UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

Current Report Pursuant
to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): **August 4, 2022**

THERAVANCE BIOPHARMA, INC.
(Exact Name of Registrant as Specified in its Charter)

Cayman Islands	**001-36033**	**98-1226628**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

PO Box 309
Ugland House, South Church Street
George Town, Grand Cayman, Cayman Islands KY1-1104
(650) 808-6000
(Addresses, including zip code, and telephone numbers, including area code, of principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Share $0.00001 Par Value	TBPH	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

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

Item 2.02. Results of Operations and Financial Condition.

On August 4, 2022, Theravance Biopharma, Inc. issued a press release and is holding a conference call regarding its financial results for the quarter ended June 30, 2022 and a business update. A copy of the press release is furnished as Exhibit 99.1 to this Current Report and a copy of materials that will accompany the call is furnished as Exhibit 99.2 to this Current Report.

The information in Item 2.02 and in Item 9.01 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act of 1934"), or otherwise subject to the liabilities of that Section, nor shall it be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1	Press Release dated August 4, 2022
99.2	Slide deck entitled Second Quarter 2022 Financial Results and Business Update
104	Cover Page Interactive Data File (cover page XBRL tags embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THERAVANCE BIOPHARMA, INC.

Date: August 4, 2022

By: /s/ Andrew Hindman
Andrew Hindman
Senior Vice President and Chief Financial Officer

Theravance Biopharma, Inc. Reports Second Quarter 2022 Financial Results and Provides Business Update

- *Highest quarter of YUPELRI® (revefenacin) net sales and profitability to date[1]: $17.2M Q2 2022 sales up 17% from Q2 2021 (implied 35% share)*
- *Ampreloxetine discussions with FDA create a path to NDA filing with one additional Phase 3 clinical study in Multiple System Atrophy (MSA) patients with symptomatic neurogenic orthostatic hypotension (nOH)*
- *Closed transaction to sell TRELEGY ELLIPTA royalty interests to Royalty Pharma for approximately $1.1 billion in upfront cash with over $1.5 billion in total potential value*
- *Launched tender offer for outstanding 3.25% Convertible Senior Notes*

DUBLIN, IRELAND – AUGUST 4, 2022 – Theravance Biopharma, Inc. ("Theravance Biopharma" or the "Company") (NASDAQ: TBPH) today reported financial results for the second quarter of 2022.

"The Company has continued to execute on its strategy and, since the first quarter, we have accomplished several transformative goals. YUPELRI delivered its strongest quarter of sales to date. Our ampreloxetine discussions with FDA create a path to an NDA filing in MSA patients with symptomatic nOH. The closing of the sale of our TRELEGY ELLIPTA royalty interests to Royalty Pharma for over $1.5 billion in potential total value enables an elimination of our debt and sets up a planned return of capital to shareholders," said Rick E Winningham, Chief Executive Officer. *"With an attractive pro forma financial profile and near-term value drivers, we believe we are well positioned to deliver medicines that make a difference and ongoing shareholder value."*

Quarterly Highlights

- **YUPELRI®** (revefenacin) inhalation solution, the first and only once-daily, nebulized bronchodilator approved in the US for the maintenance treatment of patients with chronic obstructive pulmonary disease (COPD), with net sales increasing by 17% year-over-year (Q2 2022 vs Q2 2021) – its strongest quarter to date, and increased its share of the long-acting nebulized COPD market, increasing to 25.3% through April 2022, up from 24.1% in Q1 2022.

- **Ampreloxetine**, an investigational, Theravance Biopharma-discovered, potent, long-acting, once-daily norepinephrine reuptake inhibitor in development for the treatment of symptomatic nOH in patients with MSA. Phase 3 results (Study 0170) showed a benefit to MSA patients in the study that was observed in multiple endpoints including Orthostatic Hypotension Symptom Assessment (OHSA) composite, Orthostatic Hypotension Daily Activities Scale (OHDAS) composite, Orthostatic Hypotension Questionnaire (OHQ) composite and OHSA #1. (Read more about the data here). The Company held a Type C meeting with the FDA in June 2022 and agreed on a path to NDA filing with one new Phase 3 clinical study in MSA patients with symptomatic nOH. The Company plans to start the new Phase 3 study in early 2023, with a primary endpoint of Change in OHSA Composite Score. The Company reiterates it expects the $25 million investment from Royalty Pharma to fund the majority of the Phase 3 costs as a result of study size as well as insights and learnings from earlier studies.

