**

Costs for research and development are charged to expense as incurred and include; employee-related expenses including salaries, benefits, travel and stock-based compensation expense for research and development personnel; expenses incurred under agreements with contract research organizations, contract manufacturing organizations and service providers that assist in conducting clinical and preclinical studies; costs associated with preclinical activities and development activities, costs associated with regulatory operations; and depreciation expense for assets used in research and development activities.

Clinical study and certain research costs are recognized over the service periods specified in the contracts and adjusted as necessary based upon an ongoing review of the level of effort and costs actually incurred. Payments for these activities are based on the terms of the individual arrangements, which may differ from the patterns of costs incurred, and are reflected in the consolidated financial statements as prepaid expenses or accrued expenses as deemed appropriate. Recoveries of previously

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

recognized research and development expenses from third parties are recorded as a reduction to research and development expense in the period it becomes realizable.

Before a product candidate receives regulatory approval, the Company records upfront and milestone payments it makes to third parties under licensing and collaboration arrangements as research and development expense. Upfront payments are recorded when incurred, and milestone payments are recorded when the specific milestone has been achieved. Once a product candidate receives regulatory approval, the Company records any milestone payments in intangible assets, net. Unless the asset is determined to have an indefinite life, the Company typically amortize the payments on a straight-line basis over the remaining agreement term or the expected product life cycle, whichever is shorter. Acquired IPR&D expenses includes costs incurred in connection with (a) all upfront and milestone payments on collaboration and in-license agreements, including premiums on equity securities and (b) asset acquisitions of acquired IPR&D.

### **Leases**

Operating leases that have commenced are included in other assets, Accrued expenses and other liabilities, and Other long-term liabilities on the consolidated balance sheets. The Company does not have any leases classified as finance leases. Classification of lease liabilities as either current or noncurrent is based on the expected timing of payments due under the Company's obligations.

Right-of-use (ROU) assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease agreement. Lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets. The Company recognizes operating lease expense on a straight-line basis over the lease term.

Given that the Company's leases do not provide an implicit interest rate, the Company estimates incremental borrowing rates based on the information available at the commencement date in determining the present value of lease payments. Lease terms include the effect of options to extend or terminate the lease when it is reasonable certain that the Company will exercise that option. Judgment is required in assessing whether renewal and termination options are reasonably certain to be exercised.

The Company has not elected the practical expedient to account for lease and non-lease components as a single lease component.

### **Advertising and Marketing**

Advertising and marketing costs are expensed as incurred. Advertising and marketing costs were \$10.9 million, and \$16.1 million, for the years ended December 31, 2024, and 2023, respectively.

### **Restructuring Expenses**

The Company follows the provisions of ASC Topic 420, "Exit or Disposal Cost Obligations" ("ASC Topic 420") which addresses financial accounting and reporting for costs associated with exit or disposal activities. The statement requires companies to recognize costs associated with exit or disposal activities when a liability has been incurred rather than at the date of a commitment to an exit or disposal plan. The Company records liabilities that primarily include estimated severance and other costs related to employee benefits. These estimates involve judgment and uncertainties, and the settlement of these liabilities could differ materially from recorded amounts.

### **Stock-Based Compensation**

The Company utilizes stock-based compensation in the form of stock options, restricted stock units ("RSUs") and performance-based stock units ("PSUs"), each of which may be granted separately or in tandem with other awards.

Compensation expense for stock options and RSUs is recognized in the consolidated statements of operations based on the estimated fair value of the awards at grant date on a straight-line basis over the requisite service period, which generally equals

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the vesting period of the award with the related costs recorded in Cost of sales, Selling, general and administrative expenses and/or Research and development expenses, as appropriate. Compensation expense for PSUs is recognized if and when the Company determines that it is probable the performance condition will be achieved. Forfeitures are estimated based on historical experience at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates.

The grant-date fair value of stock awards is based upon the underlying price of the stock on the date of grant or modification. The grant-date fair value of stock option awards must be determined using an option pricing model. The Company uses the Black-Scholes option pricing formula for determining the grant-date fair value of such awards. Option pricing models require the use of estimates and assumptions as to the (a) expected term of the option, (b) expected volatility of the price of the underlying stock, (c) risk-free interest rate for the expected term of the option and (d) expected dividend yield (if any).

The Company measures new stock option grants with an expected term assumption using the average of the vesting dates and contractual expiration date. The Company uses this method because it does not have sufficient historical option exercise data to provide a reasonable basis upon which to estimate the expected term. The Company estimates expected price volatility by using the Company's historical volatility when it was publicly traded. The risk-free rate for the expected term of the option is based on the zero-coupon U.S. Treasury yield curve rate at the date of the grant. The expected dividend yield is zero based on the fact that the Company has never paid dividends on its common stock and has no plans to do so in the foreseeable future.

The Company may also grant performance-based stock awards to employees from time-to-time subject to vesting based on market conditions or performance conditions. The grant-date fair value of awards that vest based on achievement of certain market conditions are determined using a Monte Carlo simulation technique. The grant-date fair value of awards that vest based on achievement of certain performance conditions are determined using the accelerated attribution method once it is probable that the performance conditions will be achieved.

#### **Defined Contribution Plan**

The Company established a defined contribution plan under Section 401(k) of the IRC ("401(k) Plan"). The 401(k) Plan covers all employees who meet defined minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis. The Company's contributions to the 401(k) Plan in the years ended December 31, 2024 and 2023 were \$0.8 million and \$1.2 million, respectively.

#### **Income Taxes**

The Company accounts for income taxes using the asset and liability method in accordance with ASC Topic 740 - Income Taxes ("ASC 740"). Deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities and are measured by applying enacted rates and laws to taxable years in which differences are expected to be recovered or settled. Further, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the rate changes. A valuation allowance is required when it is "more likely than not" that all or a portion of deferred tax assets will not be realized. ASC 740 also prescribes a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return, including a decision whether to file or not file a return in a particular jurisdiction. The Company recognizes any interest and penalties accrued related to unrecognized tax benefits as income tax expense. The Company's assessments are based on estimates and assumptions that have been deemed reasonable by management, but estimates of unrecognized tax benefits and potential tax benefits may not be representative of actual outcomes, and variation from such estimates could materially affect the Company's financial statements in the period of settlement or when the statutes of limitations expire, as the Company treats these events as discrete items in the period of resolution.

#### **Recently Issued Financial Accounting Standards**

##### *Recently Adopted Accounting Pronouncements*

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, to improve reportable segment disclosure requirements. The new guidance requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

and included in the reported measure of segment profit or loss. It does not change the definition of a segment or the guidance for determining reportable segments. The standard is effective beginning January 1, 2024, and interim periods beginning January 1, 2025 and should be applied on a retrospective basis to all periods presented in the financial statements. The Company adopted this ASU for the annual period ending December 31, 2024, resulting in additional disclosures but did not otherwise materially impact these consolidated financial statements, see Note 22, "Segment Information".

*Accounting pronouncements issued but not adopted as of December 31, 2024*

In November 2024, the FASB issued ASU 2024-03, Disaggregation of income statement expenses (Topic 220) which requires disaggregated disclosure of income statement expenses. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. The new guidance is effective for public business entities ("PBEs") in the annual period beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The new guidance is not applicable to non-PBEs. The Company is currently assessing the impact that this standard will have on its consolidated financial statements upon adoption.

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). This ASU requires additional disclosures related to the rate reconciliation table for income taxes and disclosure of income taxes paid disaggregated by jurisdiction. The guidance is effective for PBEs on a prospective basis for fiscal years beginning after December 15, 2024, with early adoption permitted. The guidance is effective for non-PBEs for fiscal years beginning after December 15, 2025, with early adoption permitted. The Company plans to adopt this ASU for the fiscal year ending December 31, 2025. The Company is currently assessing the impact that this standard will have on its consolidated financial statements upon adoption.

### **3. Restatement of Previously Issued Consolidated Financial Statements**

Subsequent to the issuance of the Company's consolidated financial statements as of December 31, 2022, as included in the Company's Annual Report on Form 10-K filed the U.S. Securities and Exchange Commission on March 23, 2023, the Company identified material errors pertaining to (i) a single transaction adjustment to PEMFEXY revenue, (ii) a recharacterization and accounting for the investment in Enalare Therapeutics Inc. (as described more fully in Note 19. "Investment in Enalare Therapeutics Inc.") from a cost method investment to an equity method investment, (iii) the accounting for certain costs impacting the opening balance sheet for the Acacia acquisition, (iv) vasopressin gross to net revenue adjustments, (v) advanced chargeback (vi) state nexus and (vii) income tax (collectively the "Restatement Adjustments"). In addition, the Company identified other immaterial errors. The Company has restated stockholders' equity as of December 31, 2022 to correct these errors (the "Restatement").

The effects of the Restatement Adjustments are summarized below.

*Revenue Recognition Adjustments - Product Sales, Net - PEMFEXY*

The Company concluded that revenue previously recognized related to a single sale of PEMFEXY in the second quarter of 2022 did not meet certain criteria of FASB ASC 606 – Revenue from Contracts with Customers, when originally recorded. The Company previously recognized revenue upon delivery to a wholesale customer but it was subsequently determined that revenue from this transaction should be deferred and recognized in later periods to the extent certain criteria have been achieved. As a result, net product sales were overstated in the consolidated financial statements, for the year ended December 31, 2022.

*Investment in Enalare Therapeutics, Inc.*

On August 8, 2022, the Company and Enalare Therapeutics, Inc ("Enalare") entered into a Securities Purchase Agreement ("SPA") pursuant to which the Company purchased shares of Enalare common stock, certain forward purchase instruments ("Forwards") that are contingent on the achievement of certain milestones by Enalare and a call option over the remaining outstanding equity in Enalare (the "Call Option"). Upon initial recognition of its investment in Enalare on August 8, 2022, the Company accounted for the investment as an equity investment pursuant to ASC 321, Investments – Equity Securities. The

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

historical conclusion was based on the Company's determination that its investment did not provide the Company with significant influence over the operating and financial policies of Enalare, and therefore the equity method of accounting was not applied. As such, the Company previously measured the investment at cost, less impairments, and adjusted for observable price changes in orderly transactions for the same or similar securities of the investee (the "measurement alternative").

In the course of preparing its consolidated financial statements as of and for the year ended December 31, 2024, the Company determined that although it only owned 9% of Enalare's common stock at the time of the initial investment, the Company's participation on a Joint Development Committee of Enalare, along with its rights to observe the Enalare board of directors and obligation to purchase an additional \$12.5 million worth of Enalare common stock by February of 2023 provided the Company with significant influence over Enalare's operating and financial policies. Therefore, the Company concluded that it should have accounted for its investment in Enalare using the equity method of accounting in accordance with ASC 323, Equity Method Investments and Joint Ventures. The Company determined that over 90% of the value of Enalare was represented by IPR&D which did not have an alternative future use. As such, Enalare did not meet the definition of a business as defined within ASC 805, and the Company recorded an expense and corresponding reduction to the basis of its equity method investment for its proportionate share of the acquired IPR&D.

The Company's original allocation of proceeds to these three instruments has been adjusted as a part of the Restatement. Additionally, the Company originally accounted for the Forwards at fair value, but did not record any changes to the Forwards' fair value in the consolidated statements of operations. The Company has determined that the Forwards and the Call Option are freestanding instruments that do not meet the definition of a derivative and therefore are accounted for as equity investments in accordance with ASC 321, Investments – Equity Securities at cost, less impairment, utilizing the measurement alternative given the lack of readily determinable fair values for these instruments.

*Acacia Opening Balance Sheet Adjustment*

In June 2022, the Company completed its acquisition of Acacia for cash consideration and common stock totaling 94.7 million euros, which was accounted for under ASC 805, Business Combinations. As part of the transaction, Acacia incurred transaction costs pertaining to third party success fees of \$4.7 million, which were erroneously expensed by the Company as transaction costs during the period of acquisition. Though the payment was ultimately made by the Company, the fees were owed by Acacia upon close and should have been reflected as an assumed liability by the Company as of the acquisition date. The related adjustment resulted in an increase of acquired goodwill and a corresponding increase in retained earnings.

*Vasopressin Gross to Net Adjustments*

The Company initiated the commercial launch of vasopressin in 2022. The Company identified various partially offsetting errors in the gross to net revenue reserve provision as of December 31, 2022 resulting in a net impact of \$0.2 million to retained earnings. The adjustments were a result of the following errors; (i) In establishing the Company's original gross to net estimates for vasopressin for Medicaid rebates, the Company incorrectly used 1%, benchmarked off its existing products to determine a reasonable estimate but did not consider all available information at the time. The actual Medicaid percentage was less than 0.01%. (ii) The Company also did not timely reserve for initial fees. (iii) Furthermore, the Company did not record a discrete return provision on short dated product sold. (iv) The adjustment related to the discrete return provision resulted in an inverse impact on the Chargeback reserve calculation taken on the short dated product sold.

*Advanced Chargeback*

The Company determined that certain chargebacks taken in advance of the applicable contractual period were not appropriately reclassified to other current assets at the time the deduction was taken by the wholesaler. This resulted in an overstatement of accounts receivable as of December 31, 2022 of \$3.0 million.