- **TRELEGY ELLIPTA** (once-daily, single inhaler triple therapy for COPD and asthma)

[1] *While Viatris, Inc. ("Viatris") records the total YUPELRI net sales, the Company is entitled to a 35% share of the profits and losses pursuant to a co-promotion agreement with Viatris.*

Sale of TRELEGY ELLIPTA Royalty Interest

On July 20, 2022, Theravance Biopharma closed the sale of its units in Theravance Respiratory Company, LLC representing its 85% economic interest in the sales-based royalty rights on worldwide net sales of GSK's TRELEGY ELLIPTA ("TRELEGY") to Royalty Pharma (NASDAQ: RPRX) for over $1.5 billion in potential total value (the "TRELEGY Royalty Transaction"). The Trelegy Royalty Transaction is intended to provide near-, mid- and long-term value to the Company with an upfront cash payment of approximately $1.1 billion, up to $250 million in additional milestone payments contingent on the achievement of certain TRELEGY net sales thresholds between 2023 and 2026 and outer year royalties to the Company providing an opportunity to receive an estimated NPV of $200 million. (View the closing 8-K here. For deal specifics, view the press release here and accompanying presentation and appendix here).

Global Net Sales and Milestones

GSK posted second quarter 2022 global net sales of $591 million (up from $405 million, or 46%, from second quarter of 2021). Theravance Biopharma is entitled to a milestone payment from RPI of $50 million if TRELEGY global net sales are equal to or exceed $2.863 billion[2] in 2023.

- **Tender Offer Convertible Senior Notes** On July 26, 2022, Theravance Biopharma announced a Tender Offer for its outstanding 3.25% Convertible Senior Notes due 2023. As of July 20, 2022, there were $230 million aggregate principal amount of the Convertible Notes outstanding.

Second Quarter Financial Results

- **Revenue:** Total revenue for the second quarter of 2022 was $11.1 million, primarily comprised of $10.9 million in Viatris collaboration revenue. Total revenue for the second quarter represents a $1.9 million decrease over the same period in 2021 primarily driven by the completion of the recognition of non-cash Janssen collaboration revenue in 2021, resulting from the planned close-out of the izencitinib program.

- **YUPELRI:** The Viatris collaboration revenue of $10.9 million for the second quarter of 2022 represents amounts receivable from Viatris and is comprised of the Company's 35% share of net sales of YUPELRI as well as its proportionate amount of the total shared costs incurred by the two companies. The non-shared YUPELRI costs incurred by Theravance Biopharma are recorded within operating expenses. While Viatris records the total net sales of YUPELRI within its financial statements, Theravance Biopharma's implied 35% share of net sales of YUPELRI for the second quarter of 2022 was $17.2 million, up 12% from the first quarter of 2022. There was a 17% increase in year-over-year implied net sales for the second quarter, however, due to accounting guidelines, Viatris collaboration revenue decreased by 1% due to lower costs incurred by Theravance Biopharma as a result of the corporate restructuring, which improves YUPELRI profitability but lowers Viatris collaboration revenue. Additionally, during the period there were higher costs incurred by Viatris**,** which also reduced our Viatris collaboration revenue.

[2] *The first milestone payment, of $50.0 million, will be triggered if Royalty Pharma receives $240.0 million or more in royalty payments from GSK with respect to 2023 TRELEGY global net sales, which we would expect to occur in the event TRELEGY global net sales reach approximately $2.863 billion. Royalties payable from GSK to Royalty Pharma are upward-tiering from 6.5% to 10%.*

- **Research and Development (R&D) Expenses:** R&D expenses for the second quarter of 2022 were $15.6 million, compared to $51.1 million in the same period in 2021. Second quarter R&D expenses included total non-cash share-based compensation of $3.6 million.

- **Selling, General and Administrative (SG&A) Expenses:** SG&A expenses for the second quarter of 2022 were $17.0 million, compared to $25.9 million in the same period in 2021. Second quarter SG&A expenses included total non-cash share-based compensation of $5.8 million.

- **Transaction-Related Legal Expenses:** Non-routine legal expenses were $3.8 million and $5.1 million for the three and six months ended June 30, 2022, respectively, and were related to the sale of our units in TRC and ampreloxetine investment in July 2022.

- **Restructuring and Related Expenses:** Restructuring expenses for the second quarter of 2022 were $1.6 million.

- **Cash Position:** Cash, cash equivalents and marketable securities totaled $132.9 million as of June 30, 2022.

2022 Financial Guidance

- **Operating Expenses:** The Company expects full year 2022 R&D expense of $45 million to $55 million and SG&A expense of $35 million to $45 million (in each case, excluding share-based compensation, one-time restructuring costs and one-time transaction related legal expenses).

- The Company expects to approach breakeven cash flow from operations in **2H 2022** and become sustainably cash flow positive going forward on an annual basis.

Conference Call and Live Webcast Today at 5:00 pm ET

Theravance Biopharma will hold a conference call and live webcast accompanied by slides today at 5:00 pm ET / 2:00 pm PT / 10:00 pm IST. To participate in the live call by telephone, please dial (800) 225-9448 from the US, or (203) 518-9708 for international callers, using the confirmation code TBPHQ222. Those interested in listening to the conference call live via the internet may do so by visiting Theravance Biopharma's website at www.theravance.com, under the Investors section, Presentations and Events.

A replay of the conference call will be available on Theravance Biopharma's website for 30 days through September 3, 2022. An audio replay will also be available through 11:59 pm ET on August 11, 2022, by dialing (888) 219-1261 from the US, or (402) 220-4941 for international callers.

About Theravance Biopharma

Theravance Biopharma, Inc.'s overarching purpose and goal as a biopharmaceutical company is focused on delivering *Medicines that Make a Difference*® in people's lives. In pursuit of its purpose, Theravance Biopharma leverages decades of expertise, which has led to the development of FDA-approved YUPELRI® (revefenacin) inhalation solution indicated for the maintenance treatment of patients with chronic obstructive pulmonary disease (COPD). Its pipeline of internally discovered programs is targeted to address significant unmet patient needs.
For more information, please visit www.theravance.com.

Forward-Looking Statements

This press release contains and the conference call will contain certain "forward-looking" statements as that term is defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, statements relating to goals, plans, objectives, expectations and future events. Theravance Biopharma intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Examples of such statements include statements relating to: contingent payments due to the Company from the sale of the Company's TRELEGY ELLIPTA royalty interests to Royalty Pharma, the Company's goals, designs, strategies, plans and objectives, including the paydown of the Company's debt, the impact of the Company's restructuring plan, ability to provide value to shareholders, the timing of clinical studies, the potential that the Company's research programs will progress product candidates into the clinic, the Company's expectations regarding its allocation of resources, potential regulatory actions, product sales or profit share revenue and the Company's expectations for its future financial performance and expectations as to future cash flows. These statements are based on the current estimates and assumptions of the management of Theravance Biopharma as of the date of this press release and the conference call and are subject to risks, uncertainties, changes in circumstances, assumptions and other factors that may cause the actual results of Theravance Biopharma to be materially different from those reflected in the forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, risks related to: whether the milestone thresholds can be achieved, delays or difficulties in commencing, enrolling or completing clinical studies, the potential that results from clinical or non-clinical studies indicate the Company's product candidates are unsafe, ineffective or not differentiated, risks of decisions from regulatory authorities that are unfavorable to the Company, dependence on third parties to conduct clinical studies, delays or failure to achieve and maintain regulatory approvals for product candidates, risks of collaborating with or relying on third parties to discover, develop, manufacture and commercialize products, and risks associated with establishing and maintaining sales, marketing and distribution capabilities with appropriate technical expertise and supporting infrastructure, ability to retain key personnel, the impact of the Company's restructuring actions on its employees, partners and others. In addition, while we expect the effects of COVID-19 to continue to adversely impact our business operations and financial results, the extent of the impact on our ability to generate revenue from YUPELRI® (revefenacin), and the value of and market for our ordinary shares, will depend on future developments that are highly uncertain and cannot be predicted with confidence at this time. Other risks affecting Theravance Biopharma are in the Company's, Form 10-Q filed with the SEC on May 6, 2022, and other periodic reports filed with the SEC. In addition to the risks described above and in Theravance Biopharma's filings with the SEC, other unknown or unpredictable factors also could affect Theravance Biopharma's results. No forward-looking statements can be guaranteed, and actual results may differ materially from such statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Theravance Biopharma assumes no obligation to update its forward-looking statements on account of new information, future events or otherwise, except as required by law.

Additional Information and Where to Find It

This announcement is for informational purposes only and is neither an offer to buy nor the solicitation of an offer to sell any of the Company's outstanding 3.25% Convertible Senior Notes due 2023. The Tender Offer is being made solely pursuant to the Offer to Purchase and related materials, as they may be amended or supplemented. Holders should read the Company's Tender Offer Statement on Schedule TO filed with the SEC on July 26, 2022 in connection with the Tender Offer, which included as exhibits the Offer to Purchase and related materials, as well as any amendments or supplements to the Schedule TO when they become available, because they will contain important information. Each of these documents has been filed or will be filed, as the case may be, with the SEC, and, when available, holders may obtain them for free from the SEC at its website (www.sec.gov) or from the Company's dealer manager in connection with the Tender Offer.