*State Nexus*

The Company determined that certain of its state tax filing positions as of December 31, 2022, do not meet the more-likely-than-not recognition threshold of being sustained on examination based on technical merits. This resulted in an impact to retained earnings as of December 31, 2022 of \$6.4 million.

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*Income Tax*

The Company recognized an adjustment for the income tax impact of the above restatement adjustments.

*Other Immaterial Errors*

In addition, the Company identified other immaterial errors related to (i) impairments of property and equipment, (ii) recognition of California franchise taxes, (iii) an adjustment to the wholesaler fee reserve, (iv) accounting for goods received not invoiced related to Acacia, (v) accrued salaries, (vi) balance sheet reclassification and (vii) other immaterial adjustments. The aggregate impact of these errors on the retained earnings as of December 31, 2022 was \$1.1 million.

The effects of the Restatement Adjustments and other immaterial errors on the Company's stockholders' equity as of December 31, 2022 are shown in the following table.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

December 31, 2022

(In thousands)	Restatement Adjustments									
	As Previously Reported	PEMFEXY Revenue	Enalare	Acacia	Vasopressin GTN	Advanced Chargeback	State Nexus	Income Tax	Other Immaterial Errors	As Restated
Cash and Cash equivalents	\$ 55,321	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 637	\$ 55,958
Accounts receivable, net	72,439	(11,260)	—	—	410	(2,964)	—	—	(289)	58,336
Inventories	47,794	500	—	—	—	—	—	—	(104)	48,190
Prepaid expenses and other current assets	13,200	—	—	—	—	2,964	—	(72)	(974)	15,118
<b>Total current assets</b>	<b>188,754</b>	<b>(10,760)</b>	<b>—</b>	<b>—</b>	<b>410</b>	<b>—</b>	<b>—</b>	<b>(72)</b>	<b>(730)</b>	<b>177,602</b>
Property and equipment, net	1,168	—	—	—	—	—	—	—	(226)	942
Goodwill	45,033	—	—	4,735	—	—	—	—	—	49,768
Deferred tax asset	27,146	—	—	—	—	—	1,600	768	—	29,514
Other assets	25,732	—	(10,052)	—	—	—	—	—	548	16,228
<b>Total assets</b>	<b>406,160</b>	<b>(10,760)</b>	<b>(10,052)</b>	<b>4,735</b>	<b>410</b>	<b>—</b>	<b>1,600</b>	<b>696</b>	<b>(408)</b>	<b>392,381</b>
Accounts payable	18,993	—	—	—	—	—	—	—	(426)	18,567
Accrued expenses and other liabilities	85,844	(2,793)	(1,431)	—	240	—	—	(1,306)	1,106	81,660
<b>Total current liabilities</b>	<b>111,087</b>	<b>(2,793)</b>	<b>(1,431)</b>	<b>—</b>	<b>240</b>	<b>—</b>	<b>—</b>	<b>(1,306)</b>	<b>680</b>	<b>106,477</b>
Other long-term liabilities	5,297	—	—	—	—	—	7,952	(310)	—	12,939
<b>Total liabilities</b>	<b>172,600</b>	<b>(2,793)</b>	<b>(1,431)</b>	<b>—</b>	<b>240</b>	<b>—</b>	<b>7,952</b>	<b>(1,616)</b>	<b>680</b>	<b>175,632</b>
Retained earnings	111,504	(7,967)	(8,621)	4,735	170	—	(6,352)	2,312	(1,088)	94,693
<b>Total stockholders' equity</b>	<b>233,560</b>	<b>(7,967)</b>	<b>(8,621)</b>	<b>4,735</b>	<b>170</b>	<b>—</b>	<b>(6,352)</b>	<b>2,312</b>	<b>(1,088)</b>	<b>216,749</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 406,160</b>	<b>\$ (10,760)</b>	<b>\$ (10,052)</b>	<b>\$ 4,735</b>	<b>\$ 410</b>	<b>\$ —</b>	<b>\$ 1,600</b>	<b>\$ 696</b>	<b>\$ (408)</b>	<b>\$ 392,381</b>

Footnote disclosures impacted by the restatement adjustments have also been corrected in the respective footnotes.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**4. Fair Value Measurements**

U.S. GAAP establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes the following fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value of interest-bearing cash, cash equivalents, accounts receivable and accounts payable approximate fair value due to their life being short term in nature, and are classified as Level 1 for all periods presented.

A summary of the fair value of the Company's recurring assets and liabilities aggregated by the level in the fair value hierarchy within which those measurements fall as of December 31, 2024:

(In thousands)	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
<b>Cash and cash equivalents</b>				
Money market funds	\$ 11,863	\$ 11,863	\$ —	\$ —
<b>Total</b>	<b>\$ 11,863</b>	<b>\$ 11,863</b>	<b>\$ —</b>	<b>\$ —</b>

A summary of the fair value of the Company's recurring assets and liabilities aggregated by the level in the fair value hierarchy within which those measurements fall as of December 31, 2023:

(In thousands)	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
<b>Cash and cash equivalents</b>				
Money market funds	\$ 950	\$ 950	\$ —	\$ —
<b>Other assets</b>				
Investment in Syros	3,414	3,414	—	—
<b>Total</b>	<b>\$ 4,364</b>	<b>\$ 4,364</b>	<b>\$ —</b>	<b>\$ —</b>

The Company recognizes transfers between levels within the fair value hierarchy, if any, at the end of each quarter. There were no transfers in or out of Level 1, Level 2, or Level 3 during the years ended December 31, 2024 and 2023, respectively.

The Company's investment in restricted shares of common stock of Syros, following the merger of Tyme Technologies, Inc. and Syros in 2022, was classified as Level 1. The Company sold all of its restricted shares in Syros in the first quarter of 2024. Refer to Note 16, "License and Collaboration Agreements" for further information.

The carrying value of debt approximates its fair value for the periods presented due to the short-term nature and variable interest rate, which is classified as Level 2.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**5. Inventories**

The Company's inventory balances consisted of the following:

<b>(In thousands)</b>	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
Raw and packaging materials	\$ 8,885	\$ 8,573
Work-in-process	3,133	4,300
Finished goods	2,406	10,880
Total Inventory	<u>\$ 14,424</u>	<u>\$ 23,753</u>

In the year ended December 31, 2024, the Company recognized inventory write-downs, and related impact to cost of product sales, of (a) \$0.4 million for BENDEKA, (b) \$0.2 million in BELRAPZO, (c) \$0.1 million in RYANODEX, (d) \$0.1 million for PEMFEXY, and (e) \$0.1 million for TREAKISYM.

In the year ended December 31, 2023, the Company recognized inventory write-downs, and related impact to cost of product sales, of (a) \$11.9 million for BARHEMSYS and BYFAVO, of which \$7.6 million was attributable to the inventory step-up associated with the Acacia acquisition, (b) \$1.4 million for PEMFEXY, (c) \$0.6 million in BENDEKA products. (d) \$0.5 million for vasopressin, (e) \$0.2 million in BELRAPZO, (f) \$0.1 million in RYANODEX and (g) \$0.1 million for TREAKISYM.

**6. Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consisted of the following:

<b>(In thousands)</b>	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
Advances to commercial manufacturers	\$ 2,281	\$ 2,220
Prepaid FDA user fee and advances to clinical research organizations	1,830	2,292
Prepaid insurance	705	300
Prepaid income taxes	9,051	10,563
Prepaid research and development	1,226	1,234
Litigation insurance reimbursement	4,227	—
Pass-through receivables	4	1,134
Advanced chargeback	1,538	1,059
All other	4,373	3,254
Total prepaid expenses and other current assets	<u>\$ 25,235</u>	<u>\$ 22,056</u>

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**7. Other Noncurrent Assets**

Other noncurrent assets consisted of the following:

<b>(In thousands)</b>	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
Lease assets	\$ 4,193	\$ 5,885
Prepaid research and development	4,526	4,008
Investment in Enalare	5,567	5,968
Investment in Syros	—	3,414
Litigation insurance reimbursement	—	2,200
Other	917	992
<b>Total other noncurrent assets</b>	<b>\$ 15,203</b>	<b>\$ 22,467</b>

**8. Property and Equipment, Net**

Property and equipment consisted of the following:

<b>(In thousands)</b>	<b>December 31,</b>		<b>Estimated Useful Life (years)</b>
	<b>2024</b>	<b>2023</b>	
Furniture and fixtures	\$ 1,198	\$ 1,525	7
Office equipment	1,077	1,077	5
Equipment	3,572	4,077	5
Leasehold improvements	1,155	1,155	4
	<u>7,002</u>	<u>7,834</u>	
Less: accumulated depreciation	(6,660)	(7,150)	
<b>Property and equipment, net</b>	<b>\$ 342</b>	<b>\$ 684</b>	

Depreciation expense was \$0.3 million and \$0.3 million for the years ended December 31, 2024 and 2023, respectively.

**9. Goodwill and Other Intangible Assets, Net**

The gross carrying amounts and net book value of the Company's goodwill were as follows:

<b>(In thousands)</b>	
<b>Balance as of December 31, 2022 (Restated)</b>	\$ 49,768
Impairment losses recognized during the period	(49,768)
<b>Balance as of December 31, 2023</b>	<b>\$ —</b>
Impairment losses recognized during the period	—
<b>Balance as of December 31, 2024</b>	<b>\$ —</b>

*2023 Goodwill Impairment Assessment*

The Company previously recorded goodwill related to the acquisition of Arsia Therapeutics in 2016 (subsequently renamed to Eagle Biologics, Inc.) and Acacia in 2022. In connection with our annual goodwill impairment assessment in the fourth quarter of 2023, the Company recognized a goodwill impairment loss of \$49.8 million in its consolidated statement of operations driven by lower forecasted operating results of the Company, reducing the carrying amount of goodwill to zero as of December

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

31, 2023. An income approach was used to determine the fair value of the Company's single reporting unit, using forecasted discounted cash flows plus a terminal value. The Company did not recognize a goodwill impairment loss prior to 2023.

The use of estimates and the development of valuation assumptions results in a certain level of subjectivity in the forecasted cash flows. The Company's significant assumptions in the income approach model included, but were not limited to: revenue growth rates, gross and operating profit margins, investments in research and development, capital expenditures and working capital, discount rate and terminal growth rate. The Company considered the current market conditions and the outlook for the Company's marketed and pipeline assets when determining these assumptions.

The use of estimates and the development of valuation assumptions results in a certain level of subjectivity in the forecasted cash flows. A change in any of these estimates and assumptions, as well as unfavorable changes in market conditions, could produce a different fair value, which could have a negative impact and result in a future impairment charge and a negative material impact on the Company's results of operations.

**Other Intangible Assets**

The gross carrying amounts and net book value of the Company's other intangible assets were as follows:

<b>December 31, 2024</b>					
<b>(In thousands, except as indicated)</b>	<b>Useful Life (In Years)</b>	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Accumulated Impairment Charges</b>	<b>Net Book Value</b>
BARHEMSYS intangible (1)	9	\$ 70,319	\$ (12,500)	\$ (57,819)	\$ —
BYFAVO intangible (1)	9	33,714	(5,550)	(28,164)	—
RYANODEX intangible (2)	9	15,000	(12,698)	—	2,302
PEMFEXY intangible (3)	2	15,000	(15,000)	—	—
vasopressin milestone (4)	1	750	(750)	—	—
<b>Total</b>		<b>\$ 134,783</b>	<b>\$ (46,498)</b>	<b>\$ (85,983)</b>	<b>\$ 2,302</b>

<b>December 31, 2023</b>					
<b>(In thousands, except as indicated)</b>	<b>Useful Life (In Years)</b>	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Accumulated Impairment Charges</b>	<b>Net Book Value</b>
BARHEMSYS intangible (1)	9	\$ 70,319	\$ (12,500)	\$ (57,819)	\$ —
BYFAVO intangible (1)	9	33,714	(5,550)	(28,164)	—
RYANODEX intangible (2)	9	15,000	(10,187)	—	4,813
PEMFEXY intangible (3)	2	15,000	(9,378)	—	5,622
vasopressin milestone (4)	1	750	(750)	—	—
<b>Total</b>		<b>\$ 134,783</b>	<b>\$ (38,365)</b>	<b>\$ (85,983)</b>	<b>\$ 10,435</b>

(1) Represents intangible assets acquired in the Acacia acquisition.

(2) Represents a one-time payment made in 2016 to reduce the royalties payable to a third party on RYANODEX net sales.

(3) Represents a one-time payment in 2022 made to reduce the royalties payable to a third party on PEMFEXY net sales.

(4) Represents a milestone payment paid to a third party upon FDA approval of vasopressin.

Amortization expense amounted to \$8.1 million and \$21.9 million, for the years ended December 31, 2024, and 2023, respectively.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*2023 Intangible Assets Impairment Assessment*

In conjunction with its goodwill impairment assessment, the Company identified impairment indicators and evaluated its asset groups, inclusive of finite lived intangible assets, for impairment. The impairment indicators included revenue performance below expectations, a decline in the Company's stock price and market capitalization, and significantly lower forecasted operating results that are other than temporary for the BARHEMSYS and BYFAVO products. The Company assessed the recoverability of its asset groups and determined that the carrying value of the asset group inclusive of the BARHEMSYS and BYFAVO intangible assets was less than the sum of the undiscounted future cash flows. Since these intangible assets were found to be not recoverable, the Company utilized a discounted cash flow model to estimate the fair values of each asset group and recognized impairment losses of \$57.8 million and \$28.2 million for the asset group containing BARHEMSYS and BYFAVO, respectively, for the year ended December 31, 2023. After these impairments, the carrying amounts of the BARHEMSYS and BYFAVO intangibles were each reduced to zero as of December 31, 2023. The Company determined that the carrying value of its other asset group was recoverable.

The Company determined that no indicators of impairment of finite-lived intangible assets or long-lived assets existed at December 31, 2024.

*Estimated Amortization Expense for Intangible Assets*

Based on definite-lived intangible assets recorded as of December 31, 2024, and assuming that the underlying assets will not be impaired and that the Company will not change the expected lives of the assets for any reason, including future acquisitions, divestitures, or abandonments, the intangibles were expected, as of December 31, 2024, to be fully amortized by June 2025, with an estimated full year 2025 expense of \$2.3 million.

**10. Accrued Expenses and Other Liabilities**

Accrued expenses and other liabilities consisted of the following:

<b>(In thousands)</b>	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
Accrued product sales reserves	\$ 54,076	\$ 51,331
Accrued litigation settlement	18,363	10,000
Accrued salary and other compensation	6,144	7,853
Accrued professional fees	4,167	8,697
Royalties payable to commercial partners	3,400	4,487
Accrued research & development	3,335	2,365
Inventory received but not invoiced	1,618	1,695
Current portion of lease liability	1,236	1,467
Income taxes payable	1,680	645
Other	548	1,034
<b>Total accrued expenses and other liabilities</b>	<b>\$ 94,567</b>	<b>\$ 89,574</b>

See Note 20, "Legal Proceedings", Curia's Claims in Arbitration and Litigation, for additional information on the accrued litigation settlement.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Note 11. Other Long-Term Liabilities**

Other long-term liabilities consisted of the following:

<b>(In thousands)</b>	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
Deferred tax liability	\$ 7,252	\$ 8,384
Lease liabilities	3,270	4,506
Long term legal accrual	—	2,200
Other long term liabilities	3,185	3,241
<b>Total other long-term liabilities</b>	<b>\$ 13,707</b>	<b>\$ 18,331</b>

**12. Leases**

The Company leases office space in Woodcliff Lake, New Jersey for the Company's principal office under an amended lease agreement through June 30, 2025. In the third quarter of 2024, the Company vacated from a portion of the leased office space in Woodcliff Lake, and incurred a \$0.1 million charge primarily related to accelerated amortization of the right-of-use asset and disposal of the accompanying leasehold fixed assets. The remaining \$0.1 million lease liability related to the abandoned lease facility is presented under other current liabilities as of December 31, 2024, and the Company will continue to make payments under the lease agreement until the end of the lease term on June 30, 2025. In June 2025, the Company entered into an amendment to the lease agreement. Refer to Note 24 - "Subsequent Events" for additional information.

The Company previously leased an office space located in Palm Beach Gardens, Florida which was terminated early in September 2024.

In August 2023, the Company renewed its office lease in Indianapolis, Indiana for an additional term commencing February 1, 2024 and ending April 30, 2027. Annual base rent in the first year is \$0.1 million and increases 2.5% each year. In November 2023, the Company renewed its lease for lab space in Cambridge, Massachusetts for an additional term commencing May 1, 2024 and ending April 30, 2029. Annual base rent in the first year is \$1.0 million and increases 3.0% each year.

All of the Company's leases are classified as operating leases and have weighted average remaining lease terms of approximately 3.9 years. The principal office and the Indianapolis leases include renewal options to extend the lease for up to 5 years. The renewal options were not included in the calculation of the right-of-use assets and lease liabilities because as of the date the Company entered into the leases it was not reasonably certain that the options would be exercised.

Variable lease costs represent amount incurred for common area maintenance, property taxes and other charges not included in the fixed lease payments.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The tables below summarize the Company's total lease costs included in the consolidated financial statements, as well as other required quantitative disclosures:

<b>(In thousands, except as indicated)</b>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Operating lease cost	\$ 1,803	\$ 1,564
Variable lease cost	521	437
Total operating lease expense	<u>\$ 2,324</u>	<u>\$ 2,001</u>

**Other information:**

Cash paid for amounts included in the measurement of lease liabilities

Operating cash flows for operating leases	\$ 1,862	\$ 1,567
Right-of-use assets obtained in exchange for new operating lease liabilities	—	\$ 4,764
Weighted-average remaining lease term - operating leases	3.9 years	4.4 years
Weighted-average discount rate - operating leases	7.9 %	7.8 %

**Balance Sheet Classification as of December 31, 2024**

**(In thousands)**

Current lease liabilities (included with Accrued expenses and other liabilities)	\$ 1,236
Long-term lease liabilities (included with Other long-term liabilities)	3,270
Total lease liabilities	<u>\$ 4,506</u>

Future lease payments for non-cancellable operating leases as of December 31, 2024 were as follows:

**(In thousands)**

2025	\$ 1,529
2026	1,149
2027	1,099
2028	1,090
2029	367
Thereafter	—
Total future lease payments	<u>5,234</u>
Less imputed interest	(728)
Total lease liability	<u>\$ 4,506</u>

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**13. Debt**

The Company's debt consisted of the following:

<b>(In thousands)</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Term Loan	\$ 32,500	\$ 42,500
Credit Facility	\$ 25,000	\$ 35,000
Less: deferred financing	\$ (666)	\$ (831)
Net carrying value	<u>\$ 56,834</u>	<u>\$ 76,669</u>
Net carrying value of Short-term debt	\$ 56,834	\$ 76,669

The total capacity of the Credit Facility as of December 31, 2024 and 2023 was \$35.0 million and \$100.0 million, respectively. Accordingly, the unused capacity of the Credit Facility as of December 31, 2024 and 2023 was \$10.0 million and \$65.0 million, respectively.

**Third Party Debt Agreements**

*Third Amended and Restated Credit Agreement*

On November 1, 2022, the Company entered into the Third Amended and Restated Credit Agreement (the "Credit Agreement"), with JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent") and the lenders party thereto, which was terminated as of March 31, 2025 as described below. The Credit Agreement included a \$50.0 million term loan facility (the "Revolving Credit Facility") and a \$100.0 million revolving credit facility. On the effective date of the Credit Agreement, the Company borrowed \$50.0 million under the term loan facility and \$15.0 million under the Revolving Credit Facility. All amounts outstanding under the Credit Agreement were to become due and payable on October 31, 2025, unless otherwise accelerated or extended pursuant to the terms of the Credit Agreement.

The Credit Agreement contained customary representations and warranties and customary affirmative and negative covenants applicable to the Company and its consolidated subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness and dividends and other distributions. Under the terms of the Credit Agreement, the Company was required to comply with (a) a maximum total net leverage ratio, (b) a fixed charge coverage ratio and (c) a minimum liquidity covenant.

Under the Credit Agreement, virtually all property owned, leased or operated by the Company currently or acquired in the future served as collateral. This excluded certain assets, including real property (including any leasehold interest therein), assets subject to certificates of title, and others.

Loans under the Credit Agreement accrued interest, at the Company's option, at a rate equal to either (a) the SOFR rate, plus a credit adjustment spread, plus an applicable margin ranging from 2.50% to 3.25% per annum, based upon the total net leverage ratio (as defined in the Credit Agreement), or (b) the prime lending rate, plus an applicable margin ranging from 1.50% to 2.25% per annum, based upon the total net leverage ratio. The Company was required to pay a commitment fee on the unused portion of the Revolving Credit Facility in the Credit Agreement at a rate ranging from 0.38% to 0.48% per annum based upon the total net leverage ratio.

During 2024, the Company entered into several waiver and amendment agreements with respect to the Credit Agreement which subjected the Company to certain additional restrictive and affirmative covenants that certain Limited Waiver and First Amendment to Third Amended and Restated Credit Agreement (the "First Amendment Agreement"), dated as of January 12, 2024, that certain Second Amendment to Third Amended and Restated Credit Agreement (the "Second Amendment Agreement"), dated as of February 29, 2024, that certain Third Amendment to Third Amended and Restated Credit Agreement (the "Third Amendment Agreement"), dated as of May 14, 2024, and that certain Limited Waiver and Fourth Amendment to

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Third Amended and Restated Credit Agreement (the “Fourth Amendment Agreement”, and together with the First Amendment Agreement, the Second Amendment Agreement and the Third Amendment Agreement, the “Amendment Agreements” and the Credit Agreement as amended by the Amendment Agreements, the “Amended Credit Agreement”), dated as of August 26, 2024. Pursuant to the terms Amended Credit Agreement, the Company was required to, among other things, deliver to the Administrative Agent and the Lenders, by not later than September 30, 2024:

- (a) annual audited financial statements for the fiscal year ended December 31, 2023, reported on by the Company’s independent public accountant (without a “going concern” or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated subsidiaries in accordance with GAAP;
- (b) restated quarterly financial statements for the fiscal quarter ended June 30, 2023;
- (c) quarterly financial statements for the fiscal quarters ended September 30, 2023, March 31, 2024, and June 30, 2024; and
- (d) concurrently with delivery of each of the financial statements referred to in the foregoing clauses (a) through (c), a certificate by one of its officers that such financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated subsidiaries in accordance with GAAP for the respective fiscal period (clauses (a)-(d), the “Applicable Reporting Requirements”)

On December 12, 2023, the Audit Committee determined that the Company’s previously issued and unaudited financial statements for the quarter ended June 30, 2023, as previously filed with the SEC, should no longer be relied upon and should be restated. In addition, on September 27, 2024, the Audit Committee determined that the Company’s audited financial statements for the fiscal year ended December 31, 2022, and unaudited financial statements for the quarters ended June 30, 2022, September 30, 2022, and March 31, 2023 (collectively, the “Non-Reliance Period”), as previously filed with the SEC, should no longer be relied upon and should be restated. In connection with the non-reliance determination the financial statements for the fiscal periods within the Non-Reliance Period previously delivered to the Administrative Agent and the Lenders did not present fairly in all material respects the financial condition and results of operations which is an event of default under the Credit Agreement. As a result, the Company was in default under the Credit Agreement as of December 31, 2023 and December 31, 2024.

In connection with the Amendment Agreements, the Company incurred \$0.6 million of professional fees in 2024.

In the first quarter of 2025, the Company repaid, in full, all amounts outstanding under the Amended Credit Agreement, which included \$32.5 million under the term loan and \$25.0 million under the revolving loans. In connection with the repayment the Amended Credit Agreement was terminated and may no longer be utilized for borrowings. Please refer to Note 24, "Subsequent Events", for further clarification

*Limited Waiver and First Amendment to Third Amended and Restated Credit Agreement*

In January 2024, the Company entered into the First Amendment Agreement, which, among other things, (i) provided a waiver of defaults and events of default that occurred and were continuing under the Credit Agreement at such time, (ii) restated certain of the financial reporting obligations thereunder and (iii) revised certain of the affirmative and negative covenants applicable to the Company and its subsidiaries.

Pursuant to the Limited Waiver and First Amendment Agreement, (i) the Company was required to deliver to the Administrative Agent and the lenders, by not later than May 13, 2024, (a) annual audited financial statements for the fiscal year ended December 31, 2023, reported on by the Company’s independent public accountant (without a “going concern” or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Company and its consolidated subsidiaries in accordance with GAAP (the “Annual Financial Statement Requirement”), (b) restated quarterly financial statements for the fiscal quarter ended June 30, 2023 and (c) quarterly financial statements for the fiscal quarter ended September 30, 2023, (ii) the Company was required to deliver to the Administrative Agent and the lenders, by not later than June 3, 2024, quarterly financial statements for the fiscal quarter ended March 31, 2024, (iii) the Company was required to deliver to the Administrative Agent and the lenders, concurrently with delivery of the financial statements referred to in the foregoing clauses (i)(b), (i)(c) and (ii), a certificate by one of its officers that such financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated subsidiaries in accordance with GAAP for the respective quarter (clauses (i)(b), (i)(c) and (ii), the “Quarterly Financial Statement Requirement” and together with the Annual Financial Statement Requirement, the “Financial Statement Requirement”) and (iv) until the Quarterly Financial Statement Requirement had been satisfied, (a) availability under the Revolving Credit Facility under the Credit Agreement was reduced from \$100.0 million to \$50.0 million (the “Availability Restriction”), (b) the Company is not permitted to utilize any negative covenant flexibility that is based on a pro forma compliance with any of the Fixed Charge Coverage Ratio, Senior Secured Net Leverage Ratio and/or the Total Net Leverage Ratio test (each as defined in the Credit Agreement), which restricted the Company’s flexibility to, among other things, incur certain additional indebtedness, complete certain corporate transactions, including certain acquisitions and dispositions, or make certain additional restricted payments (the “Covenant Flexibility Restriction”) and (c) compliance with the minimum liquidity covenant is waived (the “Liquidity Covenant Waiver”).

*Second Amendment Agreement to Third Amended and Restated Credit Agreement*

In February 2024, the Company entered into the Second Amendment Agreement, which, among other things, amended certain of the financial reporting obligations set forth in the Credit Agreement and the First Amendment Agreement.