Contact: Gail B. Cohen
Corporate Communications / 917-214-6603

THERAVANCE BIOPHARMA, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	June 30, 2022 (Unaudited)	December 31, 2021 (1)
Assets		
Current assets:		
Cash and cash equivalents and short-term marketable securities	$ 132,850	$ 173,465
Receivables from collaborative arrangements	12,488	14,065
Amounts due from TRC, LLC	-	43,534
Prepaid clinical and development services	2,311	10,245
Other prepaid and current assets	7,080	8,561
Total current assets	154,729	249,870
Property and equipment, net	12,531	13,657
Operating lease assets	41,112	39,690
Equity in net assets of TRC, LLC	148,250	67,537
Restricted cash	836	837
Other assets	3,303	3,228
Total assets	$ 360,761	$ 374,819
Liabilities and Shareholders' Deficit		
Current liabilities	$ 32,624	$ 58,587
Convertible senior notes due 2023, net	228,571	228,035
Non-recourse notes due 2035, net	396,125	371,359
Long-term operating lease liabilities	50,642	52,681
Other long-term liabilities	2,608	2,730
Shareholders' deficit	(349,809)	(338,573)
Total liabilities and shareholders’ deficit	$ 360,761	$ 374,819

(1) The condensed consolidated balance sheet as of December 31, 2021 has been derived from the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

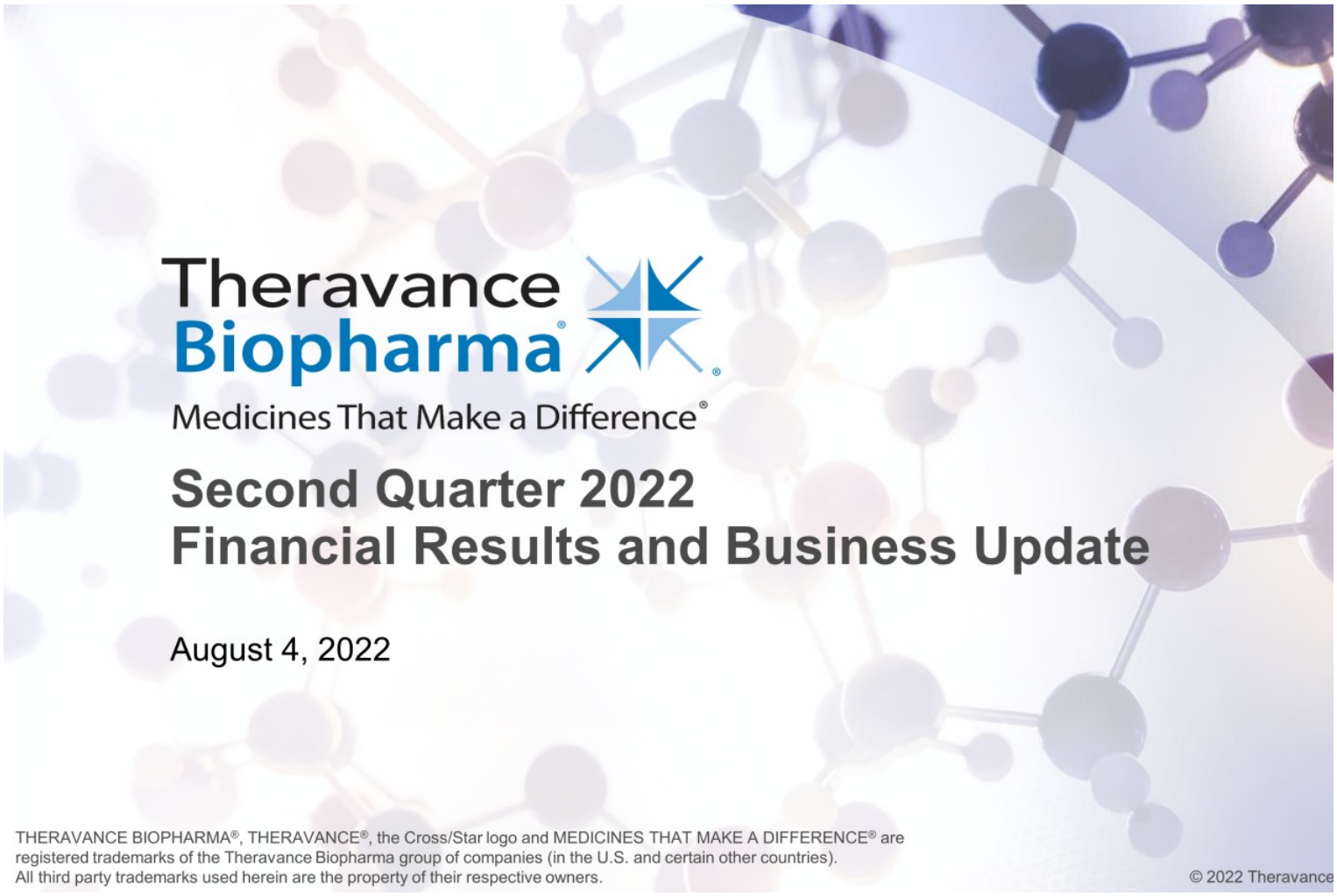
THERAVANCE BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
Revenue:				
Viatris collaboration agreement	$ 10,878	$ 10,934	$ 21,565	$ 21,319
Collaboration revenue	172	1,980	181	5,852
Licensing revenue	-	-	2,500	-
Total revenue	11,050	12,914	24,246	27,171
Costs and expenses:				
Research and development (1)	15,571	51,093	38,824	118,692
Selling, general and administrative (1)	16,986	25,931	34,828	56,481
Transaction-related legal expenses (2)	3,778	-	5,057	-
Restructuring and related expenses (1)	1,594	-	10,918	-
Total costs and expenses	37,929	77,024	89,627	175,173
Loss from operations	(26,879)	(64,110)	(65,381)	(148,002)
Income from investment in TRC, LLC	28,127	21,926	53,237	38,473
Interest expense	(11,884)	(11,612)	(23,539)	(23,485)
Interest income and other income (expense), net	2,440	1,171	2,065	937
Loss before income taxes	(8,196)	(52,625)	(33,618)	(132,077)
Provision for income tax (expense) benefit	5	220	(519)	(7)
Net loss	$ (8,191)	$ (52,405)	$ (34,137)	$ (132,084)
Net loss per share:				
Basic and diluted net loss per share	$ (0.11)	$ (0.80)	$ (0.45)	$ (2.03)
Shares used to compute basic and diluted net loss per share	76,270	65,669	75,761	65,085