*Third Waiver Amendment to Third Amended and Restated Credit Agreement*

In May 2024, the Company entered into the Third Amendment Agreement, which, among other things, (i) restated certain of the financial reporting obligations set forth in the Credit Agreement and (ii) permanently reduced availability under the Revolving Credit Facility from \$100 million to \$50 million.

Pursuant to the terms of the Third Amendment Agreement, the Company was required to (i) deliver to the administrative agent and lenders, by not later than July 31, 2024, (a) annual audited financial statements for the fiscal year ended December 31, 2023, reported on by the Company's independent public accountant (without a “going concern” or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated subsidiaries in accordance with GAAP, (b) restated quarterly financial statements for the fiscal quarter ended June 30, 2023, (c) quarterly financial statements for the fiscal quarters ended September 30, 2023 and March 31, 2024, and (d) concurrently with delivery of each of the financial statements referred to in the foregoing clauses (a) through (c), a certificate by one of its officers that such financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated subsidiaries in accordance with GAAP for the respective quarter (this clause (i), the “Existing Reporting Requirements”) and (ii) to not permit the Fixed Charge Coverage Ratio, determined as of the end of each of the Company’s fiscal quarters, to be less than 1.10 to 1.00 (the “Subject Financial Covenant”).

*Limited Waiver and Fourth Amendment to Third Amended and Restated Credit Agreement*

In August 2024, the Company entered into the Fourth Amendment Agreement, which, among other things, (i) provided a waiver of defaults and events of default that occurred and were continuing under the Credit Agreement at such time, (ii) restated certain of the financial reporting obligations thereunder, (iii) revised certain of the affirmative and negative covenants applicable to the Company and its subsidiaries, (iv) reduced the revolving commitments under the Credit Agreement from \$50.0 million to \$45.0 million, (v) increased the scheduled amortization payments due on December 31, 2024, March 31, 2025, June 30, 2025 and September 30, 2025 from \$2.5 million (for each such date) to \$7.5 million for each of December 31, 2024 and March 31, 2025 and \$10.0 million for each of June 30, 2025 and September 30, 2025, (vi) imposed a quarterly ticking fee, commencing with the fiscal quarter ending March 31, 2025, equal to 1% of the aggregate principal amount of outstanding loans, plus the aggregate amount of revolving commitments under the Credit Agreement (whether drawn or undrawn), as of the last day of each quarter, and (vii) imposed an additional, automatic \$10.0 million reduction in revolving commitments under the

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Credit Agreement on December 31, 2024. In addition, the Company is required to maintain a minimum cash liquidity of \$10.0 million at all times.

The Company, with consent from its lenders, made \$5.0 million of the \$7.5 million payment owed on December 31, 2024 under the Fourth Amendment Agreement on January 30, 2025.

**Interest Expense**

The following table sets forth interest expense recognized related to the Company's debt for the years ended December 31, 2024 and 2023, respectively;

<b>(In thousands)</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Contractual interest expense	\$ 6,082	\$ 5,998
Amortization of deferred financing	\$ 887	\$ 453
Financing arrangement interest expense	\$ —	\$ 262

The Company recognized amortization of deferred financing costs on a straight-line basis. As of December 31, 2024 and December 31, 2023, the effective interest rate of the Company's term loan was 12.4% and 10.61%, respectively.

**14. Common Stock and Stock-Based Compensation**

**Common Stock Delisting**

On November 15, 2024, the Company notified The Nasdaq Stock Market, LLC ("Nasdaq") of its intent to file its own Form 25 (Notification of Removal of Listing) with the SEC to complete the previously disclosed process to delist the Company's common stock from the Nasdaq Global Market in advance of Nasdaq's anticipated filing of a Form 25 with the SEC. This followed the suspension of the Company's common stock from trading on Nasdaq as of October 3, 2024, pursuant to a final delisting notice sent to the Company by the Listing Qualifications Department of Nasdaq due to the Company's inability to regain compliance with Nasdaq Listing Rule 5250(c)(1). The Company filed a Form 25 with the SEC on November 26, 2024 and subsequently filed a Form 15 (Certification and Notice of Termination of Registration Under Section 12(G) of the Securities Exchange Act of 1934 or Suspension of Duty to File Reports Under Sections 13 and 15(d) of the Securities Exchange Act of 1934) which together served to deregister the Company's common stock under Section 12(b) and 15(d) of the Securities Exchange Act of 1934, as amended. See Note 24, "Subsequent Events" for further details. The Company's common stock has traded on the OTC Expert Market since October 4, 2024.

**Common Stock Repurchase Program**

In March 2020, the Company announced that its board of directors approved a new share repurchase program (the "Share Repurchase Program") providing for the repurchase of up to an aggregate of \$160.0 million of the Company's outstanding common stock.

Under the Share Repurchase Program, the Company is authorized to repurchase shares through open market purchases, privately-negotiated transactions, accelerated share repurchases or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The repurchases have no time limit and may be suspended or discontinued completely at any time. The timing and amount of repurchases will depend on a variety of factors, including the Company's available capital resources and other financial and operational performance, alternative investment opportunities, corporate and regulatory requirements, market conditions, including the trading price of its common stock, and other factors. Any repurchases will be made using the Company's cash resources.

From August 2016 through the third quarter of 2023, the Company repurchased an aggregate of 4,777,296 shares of common stock for an aggregate of \$250.1 million pursuant to the Company's share repurchase programs which were in effect since during such period (including the Share Repurchase Program). The Company incurred a total of \$3.0 million in expenses related to the Share Repurchase Programs during such period. No repurchases under the Share Repurchase Program have

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

occurred since the third quarter of 2023. Approximately \$81.8 million remained available under the Share Repurchase Program approved in March 2020 for future purchases of common stock as of December 31, 2024.

The Company repurchased the following shares of common stock with cash resources:

<b>(In thousands, except share amounts)</b>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Shares of common stock repurchased	—	224,566
Cash paid for repurchases of common stock	\$ —	\$ 4,000

**Stock-Based Compensation**

In November 2013, the Company's board of directors approved the 2014 Equity Incentive Plan (the "2014 Plan") which became effective on February 11, 2014. The 2014 Plan provides for the awards of incentive stock options, non-qualified stock options, restricted stock, restricted stock units and other stock-based awards. Awards generally vest equally over a period of four years from grant date. Vesting is accelerated under a change in control of the Company or in the event of death or disability to the recipient, each under certain circumstances. In the event of termination, any unvested shares or options are generally forfeited. As of December 31, 2024 and December 31, 2023, the Company has reserved and made available 5,646,067 and 4,573,266 shares, respectively, of common stock for issuance under the 2014 Plan.

In 2018, the Company introduced a new long-term incentive program as part of the 2014 Plan with the objective to better align the share-based awards granted to management with the Company's focus on improving total stockholder return over the long-term. The share-based awards granted under this long-term incentive program consist of time-vesting stock options, time-vesting RSUs and performance-based PSUs.

*Stock Options*

The fair value of stock options granted to employees, directors, and consultants is estimated using the following weighted average assumptions:

	<b>Year Ended December 31,</b>
	<b>2023</b>
Risk-free interest rate	3.49% - 4.68%
Volatility	44.02% - 51.84%
Expected term (in years)	5.24 - 6.08 years
Expected dividend yield	0.0%

Disclosure of fair value assumptions is not applicable for 2024 as no stock options were granted during the year ended December 31, 2024.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table summarizes information about stock option activity related to the 2014 Plan:

	Number of Stock Option Shares	Weighted Average Exercise Price (Per Share)	Non- Exercisable	Exercisable
<b>Outstanding at December 31, 2022 (Restated)</b>	<b>2,422,813</b>	<b>\$ 57.51</b>	<b>307,602</b>	<b>2,115,211</b>
Granted	426,268	\$ 11.36		
Exercised	(37,432)	\$ 9.28		
Forfeited	(122,161)	\$ 50.45		
Expired	(8,466)	\$ 50.62		
<b>Outstanding at December 31, 2023</b>	<b>2,681,022</b>	<b>\$ 51.19</b>	<b>471,818</b>	<b>2,209,204</b>
Granted	—	\$ —		
Exercised	—	\$ —		
Forfeited	(79,325)	\$ 43.52		
Expired	(103,784)	\$ 12.64		
<b>Outstanding at December 31, 2024</b>	<b>2,497,913</b>	<b>\$ 53.03</b>	<b>26,207</b>	<b>2,471,706</b>

The weighted-average grant-date fair value of stock options granted during the year ended 2023 was \$5.48 per option. As of December 31, 2024, there was \$0.4 million unrecognized stock-based compensation expense related to stock options that is expected to be recognized over a weighted average period of 1.7 years. The total intrinsic value of options exercised during the year ended December 31, 2024 and 2023 was zero and \$0.5 million, respectively. The total fair value of shares vested during the year ended December 31, 2024, and 2023 was \$2.8 million and \$5.1 million, respectively.

The weighted average remaining contractual terms of stock options outstanding as of December 31, 2024 and 2023 was 3.4 and 4.3 years, respectively. The weighted average remaining contractual terms of options exercisable as of December 31, 2024 and 2023 was 3.4 and 3.3 years, respectively. The weighted average exercise price of options exercisable as of December 31, 2024 and 2023 was \$53.21 and \$58.64, per option, respectively. Stock options have an expiration of no longer than ten-years from its grant date.

The aggregate pre-tax intrinsic value of stock options outstanding as of December 31, 2024, and 2023 was zero and \$0.1 million, respectively. The aggregate pre-tax intrinsic value of exercised and exercisable options as of December 31, 2024 and 2023 was zero and \$0.5 million, respectively.

*RSUs*

Each vested time-based RSU represents the right of a holder to receive one of the Company's common stock. The fair value of each RSU granted was estimated based on the closing price of the Company's common stock on the date of grant.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table summarizes information about RSU activity related to the 2014 Plan:

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value (Per Share)
<b>Non-vested at December 31, 2022</b>	<b>269,163</b>	<b>\$ 44.71</b>
Granted	253,700	\$ 22.59
Vested	(106,321)	\$ 45.56
Forfeited	(38,855)	\$ 39.52
<b>Non-vested at December 31, 2023</b>	<b>377,687</b>	<b>\$ 30.15</b>
Granted	—	\$ —
Vested	(202,622)	\$ 26.05
Forfeited	(39,006)	\$ 29.44
<b>Non-vested at December 31, 2024</b>	<b>136,059</b>	<b>\$ 33.94</b>

As of December 31, 2024, there was \$2.3 million of unrecognized stock-based compensation expense related to non-vested RSUs that is expected to be recognized over a weighted average period of 1.9 years. The total fair value of RSU's vested during the year ended December 31, 2024, and 2023 was \$5.3 million and \$4.8 million, respectively.

*PSUs*

During the fourth quarter of 2024, the Company granted 100,000 performance condition Milestone PSUs with a grant date fair value of \$1.69 per PSU. The Milestone PSUs vest as follows: 50% of the PSUs will vest on the 60th day following achievement of the Performance Goal (as defined below) and the remaining 50% vests on the one-year anniversary of the date of achievement of the Performance Goal. The "Performance Goal" means achievement of both of the following two conditions on or before June 30, 2026, as determined by the Board: (1) the Company has filed all periodic reports covering all fiscal periods required to be filed with the U.S. Securities and Exchange Commission prior to such date which the Company's board of directors may, at its option, certify the achievement of on the basis of the Company's filing and effectiveness of one or more registration statements or reports which cover all financial information required by the SEC as of such date or dates, and (2) the Company's common stock is listed on The Nasdaq Stock Market LLC, the NYSE American, or the New York Stock Exchange (or any successors to any of the foregoing). The contractual term of these awards is through June 2026. All vesting is subject to the recipient remaining in continuous service (as defined in the 2014 Plan) through the vesting date, provided that vesting will accelerate in full upon a change in control (as defined in the 2014 Plan). The fair value of Milestone PSUs granted was estimated based on a 409A valuation performed by the Company with the assistance of an independent valuation specialist. As of December 31, 2024, the Company has not recognized any stock-based compensation expense related to the Milestone PSUs given that the achievement of the Performance Goals was deemed improbable.

During the first quarter of 2023, the Company granted 211,800 market condition PSUs based on its total stockholder return ("TSR") relative to the TSR of each member of the S&P 600 Biotechnology Select Industry Index (the defined peer group) with a weighted-average grant date fair value of \$41.72 per PSU. The fair value of PSUs granted to employees was estimated using a Monte Carlo simulation model. Inputs used in the calculation include a risk-free interest rate of 4.39%, an expected volatility of 44%, contractual term of 4 years, and no expected dividend yield.

The fair value of market condition PSUs granted to employees was estimated using a Monte Carlo simulation model. Inputs used in the calculation are described above. As of December 31, 2024, there was \$0.9 million of unrecognized stock-based compensation expense related to non-vested PSUs that are expected to be recognized over a weighted average period of 2.1 years. The total fair value of PSUs vested during the year ended December 31, 2024 and 2023 was \$0.5 million and zero, respectively.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table summarizes information about PSU activity related to the 2014 Plan:

	Number of Performance Stock Units	Weighted Average Grant Date Fair Value (Per Share)
<b>Non-vested at December 31, 2022</b>	<b>319,100</b>	<b>\$ 47.29</b>
Granted	211,800	\$ 41.72
Vested	—	\$ —
Forfeited	(236,300)	\$ 56.26
<b>Non-vested at December 31, 2023</b>	<b>294,600</b>	<b>\$ 36.08</b>
Granted	100,000	\$ 1.69
Vested	(20,450)	\$ 23.43
Forfeited	(205,350)	\$ 33.55
<b>Non-vested at December 31, 2024</b>	<b>168,800</b>	<b>\$ 20.32</b>

*Equity Grant to Service Provider*

During the third quarter of 2023, the Company issued a total of 50,000 shares of restricted common stock to a service provider as consideration for services. These shares were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, as there was no general solicitation, and the transaction did not involve a public offering. The fair value of each restricted common stock granted was estimated based on the trading price of the Company's common stock on the date of grant. As of December 31, 2024, there was \$0.2 million of unrecognized stock-based compensation expense related to non-vested restricted common stock that is expected to be recognized over a period of 0.8 years.

The Company recognized stock-based compensation in its consolidated statements of operations for the year ended December 31, 2024 and 2023, as follows:

(In thousands)	Year Ended December 31,	
	2024	2023
Stock options	\$ 1,756	\$ 4,740
PSUs	(899)	(1,860)
RSUs	2,508	4,679
Time vesting common stock	279	72
Stock-based compensation expense	<u>\$ 3,644</u>	<u>\$ 7,631</u>
Selling, general and administrative	\$ 1,868	\$ 5,370
Research and development	1,776	2,261
Stock-based compensation expense	<u>\$ 3,644</u>	<u>\$ 7,631</u>

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

On November 27, 2023, the Company's board of directors accepted the resignation and retirement of Scott Tarriff from his positions with the Company, effective immediately. In connection with Mr. Tarriff's resignation, Mr. Tarriff entered into a separation agreement (the "Tarriff Separation Agreement") with the Company. Under the Tarriff Separation Agreement, certain modifications were made to Mr. Tarriff's equity awards. These modifications included (i) vesting acceleration of time-vesting equity awards in full on December 31, 2024, subject to continued compliance and consulting service with the Company; (ii) an extended period of up to 24 months from the end of the consulting period to exercise stock options; and (iii) continued vesting during the consulting period of (a) each outstanding time-vesting equity award and (b) the performance-based restricted stock unit awards that were granted to Mr. Tarriff in 2021, to the extent the performance goals were achieved for the performance period that ended on February 1, 2024. The Company applied modification accounting under ASC 718 and recognized a net reduction of \$1.7 million in compensation cost in connection with the equity awards modifications during the three months and for the year ended December 31, 2023. This was primarily driven by a Type III modification, which reflects a change in vesting probability of unvested awards from improbable to probable. The consulting arrangement with Mr. Tarriff terminated in February 2024.

On March 8, 2024, the Company's board of directors accepted the resignation of Brian Cahill from his position with the Company as Chief Financial Officer and appointed Steven Ratoff as Interim Chief Financial Officer, Principal Financial Officer and Principal Accounting Officer of the Company, each effective immediately. In connection with Mr. Cahill's resignation, Mr. Cahill entered into a separation agreement (the "Cahill Separation Agreement") with the Company. Under the Cahill Separation Agreement, certain modifications were made to Mr. Cahill's equity awards, subject to Mr. Cahill's continued compliance with the Cahill Separation Agreement. The modifications included: (i) Mr. Cahill's outstanding time-based equity awards remained outstanding and exercisable (as applicable) through the one-year anniversary of his employment separation date, but did not vest on their regular vest dates during such time; (ii) vesting acceleration of time-based equity awards that were scheduled to vest during the 12-month period following his employment separation date, with such acceleration occurring on the one-year anniversary of his employment separation date; (iii) an extended exercise period of six months following the one-year anniversary of his employment separation date for outstanding and vested stock options, subject to earlier termination under the terms of the 2014 Plan; and (iv) forfeiture of all outstanding performance-based equity awards as of his employment separation date. In the event of a Clawback Event (as described in the Cahill Separation Agreement), all vesting would have immediately ceased, and all then-outstanding equity awards would have been forfeited. The equity awards otherwise remain subject to the terms under which they were granted. The Company applied modification accounting under ASC 718 and recognized a net reduction of \$0.7 million in compensation cost in connection with the equity awards modifications during 2024. This was primarily driven by a Type III modification, which reflects a change in vesting probability of unvested awards from improbable to probable. The consulting arrangement with Mr. Cahill terminated in October 2024.

*Stockholder Rights Agreement*

On October 30, 2024, the Company's board of directors declared a dividend of one preferred share purchase right to purchase one-thousandth of one share of the Company's newly designated preferred shares for each outstanding share of the Company's common stock to the stockholders of record as of the close of business on November 11, 2024, and adopted a limited duration stockholder rights plan (the "Rights Plan"), effective immediately, as set forth in the Rights Agreement, dated as of October 30, 2024, by and between the Company and Equiniti Trust Company, LLC, as rights agent (the "Rights Agreement"). In general terms, the Rights Agreement is designed to impose a penalty upon any person or group that acquires beneficial ownership of 10% (15% in the case of a passive institutional investor) or more of the outstanding shares of the Company's common stock without the approval of the board of directors. On December 2, 2024, the Company entered into Amendment No. 1 to the Rights Agreement to make certain technical amendments to the rights and obligations of the Company's board of directors to administer and make determinations with respect to the Rights Agreement and the rights issued thereunder. On March 21, 2025, the Company's board of directors approved entered into Amendment No. 1 to the Rights Agreement to increase the initial purchase price of each preferred share purchase right issued under the Rights Plan from \$10.00 to \$20.00, effective immediately. The Rights Plan otherwise remains unmodified and in full force and effect in accordance with its terms.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. Income Taxes**

The components of the Company's loss before income taxes included:

<b>(In thousands)</b>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
United States	\$ (15,062)	\$ (37,703)
Foreign	(489)	(152,539)
Loss before income taxes	<u>\$ (15,551)</u>	<u>\$ (190,242)</u>

The losses associated with equity in losses of equity method investment are included in Loss before income taxes.

The components of the Company's provision from income taxes was as follows:

<b>(In thousands)</b>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Current:</b>		
Federal	\$ 565	\$ 8,242
State	1,109	2,037
Foreign	—	—
	<u>\$ 1,674</u>	<u>\$ 10,279</u>
<b>Deferred:</b>		
Federal	\$ (4,573)	\$ (5,795)
State	1,011	(2,126)
Foreign	—	(3,811)
	<u>\$ (3,562)</u>	<u>\$ (11,732)</u>
Provision for income taxes	<u>\$ (1,888)</u>	<u>\$ (1,453)</u>

The reconciliation of the statutory U.S. Federal income tax rate to the Company's effective income tax rate is as follows:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. Federal statutory tax rate	21.0 %	21.0 %
State income taxes, net of federal benefit	(5.1)%	0.6 %
Tax effect on stock option exercises, net of forfeitures	(8.0)%	(0.4)%
R&D tax credits and Orphan Drug credits	9.9 %	0.9 %
Limitation on executive compensation	1.0 %	(0.5)%
Change in valuation allowance	8.5 %	(18.6)%
Goodwill impairment	— %	(5.7)%
Uncertain tax positions	(5.2)%	(0.3)%
Foreign rate differential	(9.8)%	3.3 %
Other	(0.2)%	0.5 %
Effective tax rate	<u>12.1 %</u>	<u>0.8 %</u>

The effective tax rate for the year ended December 31, 2024, reflects the impact of credits for research and development

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

activity offset by stock compensation forfeitures and shortfalls and changes in uncertain tax positions.

The effective tax rate for the year ended December 31, 2023, reflects the impact of the goodwill impairment charge which is non-deductible and the increase in the valuation allowance for deferred tax assets primarily related to the intangible asset impairment and foreign net operating losses partially offset by the jurisdictional mix of earnings.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting and the amounts used for income tax purposes. The significant components of the Company's deferred tax assets, shown before jurisdictional netting were as follows:

<b>(In thousands)</b>	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Deferred tax assets</b>		
Tax loss carryforwards	\$ 66,246	\$ 63,764
Stock based compensation	9,831	10,350
Other asset - equity investment with readily determined fair value	4,652	8,674
Inventories	4,693	4,796
Employee-related expenses	1,100	1,253
Intangible assets	6,734	5,718
Right-of-use liability	995	1,358
R&D tax credit carryforwards	599	467
Capitalized R&D	12,735	8,776
Accrued legal	3,865	6,376
Other	2,866	4,284
<b>Subtotal</b>	<b>114,316</b>	<b>115,816</b>
Valuation Allowance	(70,888)	(72,437)
<b>Total deferred tax assets</b>	<b>43,428</b>	<b>43,379</b>
<b>Deferred tax liabilities</b>		
Installment sale - Malta	\$ —	\$ 511
Prepaid expenses	165	60
Fixed assets	21	164
Right-of-use asset	925	1,335
Gross-to-Net	1,072	3,085
Inventory	—	527
Other	239	261
<b>Total deferred tax liabilities</b>	<b>2,422</b>	<b>5,943</b>
<b>Net deferred tax assets</b>	<b>\$ 41,006</b>	<b>\$ 37,436</b>

As of December 31, 2024, the Company had U.S. federal net operating loss (“NOL”) carryforwards of \$2.4 million which had no expiration date and can be carried forward indefinitely until utilized. The US federal NOLs are subject to the 80% limitation on NOL utilization in taxable years beginning after December 31, 2022 which was enacted as part of the Tax Cuts and Jobs Act of 2017 (“TCJA”). As of December 31, 2024, the Company had state NOL carryforwards of \$1.1 million that begin to expire in 2038. In addition, the Company had research and development tax credit carryforwards of \$0.6 million expiring between 2028 and 2044 and \$2.1 million Internal Revenue Code Section 163(j) interest expense carryforwards with an indefinite life that are available to reduce future U.S. federal and/or state income taxes payable. As of December 31, 2024, the Company had foreign NOL carryforwards of \$236.2 million which can be carried forward indefinitely until utilized.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

As of December 31, 2023, the Company had U.S. federal NOL carryforwards of \$2.7 million which have no expiration date and can be carried forward indefinitely until utilized. The US federal NOLs are subject to the 80% limitation on NOL utilization in taxable years beginning after December 31, 2022 which was enacted as part of the TCJA. As of December 31, 2023, the Company had state NOL carryforwards of \$1.1 million that begin to expire in 2038. These losses were acquired as part of the Acacia acquisition and are subject to a limitation under the Internal Revenue Code Section 382, subjecting the Company to an annual limitation on its ability to utilize its existing NOLs as of the ownership change date to offset future taxable income. As of December 31, 2023, the Company had foreign NOL carryforwards of \$244.2 million which can be carried forward indefinitely until utilized.

The Company has capital loss carryforwards of \$22.1 million and \$5.0 million available to offset future capital gains that are subject to expiration in 2029 and 2017 as of December 31, 2024 and 2023, respectively.

The Company has concluded that it is not more likely than not that both its U.S. and foreign NOL and capital loss carryforwards can be utilized in the foreseeable future. Thus, the Company continues to maintain a valuation allowance against these tax attributes which decreased by \$1.5 million and increased by \$35.4 million for the year ended December 31, 2024 and December 31, 2023, respectively. The increase in valuation allowance in 2023 was primarily related to the intangible asset impairment loss and operational losses incurred by Acacia and its direct subsidiary APL.

The Company does not permanently reinvest the earnings of its foreign subsidiaries, however no deferred tax liability is recorded as the foreign subsidiaries have been in an accumulated deficit.

Tax positions are evaluated in a two-step process. First, the Company determines whether it is more-likely-than-not that a tax position will be sustained upon examination. Second, if a tax position meets the more-likely-than-not recognition threshold, it is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that is greater than 50% likely to be realized upon ultimate settlement.

There are many factors that are considered when evaluating tax positions including: interpretation of tax laws, recent tax litigation on a position, past audit or examination history, and subjective estimates and assumptions. As tax law is complex and often subject to varied interpretations, it is uncertain whether some the Company's tax positions will be sustained upon audit.

The Company's assessments are based on estimates and assumptions that have been deemed reasonable by management, but estimates of unrecognized tax benefits and potential tax benefits may not be representative of actual outcomes, and variation from such estimates could materially affect the Company's financial statements in the period of settlement or when the statutes of limitations expire, as the Company treats these events as discrete items in the period of resolution.

A reconciliation of the gross amounts of unrecognized tax benefits, excluding accrued interest and penalties, is as follows:

<b>(In thousands)</b>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Balance January 1</b>	<b>\$ 6,645</b>	<b>\$ 6,531</b>
Additions for current year tax positions	118	726
Additions for prior year tax positions	—	—
Reductions for prior year tax positions	(181)	(612)
Reductions related to settlements with taxing authorities	(249)	—
Reductions due to lapse of the applicable statute of limitations	—	—
<b>Balance December 31</b>	<b>\$ 6,333</b>	<b>\$ 6,645</b>

Unrecognized tax benefits of \$5.0 million, excluding accrued interest and penalties, at December 31, 2024 would affect the Company's effective tax rate in future periods, if recognized. The Company believes that it is reasonably possible that the total amount of unrecognized tax benefits as of December 31, 2024 could decrease by up to \$1.6 million in the next twelve months as a result of settlements with taxing authorities or the expiration of the statute of limitations.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Company's accounting policy is to include accrued interest and penalties related to unrecognized tax benefits as part of the provision for income taxes. At December 31, 2024 and December 31, 2023, accrued interest and penalties of \$2.2 million and \$1.7 million, respectively, were included in unrecognized tax benefits. Interest, penalties, and reversals thereof, net of taxes, amounted to expense of \$0.5 million in the year ended December 31, 2024 and an expense of \$0.6 million in the year ended December 31, 2023.