(1) Amounts include share-based compensation expense as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2022	2021	2022	2021
Research and development	$ 3,556	$ 7,315	$ 8,086	$ 15,236
Selling, general and administrative	5,794	7,626	11,292	15,537
Restructuring and related expenses	359	-	4,876	-
Total share-based compensation expense	$ 9,709	$ 14,941	$ 24,254	$ 30,773

(2) Represents legal expenses related to the TRC sale to Royalty Pharma in July 2022.


Theravance Biopharma
Medicines That Make a Difference®
Second Quarter 2022
Financial Results and Business Update
August 4, 2022
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Forward-looking statements

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Other risks affecting the Company are in the Company's Form 10-Q filed with the SEC on May 6, 2022, and other periodic reports filed wit to the risks described above and in Theravance Biopharma's filings with the SEC, other unknown or unpredictable factors also could affec Biopharma's results. No forward-looking statements can be guaranteed, and actual results may differ materially from such statements. Giv uncertainties, you should not place undue reliance on these forward-looking statements. Theravance Biopharma assumes no obligation to looking statements on account of new information, future events or otherwise, except as required by law.

Agenda

Introduction	**Gail B. Cohen** Corporate Communications
Overview	**Rick E Winningham** Chief Executive Officer
Commercial and Development Update	**Rhonda F. Farnum** Senior Vice President, Chief Business Off **Richard A. Graham** Senior Vice President, Research and Dev
Financial Update	**Andrew A. Hindman** Senior Vice President, Chief Financial Off
Closing Remarks	**Rick E Winningham** Chief Executive Officer

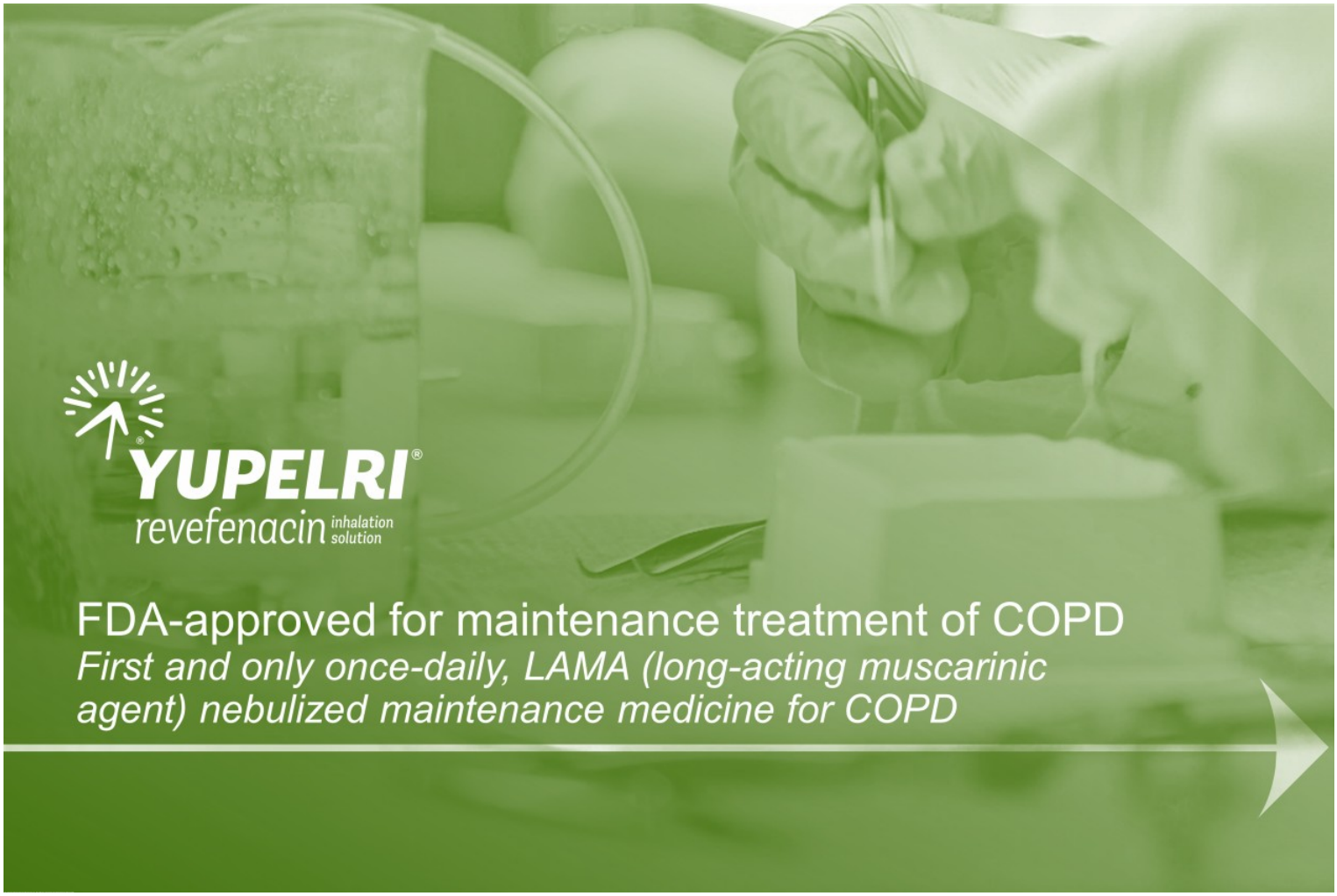
Theravance Biopharma transformed and focused

Focused on continuing to grow YUPELRI® (specialized respiratory)

Streamlined development investment to focus on ampreloxetine (rare neurolog

Leverage partnerships to unlock value of pipeline assets

Overarching goal: maximize shareholder value


YUPELRI®
revefenacin inhalation solution
FDA-approved for maintenance treatment of COPD
First and only once-daily, LAMA (long-acting muscarinic agent) nebulized maintenance medicine for COPD

YUPELRI® (revefenacin) inhalation solution

FDA-approved for maintenance treatment of COPD
First and only once-daily, nebulized maintenance medicine for COPD

- Once-daily LAMAs are first-line therapy for moderate-to-very severe COPD[1]
- 9% of COPD patients (~800,000) use nebulizers for ongoing maintenance therapy; 41% use nebulizers at least occasionally for bronchodilator therapy[2]

- **TBPH** and **VTRS** worldwide strategic collaboration to develop and commercialize nebulized YUPELRI (revefenacin)
- Companies co-promote under US profit/loss share

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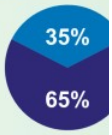
Biopharm