The Company files income tax returns in the U.S. federal jurisdiction and several states. In 2024, the Internal Revenue Service ("IRS") concluded its examination of the Company's 2018 U.S. federal income tax return. The examination resulted in a minimal impact to the Company's 2024 and 2023 effective tax rates. The Company is no longer under audit by the IRS. In 2024, the New York State Department of Finance concluded its examination of the Company's New York income tax returns for periods 2017 through 2022. As a result, the Company agreed to a \$1.6 million settlement. The Company paid \$0.3 million of the liability in 2024. As of December 31, 2024, the Company is under audit in California for tax years 2016, 2017 and 2020. The California state tax examination is in progress with no proposed adjustments as of December 31, 2024 and the Company expects resolution in 2025. The federal statute of limitations remains open for tax years 2021 onward. In addition, the Company's state income tax returns are open for examination for tax years 2020 onward.

Acacia Pharma Inc. has not been historically audited by the IRS. Acacia Pharma Group and Acacia APL has not been historically audited by His Majesty's Revenue and Customs in the United Kingdom. For Acacia Pharma Inc., the federal statute of limitations remains open for tax years 2015 onward. The statute of limitations remains open for five states, with 2018 being the earliest open year. For Acacia APL, the 2021 tax year remains open until the end of 2023 and the 2022 and 2023 tax years will remain open until the end of the third quarter of 2026.

## **16. License and Collaboration Agreements**

### **License Agreements**

#### *License Agreement with Combioxin*

In August 2021, the Company entered into a license agreement with Combioxin, SA under which the Company was granted exclusive, worldwide development and commercialization rights to CAL02, a novel first-in-class anti-toxin agent currently in Phase 2 development for the treatment of severe pneumonia in combination with traditional antibacterial drugs. Pursuant to the license agreement with Combioxin, SA, the Company is solely responsible for the development, regulatory, manufacturing and commercialization activities of CAL02. Combioxin assisted the Company in transitioning the manufacturing and supply of CAL02 to the Company.

Under the terms of the license agreement with Combioxin, SA, the Company paid \$10.0 million as upfront license consideration that was expensed immediately as research and development. The Company may pay to Combioxin up to \$105.0 million upon achievement of certain development, regulatory and sales-based milestone payments plus royalty payments at royalty rates ranging in low double digit percentages on the net sales of all products sold pursuant to the agreement, subject to certain adjustments as provided in the agreement. The Company is also obligated to make certain payments based upon amounts received by sublicensees under the agreement.

#### *Terminated License Agreement with AOP*

In 2021, the Company entered into a licensing agreement with AOP Orphan Pharmaceuticals GmbH ("AOP Orphan"), a privately owned Austrian company devoted to the treatment of rare and special diseases, for the commercial rights to its product, landiolol in the United States, including an exclusive royalty-bearing license under certain patent rights and know-how to develop, commercialize and otherwise exploit any pharmaceutical product that contains landiolol. Landiolol, a leading hospital emergency use product, is currently approved in Europe for the treatment of non-compensatory sinus tachycardia and tachycardic supraventricular arrhythmias. The Company supported the submission of a new drug application ("NDA") in the second quarter of 2022 by AOP Orphan to the FDA seeking approval for landiolol for the short-term reduction of ventricular rate in patients with supraventricular tachycardia ("SVT"), including atrial fibrillation and atrial flutter.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Under the terms of the licensing agreement with AOP Orphan, the Company made a \$5.0 million upfront payment as consideration that was expensed immediately as research and development. The licensing agreement provided for potential additional payments up to \$25.0 million upon regulatory approval(s) and based upon commercial sales. The Company also entered into a supply agreement at the same time as the licensing agreement.

On June 6, 2023, the Company delivered notice of termination to AOP Orphan with respect to the licensing agreement, following AOP Orphan's receipt of a complete response letter from the FDA whereby the FDA refused to approve the NDA for landiolol. On September 11, 2023, the Company and AOP Orphan entered into a mutual separation agreement to memorialize the termination of the licensing agreement and supply agreement between the Company and AOP Orphan, following the Company's previously disclosed termination. As a result, the Company's license to landiolol reverted to AOP Orphan and the Company has no further obligation to assist with regulatory approval efforts of landiolol. The separation agreement provides that AOP Orphan is obligated to pay the Company specified milestone payments upon the achievement by AOP Orphan of specified regulatory and sales milestones of landiolol. The separation agreement does not require AOP Orphan to continue development of landiolol.

*License Agreement with Paion*

In connection with the Acacia acquisition, the Company assumed Acacia's license agreement with Paion UK Ltd as well as a separate agreement with Paion Deutschland GmbH for the supply of remimazolam besylate, the active pharmaceutical ingredient ("API") in BYFAVO. In January 2023, Paion Deutschland GmbH assigned its rights, title, and interest in the supply agreement to Paion Netherlands B.V. (Paion UK Ltd., Paion Deutschland GmbH, and Netherlands B.V., collectively, "Paion").

Pursuant to the terms of the license agreement with Paion, the Company received the exclusive right to develop, commercialize and manufacture BYFAVO in the United States, with restrictions and options relating to seeking certain new indications. The Company pays Paion royalties in the lower double digits based on the Company's net sales of BYFAVO. The royalty rate decreases after the expiration of the last-to-expire patent (in or around 2037). The royalty rate is capped if total royalties payable to Paion and the Company's cost to acquire the inventory exceeds a specified percentage of its net sales. The Company's obligation to pay royalties ceases upon expiration of Market Exclusivity (as defined in the agreement to mean the period during which no generic version of BYFAVO is available for sale).

In June 2024, the Company received a notice from the licensor of BYFAVO purporting to terminate the Company's license agreement effective August 19, 2024, due to its belief that the Company's reduced sales team following implementation of the Realignment Plan would not be able to meet the Company's commercialization obligations with respect to BYFAVO under the license agreement. The Company believes it remains in compliance with the license agreement and has initiated the dispute resolution process which, pursuant to the terms of the license agreement, prevents termination pending a final determination of breach by an arbitration panel and subsequent failure to cure. However, the Company cannot ensure that its efforts to maintain the license agreement will be successful or that the Company will not lose its rights to BYFAVO after the conclusion of the dispute resolution process or otherwise.

*Collaboration with Syros*

In 2020, the Company entered into a strategic collaboration agreement with Tyme Technologies, Inc. ("Tyme") to advance SM-88, an oral product candidate for the treatment of patients with cancer. SM-88 is an investigational agent in two Phase II studies, one for pancreatic cancer and another for prostate cancer. Pursuant to the strategic collaboration agreement with Tyme, the Company acquired 10,000,000 shares of restricted Tyme common stock (the "Tyme Shares"). Following the acquisition of Tyme by Syros on September 16, 2022, the Company received 438,200 restricted shares of Syros common stock in exchange for its Tyme Shares. The Company held less than 2% of the outstanding equity of Syros.

Under the terms of a related co-promotion agreement, Syros was responsible for clinical development, regulatory approval, commercial strategy, marketing, reimbursement and manufacturing of SM-88. If SM-88 was approved, the Company would be responsible for 25% of the promotional sales effort of SM-88 and would receive 15% royalty on the net revenues of SM-88 in the United States. Syros retains the remaining 85% of net U.S. revenues and reserves the right to repurchase the Company's U.S. co-promotion right for \$200.0 million.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Company's equity investment in Syros of \$3.4 million is included in other assets on the consolidated balance sheet as of December 31, 2023. For the year ended December 31, 2023, the fair value adjustment to remeasure the equity investment was a gain of \$1.8 million recorded in Other (expense) income in the consolidated statements of operations.

In the first quarter of 2024, the Company remeasured its investment in Syros to fair value and recognized an adjustment of \$0.5 million, which was recorded to Other (expense) income in the Company's consolidated statements of operations and sold the investment for proceeds of \$2.9 million.

### **17. Related Parties**

The Company executed a promissory note with an employee ("Borrower") in May 2018 for \$0.6 million. The promissory note was amended and restated effective in May 2019, and as further amended and restated effective in November 2020 and May 2022 (as so amended, the "Promissory Note"). The Borrower made two payments of \$0.1 million in 2020 and 2021. Under the terms of the Promissory Note, the Borrower promised to repay the Company a principal payment of \$0.4 million together with all accrued and unpaid interest. The maturity date of the Promissory Note was the earliest of the following: (i) January 15, 2025, (ii) ninety days after the earlier of the resignation by Borrower of his employment with the Company or the termination of the Borrower's employment for any or no reason whatsoever, or (iii) any event of default as described in the Promissory Note. As of December 31, 2024 and December 31, 2023, the outstanding balance, including interest, of the Promissory Note was \$0.4 million, which was recorded in Other Assets on the Company's consolidated balance sheets. In April 2025, the Borrower repaid \$0.2 million of the principal amount outstanding under the Promissory Note. The Borrower has agreed to repay half the remaining balance in the first quarter of 2026 and the remaining balance in the first quarter of 2027.

### **18. Commitments**

As of December 31, 2024, the Company had purchase commitments totaling \$46.4 million that are legally binding and enforceable. These commitments include purchase obligations for goods and services.

In 2023, in conjunction with the goodwill and intangible asset impairment assessment, the Company recorded a \$3.1 million expense related to a firm purchase order that was determined to not have sufficient demand to be utilized.

### **19. Investment in Enalare Therapeutics Inc.**

Please refer to Note 3, "Restatement of Previously Issued Consolidated Financial Statements" for details on the impact of a restatement of previously issued consolidated financial statements related to the Company's accounting for its investment in Enalare.

On August 8, 2022, the Company and Enalare entered into a SPA pursuant to which the Company acquired 12,451 shares of Enalare common stock, par value \$0.0001 per share (the "Enalare Common Stock") for \$12.5 million representing 9% equity interest in Enalare (the "Initial Investment"). Pursuant the terms of the SPA, in February 2023 the Company acquired an additional 12,451 shares of Enalare Common Stock for \$12.5 million (the "Secondary Investment"). Under the SPA, the Company also agreed to make two incremental investments of up to a total of \$30 million in exchange for additional equity interests, upon Enalare's achievement of certain milestone events (the "Forwards") relating to achieving various stages of development of Enalare's only substantially developed product, ENA-001. The number of shares issued upon exercise of the Forwards will be based on fixed dollar values that are intended to represent estimated equity value of Enalare at the time of the milestone events are achieved. The milestone events relate to the progression of clinical trials for ENA-001. Both of the Forwards cease to exist if the milestone events have not occurred by June 30, 2027. As of December 31, 2024, the milestone events have not yet occurred, and the Forwards remain outstanding.

Concurrently with the execution of the SPA in August 2022, the Company entered into a Security Purchase Option Agreement ("Option Agreement") with Enalare which gives the Company an option (but not the obligation) to acquire, in whole, all of the outstanding shares of Enalare other than those already owned by the Company (the "Call Option"). If exercised, the total consideration payable by the Company will be the greater of (i) \$100 million or (ii) a fair market valuation at the time of exercise, subject to a \$175 million cap, both of which would be subject to customary adjustments. The Call Option is

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

exercisable by Company at any time until the earlier of (i) 90 days following Enalare's receipt of a communication from the FDA that can be reasonably interpreted as not precluding Enalare to proceed to Phase 3 clinical study for a product candidate as specified in the SPA or (ii) June 30, 2027. As of December 31, 2024, the Call Option has not been exercised.

The Company allocated the initial \$12.5 million consideration paid to the units of account based on their relative fair values. Following the Secondary Investment, the Company held, and continues to hold, a 17% equity interest in Enalare.

The Company determined that Enalare is a variable interest entity ("VIE") and that the Company holds a variable interest in Enalare through its equity interests and the Forwards, and the Call Option. However, the Company is not the VIE's primary beneficiary because it lacks the power to direct the activities that significantly impact the economic performance of the entity. Specifically, the Company's equity interests, its rights to participate in an advisory committee for Enalare's Joint Development Committee over Enalare's largest project and appoint a nonvoting observer seat on Enalare's board of directors, and its Call Option do not give the Company a controlling financial interest in Enalare and therefore, the Company does not consolidate Enalare.

***Investments in Common Stock of Enalare***

Despite not having a controlling financial interest in Enalare, the Company does have the ability to exercise significant influence over Enalare's operational and financial policies through its equity interest in Enalare and its noncontrolling representation on Enalare's Joint Development Committee and board observer seat. Accordingly, the Company accounts for its investment in the Enalare Common Stock under the equity method of accounting in accordance with ASC 323, Investments – Equity Method and Joint Ventures.