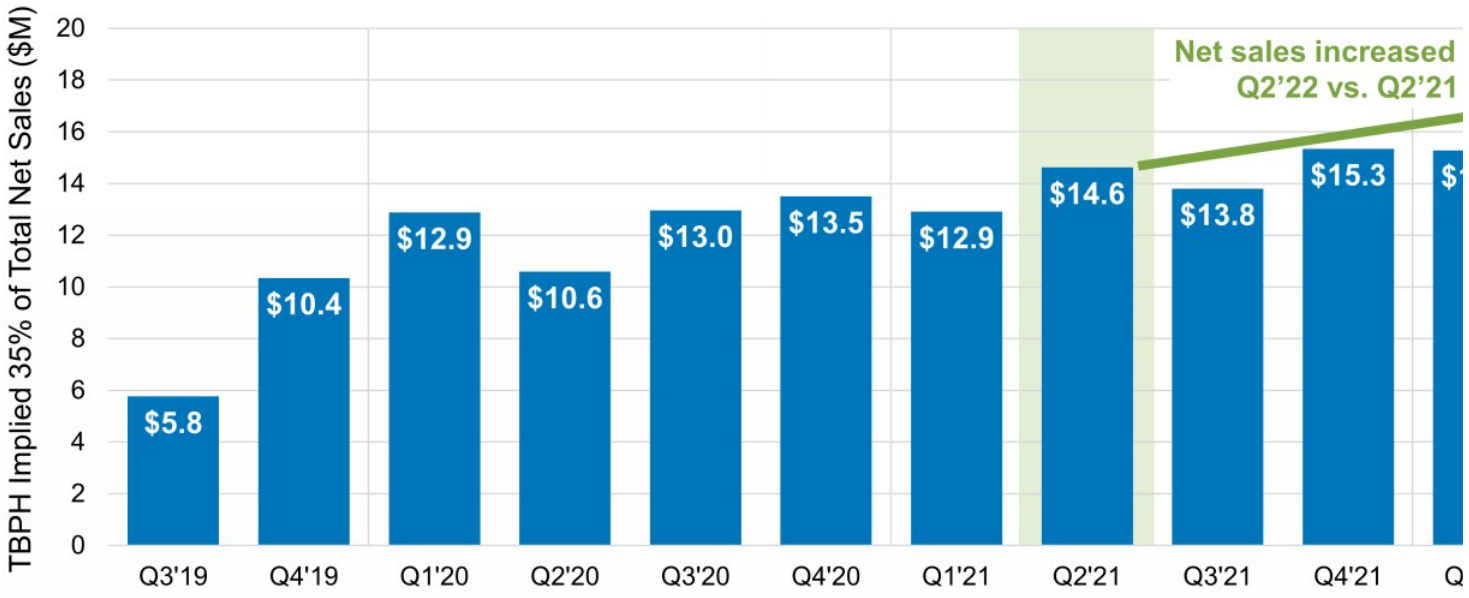


VIAT

Theravance Biopharma
Medicines That Make a Difference

1. Global Initiative for Chronic Obstructive Lung Disease 2022 Report, htttps://goldcopd.org.
2. TBPH market research (N = 160 physicians); refers to US COPD patients.
COPD, chronic obstructive pulmonary disease; LAMA, long-acting muscarinic antagonist.

TBPH implied 35% of YUPELRI® US net sales by quart

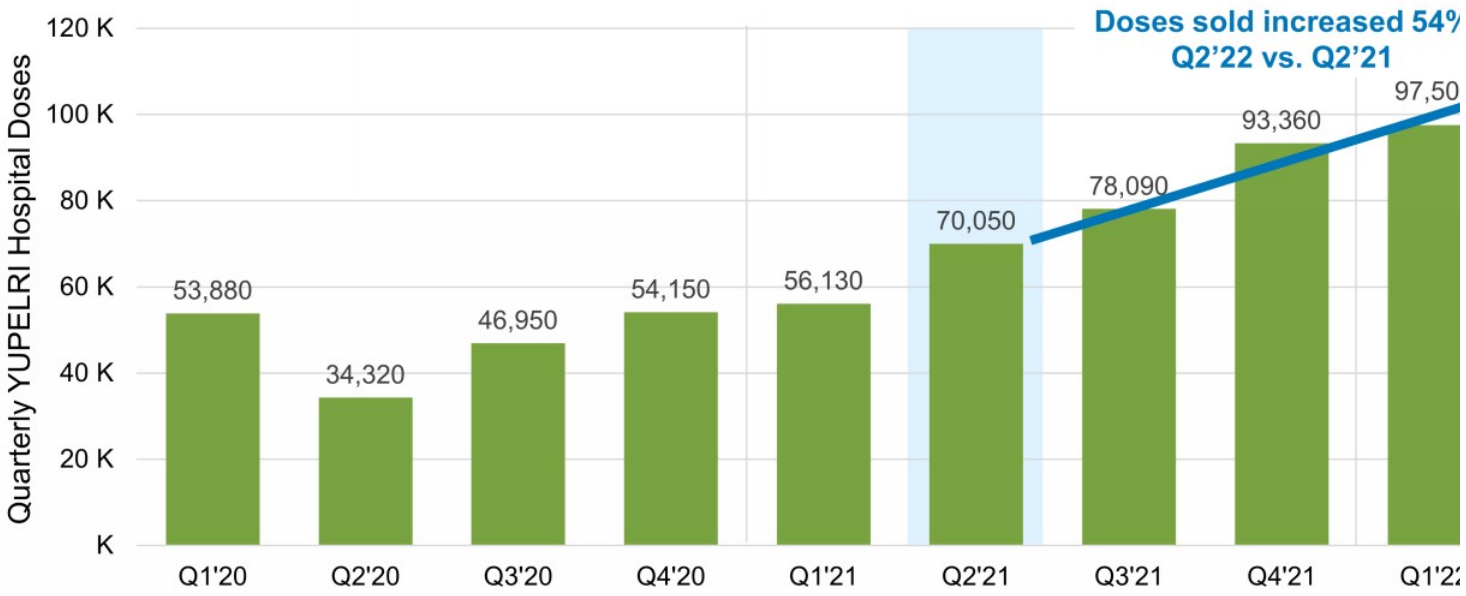


TBPH implied 35% of YUPELRI US net sales represents TBPH's portion of the combined TBPH and VIA