At the time of each of the Initial Investment and Secondary Investment, basis differences were identified as the carrying value of the Company's investment in Enalare exceeded the Company's proportionate share of the underlying net assets in Enalare. The Company concluded that the basis difference was primarily attributable to Enalare's IPR&D assets, which do not have an alternative future use. Further, it was determined that Enalare did not meet the definition of a business due to substantially all of the estimated fair value of its gross assets being concentrated in the group of similar IPR&D assets. Therefore, the basis difference attributable to the IPR&D was immediately expensed as of the dates of the Initial and Secondary Investments, respectively, as a reduction to the equity method investment carrying amount, and within Equity in losses of equity method investment as shown in the table below.

As of December 31, 2024 and 2023, the Company's investment in Enalare had been reduced to zero through recognition of the Company's share of Enalare's cumulative losses and the expense recognized for the basis difference related to Enalare's IPR&D. Once the equity method investment was reduced to zero, the Company recognized its share of Enalare's losses as a reduction of the Call Option carrying amount.

As of December 31, 2024 and 2023, the carrying amount of the Company's equity method investment in Enalare was zero. The Company's maximum exposure to loss as a result of its involvement with Enalare is estimated to be \$35.2 million and \$35.6 million as of December 31, 2024 and 2023, respectively, which exceeds the carrying amount of the investment. This maximum exposure includes:

- The Initial Investment, which have a carrying amount of zero after recognizing the Company's share of losses and expense recognized for the basis difference related to the IPR&D
- Contractual commitments to fund up to \$30 million in additional equity investments contingent on the achievement of defined clinical development milestones (the Forwards), of which \$0.4 million has been realized as of December 31, 2024 and December 31, 2023; and
- The carrying value of the Call Option, which is \$5.6 million as of December 31, 2024 and \$6.0 million as of December 31, 2023

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Company continues to monitor the performance and financial condition of Enalare and reassesses the need for consolidation if circumstances change. As of the issuance of these financial statements, the Company has not provided financial support to Enalare other than amounts committed or contractually obligated under executed agreements.

Activity recorded for the Company's equity method investment in Enalare is summarized in the following table:

<b>(In thousands)</b>	<b><i>Carrying Amount</i></b>
<b>Equity investment carrying amount at December 31, 2022 (Restated)</b>	\$ —
February 8, 2023, Secondary Investment in Enalare	8,828
IPR&D basis difference expense	(8,577)
Share of Enalare's losses recognized	(251)
<b>Equity investment carrying amount at December 31, 2023</b>	\$ —
Share of Enalare's losses recognized	—
<b>Equity investment carrying amount at December 31, 2024</b>	\$ —

***Forwards and Call Option in Enalare***

The Company's investments in the Forwards and the Call Option do not meet the definition of a derivative and are accounted for in accordance with ASC 321, Investments — Equity Securities. The Company recorded a liability for the Forwards at their relative fair value of \$0.4 million and the Call Option at its relative fair value of \$7.0 million. Given these instruments lack a readily determinable fair value, the Company has elected to apply the measurement alternative allowed under ASC 321. Accordingly, the Forwards and Call Option are recorded at cost, less impairment and are subsequently measured if an observable transaction that provides a fair value of the instruments is observed. Any adjustments to the value of the instruments at such time will be recorded in net income. In addition, to the extent that the Company's share of equity method losses from Enalare is in excess of the carrying amount of the equity method investment, the Company records such amounts as a reduction to the carrying amount of the Call Option. Such losses were \$0.4 million and \$0.5 million for the year ended December 31, 2024 and 2023, which were recognized in Equity in losses of equity method investment within the Company's consolidated statements of operations. As of December 31, 2024 and 2023, the Company has not identified or recognized any impairment loss on the Forwards or Call Option. The value of the Call Option as of December 31, 2024 and 2023 was \$5.6 million and \$6.0 million, respectively, after the reduction for the excess equity method losses, recorded under other assets on the company's consolidated balance sheets.

**20. Legal Proceedings**

In addition to the below legal proceedings, from time to time, the Company is party to litigation or other proceedings and subject to claims incident to the ordinary course of business. Unless otherwise noted below, the Company is not presently a party to any litigation the outcome of which, the Company believes, if determined adversely to the Company, would individually, or taken together, have a material adverse effect on its business, operating results, cash flows, or financial condition. The Company may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurances that favorable final outcomes will be obtained. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors. With respect to the specific legal proceedings and claims described below, unless otherwise noted, the amount or range of possible losses is not reasonably estimable. Any adverse outcome in these matters could expose the Company to substantial damages or penalties that may have a material adverse impact on the Company's operations and cash flows.

**Patent Litigation**

*Teva Pharmaceuticals Int'l GmbH et al v. BendaRX Corp. - (BENDEKA)*

The Company, Cephalon, LLC, and/or Teva Pharmaceuticals International GMBH (together, "Patentees") filed two suits against BendaRX Corp. ("BendaRX") on May 4, 2023 and June 9, 2023 in the District of Delaware (together, the "BendaRX Delaware Actions"). Patentees have asserted that BendaRX's submission of NDA No. 215291 to FDA for the approval of a

**EAGLE PHARMACEUTICALS, INC.**  
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bendamustine generic infringes claims of U.S. Patent Nos. 8,436,190, 8,445,524, 8,609,863, 8,669,279, 8,791,270, 8,883,836, 8,895,756, 9,533,955, 9,572,887, 8,076,366, and 8,461,350. The Patentees seek, *inter alia*, an injunction enjoining BendaRX from marketing its product, if approved, before the expiration of the asserted patents.

Patentees also filed suit against BendaRX USA Corp. (“BendaRX USA”) in the Eastern District of Virginia on the same grounds as the BendaRX Delaware Actions on June 16, 2023 (the “BendaRX Virginia Action”).

On June 23, 2023, BendaRX filed a motion to dismiss the BendaRX Delaware Actions, seeking a dismissal on all patents for lack of jurisdiction. Following briefing, on February 7, 2024 in the District of Delaware actions, the parties stipulated to the substitution of BendaRX USA for BendaRX. The parties further stipulated that BendaRX would be bound by the judgment of the court in the actions and that BendaRX’s motion to dismiss be denied as moot. The court entered the stipulation on February 9, 2024. On March 26, 2024, Patentees moved to transfer the BendaRX Virginia Action to the District of Delaware, which was granted on March 27, 2024. The case was subsequently consolidated with the District of Delaware lawsuits on April 15, 2024.

On February 25, 2025, the parties stipulated to stay the case and vacate all case deadlines pending the submission of BendaRX’s complete response to a Complete Response Letter it received from the FDA regarding its NDA. The Court ordered the stay on March 4, 2025. The parties are to meet and confer and file a joint letter addressing whether the stay should be lifted within five days of BendaRX submitting its complete response to the FDA.

*Eagle Pharmaceuticals, Inc. v. Slayback Pharma Limited Liability Company, Apotex, Inc. and Apotex Corp.,*

*Celerity Pharmaceuticals, LLC, and Baxter Healthcare Corp. - (BELRAPZO)*

The Company filed suit against Slayback Pharma LLC (“Slayback”) in the United States District Court for the District of Delaware on August 31, 2021 alleging infringement of U.S. Patent No. 11,103,483 seeking, *inter alia*, injunctions enjoining Slayback from marketing their infringing bendamustine products. On the same day, the Company filed suit against Apotex Inc. and Apotex Corp. (“Apotex”) in the same court alleging infringement on the same patent and seeking the same remedies. On January 11, 2022, the Company filed suit against Celerity Pharmaceuticals LLC (“Celerity”) in the same court alleging infringement of the same patent and seeking the same remedies.

On September 29, 2022, trial was held in the suit against Slayback and Apotex, and on October 25, 2022, the Court entered a judgment of non-infringement with respect to Slayback and Apotex. In light of the Slayback and Apotex decisions, the Company stipulated that Celerity did not infringe the asserted patent on October 28, 2022, but preserved its right to appeal the Slayback and Apotex decisions.

The Company filed a notice of appeal of the Slayback and Apotex decisions on October 26, 2022. Following briefing by the parties, the United States Court of Appeals affirmed the judgment of the lower court on January 16, 2023.

The Company filed new suits in the United States District Court for the District of Delaware on January 17, 2024 against Slayback, Apotex and Baxter Healthcare Corp. (“Baxter”), who now owns the NDA formerly owned by Celerity referencing the Company’s BELRAPZO. The Company alleges infringement of U.S. Patent Nos. 11,844,783 and 11,872,214 and seeks, *inter alia*, damages for lost profits and/or a reasonable royalty and injunctions enjoining Slayback, Apotex and Baxter from selling their infringing bendamustine products.

On April 9, 2024, Apotex filed a Motion for Judgment on the Pleadings seeking a judgment of non-infringement for all asserted claims. Following briefing, the Court *sua sponte* dismissed Apotex’s Motion as moot following the Company’s filing of an Amended Complaint on April 26, 2024.

The Court issued a Scheduling Order on June 10, 2024 coordinating the cases against Slayback, Apotex and Baxter. The Court held a consolidated claim construction hearing on January 30, 2025 and issued a claim construction Order on January 31, 2025. Fact discovery closes August 1, 2025 and expert Discovery closes December 12, 2025. Separate five-day jury trials are scheduled for each matter with Apotex beginning December 14, 2026, Slayback beginning May 17, 2027, and Baxter beginning September 13, 2027.

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On January 17, 2025, the Company filed additional complaints against Slayback, Apotex and Baxter to add newly issued U.S. Patent No. 12,138,248 to the litigation. The Court held a consolidated claim construction hearing on January 30, 2025, and issued a claim construction Order on January 31, 2025.

*Eagle Pharmaceuticals, Inc. v. Accord Healthcare Inc., Accord Healthcare Ltd., and Intas Pharmaceuticals Ltd. -(BELRAPZO)*

The Company filed a suit against Accord Healthcare Inc., Accord Healthcare Ltd., and Intas Pharmaceuticals Ltd (“Accord”) in the United States District Court in the Eastern District of North Carolina on February 16, 2024 asserting that Accord’s submission of NDA No. 216987 to FDA for the approval of a bendamustine generic infringes claims of U.S. Patent Nos. 11,844,783 and 11,872,214. On November 20, 2024, the parties informed the Court that they had reached a settlement agreement and stipulated to the dismissal of the litigation.

*Eagle Pharmaceuticals, Inc. v. Dr. Reddy’s Laboratories, Inc. and Dr. Reddy’s Laboratories, LLC (collectively, “DRL”) – (BELRAPZO)*

The Company filed suit against DRL in the United States District Court for the District of New Jersey on February 2, 2024 asserting that DRL’s submission of NDA No. 219014 to FDA for the approval of a bendamustine generic infringes claims of U.S. Patent Nos. 11,844,783 and 11,872,214. The Court entered a Scheduling Order on November 8, 2024. Briefing on claim construction was completed on June 3, 2025. No date is set for a claim construction hearing and no trial date is set.

*Eagle Pharmaceuticals, Inc. & SymBio Pharmaceuticals Ltd. v. Towa Pharmaceutical Co., Ltd.; Eagle Pharmaceuticals, Inc. & SymBio Pharmaceuticals Ltd. v. Pfizer Japan Inc. - (TREAKISYM)*

The Company, together with its exclusive licensee SymBio Pharmaceuticals Ltd. (“SymBio”), initiated lawsuits in the Tokyo District Court against Towa Pharmaceutical Co., Ltd. (“Towa”) on December 16, 2022 and against Pfizer Japan Inc. (“Pfizer Japan”) on December 26, 2022 asserting that their generic bendamustine products infringe the Company’s Japanese Patent No. 6570601 for TREAKISYM injection solution 100 mg/4mL (bendamustine hydrochloride hydrate). In their complaint, the Company and SymBio sought remedies that include an injunction against the manufacture or sale of Towa and Pfizer Japan’s generic products and compensation for damages.

On September 30, 2024, the Company and Towa reached a settlement agreement and the Court closed the proceedings.

In the Pfizer Japan infringement action, a first hearing occurred before the Tokyo District Court on April 25, 2023, in which the Court determined a timetable for the case. The parties gave a technical presentation before the judges on December 13, 2023, and the court confidentially provided its view on infringement and validity on January 15, 2024. The court held conferences to discuss settlement with the parties on March 26, 2024, May 13, 2024, July 1, 2024 and September 9, 2024. On November 6, 2024, the Company waived its claims against Pfizer Japan, and the Court closed the proceedings.

*Acacia Pharma Ltd., et al. v. Galenicum Health S.L.U. – (BYFAVO)*

The Company filed suit against Galenicum Health S.L.U. on January 3, 2025 in the U.S. District Court for the District of Delaware asserting that Galenicum’s submission of its ANDA No. 219794 infringed U.S. Patent Nos. 9,561,236 and 9,827,251. Galenicum filed its Answer to the Complaint on June 25, 2025.

### **Other Matters**

In Re: Taxotere (Docetaxel)

Beginning in May 2022, the Company was named as a defendant, among various other manufacturers, in several product liability suits that are consolidated in the United States District Court for the Eastern District of Louisiana as part of a multi-district litigation 3023 (Civil Action No 22-1347 H(5)). The claims are for personal injuries allegedly arising out of the use of docetaxel. As of June 30, 2025, discovery in the suits against the Company has been stayed while other suits chosen as bellwethers proceed. On December 5, 2022, the Court granted defendants’ motions to dismiss plaintiffs’ fraudulent misrepresentation and fraudulent concealment claims, but allowed plaintiffs’ claims for products liability, negligence and

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negligent misrepresentation to move forward. Document discovery was completed on February 15, 2024. On March 28, 2024, the Court entered an order identifying bellwether cases which did not include a case naming Eagle as a defendant. All non-bellwether actions, including those in which Eagle has been named as a defendant, have been stayed while the bellwether cases proceed through litigation and to trial. The Company intends to defend the suits vigorously. The Company cannot predict with any degree of certainty the outcome of the suits or determine the extent of any potential liability or damages, nor can it provide an estimate of the possible loss or range of loss. Because the Company maintains insurance that covers exposure related to products liability matters, the Company does not believe this matter should have a material adverse impact on the Company's operations and cash flows.

*Curia's Claims in Arbitration and Litigation*

On January 23, 2023, Curia Global, Inc. ("Curia") filed a demand for arbitration against the Company with the American Arbitration Association (the "Arbitration"). Curia made claims for breach of contract, account stated and breach of the implied covenant of good faith and fair dealing arising from the parties' supply agreement relating to the vasopressin (now discontinued) product. Curia originally sought damages in excess of \$76.7 million and later increased the amount of damages sought to more than \$90.0 million. On March 10, 2023, the Company responded to the demand denying the allegations and asserting counterclaims for breach of contract, unjust enrichment, breach of the implied covenant of good faith and fair dealing, and a declaration that the supply agreement for the vasopressin product is terminated. On February 28, 2023, Curia and its subsidiary Curia New Mexico, LLC filed an action against the Company in New York State Court, making claims for breach of contract and account stated arising from the parties' supply agreement relating to the PEMFEXY product (the "NY Action") in which Curia sought damages in excess of \$4.2 million. On April 21, 2023, the Company filed a motion to dismiss certain claims in the NY Action. On September 28, 2023, the New York State Court denied the motion to dismiss in part and granted it in part. On October 3, 2023, the Company appealed the portion of the decision denying its motion to dismiss.

On July 3, 2024, the Company and Curia entered into a Settlement Agreement and Release ("Settlement Agreement") relating to the settlement of all their claims and counterclaims in the Arbitration and the NY Action and other claims and disputes relating to these proceedings. Pursuant to the Settlement Agreement, the Company agreed to pay Curia \$26.5 million in accordance with the following payment schedule: \$10.0 million on July 5, 2024, \$10.0 million on or before February 17, 2025, and \$6.5 million on or before July 7, 2025 (the "Original Payment Schedule").

The Company recognized the \$26.5 million litigation settlement in the consolidated statement of operations and \$10 million were recognized in accrued expenses and \$16.5m was recognized in other liabilities and other long-term liabilities in the consolidated balance sheet for the year ended December 31, 2023.

On July 5, 2024, the Company paid Curia \$10.0 million in accordance with the Original Payment Schedule.

During the first quarter of 2025, the Company and Curia agreed upon a revised payment schedule as follows: \$5.0 million on February 18, 2025, \$3.0 million on April 2, 2025, \$2.0 million on June 30, 2025, and \$6.5 million on July 7, 2025 (the "Revised Payment Schedule") and made the final interest payment on July 11, 2025.

The Company made all payments in accordance with the Revised Payment Schedule.

Pursuant to the Settlement Agreement, an event of default occurs upon a failure by the Company to pay when due any of the settlement payments described above, and specified bankruptcy and insolvency events with respect to the Company.

*SEC Subpoena*

In October 2023, the Company received a subpoena from the SEC's Division of Enforcement, requesting that the Company produce certain documents and information. On March 25, 2024 and November 19, 2024, the Company received supplemental subpoenas from the SEC, requesting additional documents and information. The Company has cooperated with the SEC's investigation, and intends to continue to do so.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Miller v. Eagle Pharmaceuticals, Inc. et al*

In December 2023, the Company, its former Chief Executive Officer, and its former Chief Financial Officer were named as defendants in a putative class action filed in the United States District Court for the District of New Jersey. Plaintiffs allege that the Company and the individual defendants violated the federal securities laws by failing to disclose material adverse facts about the Company's business, operations and prospects relating to its product PEMFEXY® between August 8, 2023, and November 28, 2023. Lead counsel and a lead plaintiff were appointed on August 19, 2024. On April 29, 2025, the parties participated in a confidential mediation. No settlement was reached, though informal discussions have continued. On July 11, 2025, plaintiffs filed an amended complaint. The Company believes it has meritorious defenses to the claims and intends to defend the suit vigorously. The estimated loss contingency recorded on the Company's balance sheet, within other long-term liabilities as of December 31, 2023 and within Accrued expenses and other liabilities as of December 31, 2024, for this matter is \$2.2 million. The same amount was recorded for expected insurance recoveries. While it is not feasible to predict the outcome of this litigation with certainty, the Company believes it should not have a material adverse impact on the Company's operations and cash flows.

## **21. Restructuring of Operations**

On February 28, 2024, the Company approved and began implementing a plan designed to improve operational efficiencies and realign the Company's sales and marketing expenditures (the "Realignment Plan").

The Realignment Plan reduced the Company's then current workforce by approximately 37%. Substantially all affected employees were dedicated to or primarily supported the commercialization of BYFAVO, BARHEMSYS and RYANODEX. The Company is utilizing a reduced team dedicated to these products in addition to resources from the Company's oncology sales team to continue the commercialization of BYFAVO, BARHEMSYS and RYANODEX. Affected employees received separation benefits, including severance payments and healthcare coverage assistance.

For the year ended December 31, 2024 the Company incurred \$2.4 million in cash charges in connection with the Realignment Plan, consisting of cash-based expenses related to employee severance payments and healthcare coverage assistance and related costs and was completed by the fourth quarter of 2024.

Restructuring-related costs are presented in the line item "Restructuring charge" within the Company's consolidated statements of operations.

## **22. Segment Information**

The Company operates as a single reportable segment focused on taking a molecule from preclinical research through regulatory approval and into the marketplace, including development, manufacturing and commercialization. The Company sells BENDEKA and TREAKISYM (Japan market) to its Commercial Partners and sells PEMFEXY, RYANODEX, BELRAPZO, BARHEMSYS, BYFAVO and vasopressin (discontinued during the three months ended March 31, 2023) primarily to wholesalers and distributors, with a limited amount of sales to Healthcare Providers. The Company derives its revenues from Customers and Teva, a Commercial Partner, in the United States. TREAKISYM is sold to the Japan market through the Company's Commercial Partner. TREAKISYM generated total product and royalty income of \$3.0 million and \$6.1 million for the twelve months ending December 31, 2024 and 2023, respectively.

The Company's determination that it operates as a single segment is consistent with the nature of its operations and the financial information regularly reviewed by the Chief Executive Officer ("CEO") (for the period until November 29, 2023) or the Interim Principal Executive Officer ("Interim CEO") (for the period after November 29, 2023), in their capacities as the chief operating decision maker (CODM), for the purposes of evaluating performance, allocating resources, setting incentive compensation targets, and planning and forecasting for future periods. For those purposes, the CODM uses consolidated net income or loss as reported on the consolidated statements of operations, the primary measure of the Company's single segment's profit or loss. The measure of segment assets is reported on the balance sheet as total consolidated assets.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table represents the significant segment expenses regularly provided to the CODM, other than the expenses reported on the consolidated statements of operation:

<b>(In thousands)</b>	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Sales and marketing	\$ 27,131	\$ 43,499
General and administrative	71,486	68,366
<b>Total Selling, general and administrative</b>	<b>\$ 98,617</b>	<b>\$ 111,865</b>

**23. Loss Per Share**

Basic earnings per common share is computed using the weighted average number of shares outstanding during the period. Diluted earnings per share is computed in a manner similar to the basic earnings per share, except that the weighted-average number of shares outstanding is increased to include all common stock, including those with the potential to be issued upon exercise of options and the vesting and settlement of other stock-based awards. Diluted earnings per share contemplate a complete conversion to common stock of all common stock equivalents only if they are dilutive in nature with regards to earnings per share, as calculated under the treasury stock method.

The anti-dilutive common stock equivalents outstanding at December 31, 2024, and 2023 were as follows:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Options	2,497,913	2,284,238
Restricted stock units	134,809	266,112
Performance stock units	—	7,500
Time vesting restricted stock	36,000	—
<b>Total</b>	<b>2,668,722</b>	<b>2,557,850</b>

The following table sets forth the computation for basic and diluted net income (loss) per share for December 31, 2024, and 2023:

<b>(In thousands, except share and per share amounts)</b>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Numerator</b>		
Numerator for basic and diluted earnings per share-net (loss) income	\$ (13,663)	\$ (188,789)
<b>Denominator</b>		
Basic weighted average common stock outstanding	12,958,633	12,999,046
Dilutive effect of stock options	—	—
Diluted weighted average common stock outstanding	12,958,633	12,999,046
<b>Basic net (loss) income per share</b>		
Basic net (loss) income per share	\$ (1.05)	\$ (14.52)
<b>Diluted net (loss) income per share</b>		
Diluted net (loss) income per share	\$ (1.05)	\$ (14.52)

All potentially dilutive items were excluded from the diluted share calculation for the years ended December 31, 2024 and 2023 because their effect would have been anti-dilutive, as the Company was in a loss position.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## **24. Subsequent Events**

### *Blue Owl Transaction*

On March 31, 2025, the Company entered into a royalty purchase agreement (the "Blue Owl Agreement") with an entity affiliated with Blue Owl Capital Inc. ("Blue Owl"), pursuant to which the Company sold a royalty interest related to U.S. net sales of BENDEKA, which is marketed by the Company's commercial partner Cephalon, Inc., a subsidiary of Teva Pharmaceutical Industries Ltd. Under the terms of the Blue Owl Agreement, the Company received an upfront payment of \$69.0 million before transaction costs of \$4.2 million, in exchange for (i) the first \$11.1 million of the Company's royalty interest for net sales of BENDEKA for the quarter ending December 31, 2024, and (ii) 100% of the Company's royalty interest thereafter, up to an aggregate cap of up to 1.3 times the purchase price, depending on when the royalty cap is achieved. After the cap is achieved, all future royalty payments from net sales of BENDEKA will revert back to the Company.

### *Repayment of Third Amended and Restated Credit Agreement*

During the first quarter of 2025, the Company repaid \$5.0 million of the amount outstanding under the term loan under the Credit Agreement. On March 31, 2025 the net proceeds from the Blue Owl Agreement were used to repay, in full, all amounts outstanding under the Credit Agreement. In connection with the repayment, the Credit Agreement was terminated and may no longer be utilized for borrowings.

### *Stockholder Rights Agreement*

On March 21, 2025, the Board of Directors approved a second amendment to Rights Plan to increase the initial purchase price of each preferred share purchase right issued under the Rights Plan from \$10.00 to \$20.00, effective immediately. The Rights Plan otherwise remains unmodified and in full force and effect in accordance with its terms.

### *Filing of Form 15: Termination of Registration*

On January 24, 2025, the Company informed Nasdaq of its intent to file Form 15 with the SEC to finalize the delisting of its common stock from the Nasdaq Global. See Note 14. "Common Stock and Stock-Based Compensation" for more information.

### *Assets Held for Sale*

In April 2025, the Company determined certain net assets related to the Acacia business, including its BARHEMSYS and BYFAVO products, met the criteria required to be classified as held-for-sale. The Company is conducting a process for potential sale of the Acacia assets that is expected to be completed by the end of 2025; however, there is no assurance that the Acacia assets will be sold.

### *Stock Option Modification*

In March 2025, the Company agreed to modify nearly all of the outstanding employee stock options by changing the exercise price to be equal to a lower revised estimate of fair value based on an independent 409A evaluation, certain of the previously expired options were regranted with a three-year term. The aggregate impact of the modifications will result in approximately \$1.0 million of expense to be recognized over a minimum one-year additional service period.

### *Class Action Lawsuit*

In June 2025, the Company offered \$2.2 million to settle the pending Miller v. Eagle Pharmaceuticals, Inc. securities shareholder class action. The Company recorded a long-term loss contingency of \$2.2 million within other long term liabilities in 2023 and transferred to accrued expenses and other current liabilities in 2024. The same amount has been recorded for expected insurance recoveries within other non-current assets in 2023 and transferred to prepaid expenses and other current assets in 2024. While it is not feasible to predict the outcome of this litigation with certainty, the Company believes the litigation should not have a material adverse impact on the Company's operations and cash flows.

**EAGLE PHARMACEUTICALS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Related Parties*

In April 2025, the Borrower repaid \$0.2 million of the principal amount outstanding under the Promissory Note described in Note 17. The Borrower has agreed to repay half the remaining balance in the first quarter of 2026 and the remaining balance in the first quarter of 2027.

*Lease Renewal*

In June 2025, the Company entered into an amendment to its office lease in Woodcliff Lake, New Jersey. The amendment extends the lease term through June 30, 2028, and includes a partial reduction of the leased premises effective July 1, 2025. Total lease payments over the term are approximately \$1.9 million, payable in monthly installments. The amendment includes a renewal option for an additional 3-year term until June 30, 2031.