Theravance Biopharma
Medicines That Make a Difference

See TBPH 10K filed February 28, 2022 for greater detail re TBPH implied 35%.

YUPELRI® hospital performance continues strong gro

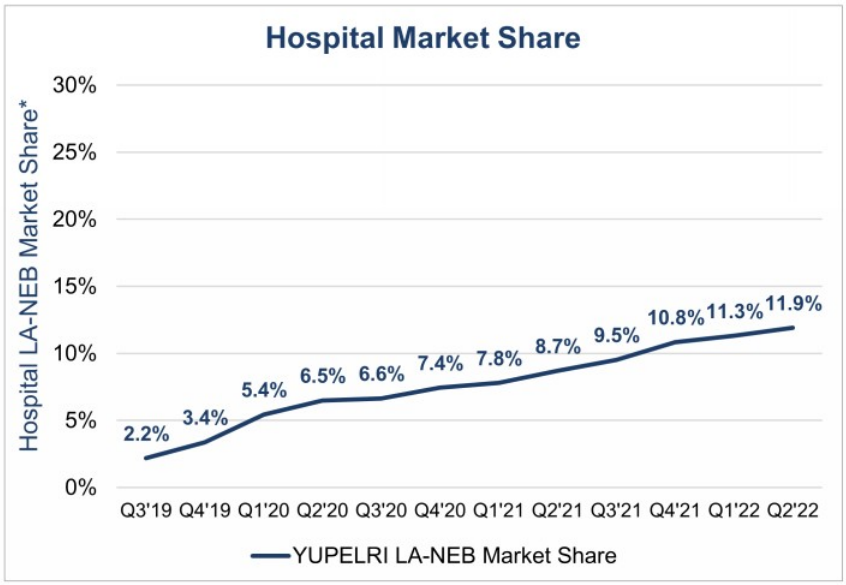


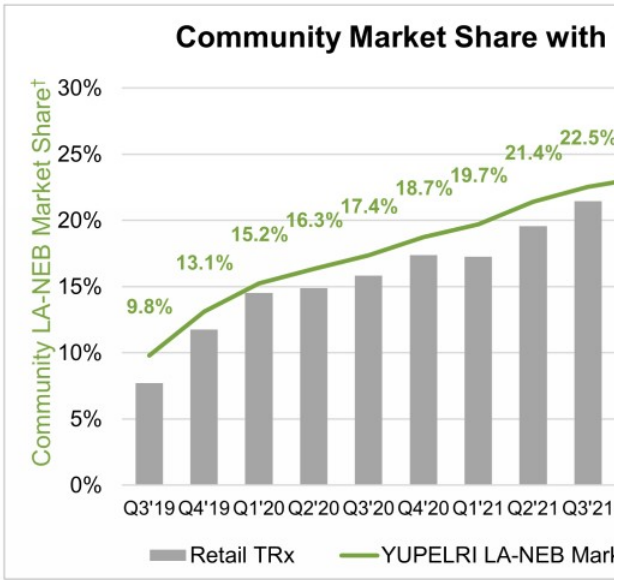
Theravance Biopharma
Medicines That Make a Difference

Source: IQVIA DDD, HDS, VA and Non-Reporting Hospital through 6/30/2022.

YUPELRI® hospital sales and community TRx trends

Continued market share growth across both the hospital and retail channels





Most patients who receive YUPELRI® in the hospital are discharged with an Rx[1]

TRx volume represents retail only which is typically 3

Reported DME volume, while lagged, typically follows R

LA-NEB Market: YUPELRI, BROVANA, LONHALA, PERFOROMIST, arformoterol, formoterol

Theravance Biopharma
Medicines That Make a Difference

1. Joint VTRS/TBPH Market Research.
* Hospital LA-NEB Market Share - IQVIA DDD through 6/30/2022.
†Community LA-NEB Market Share includes Retail + DME / Med B FFS through Apr'22
‡Retail TRx Volume - Symphony Health METYS Prescription Dashboard through 6/30/2022.

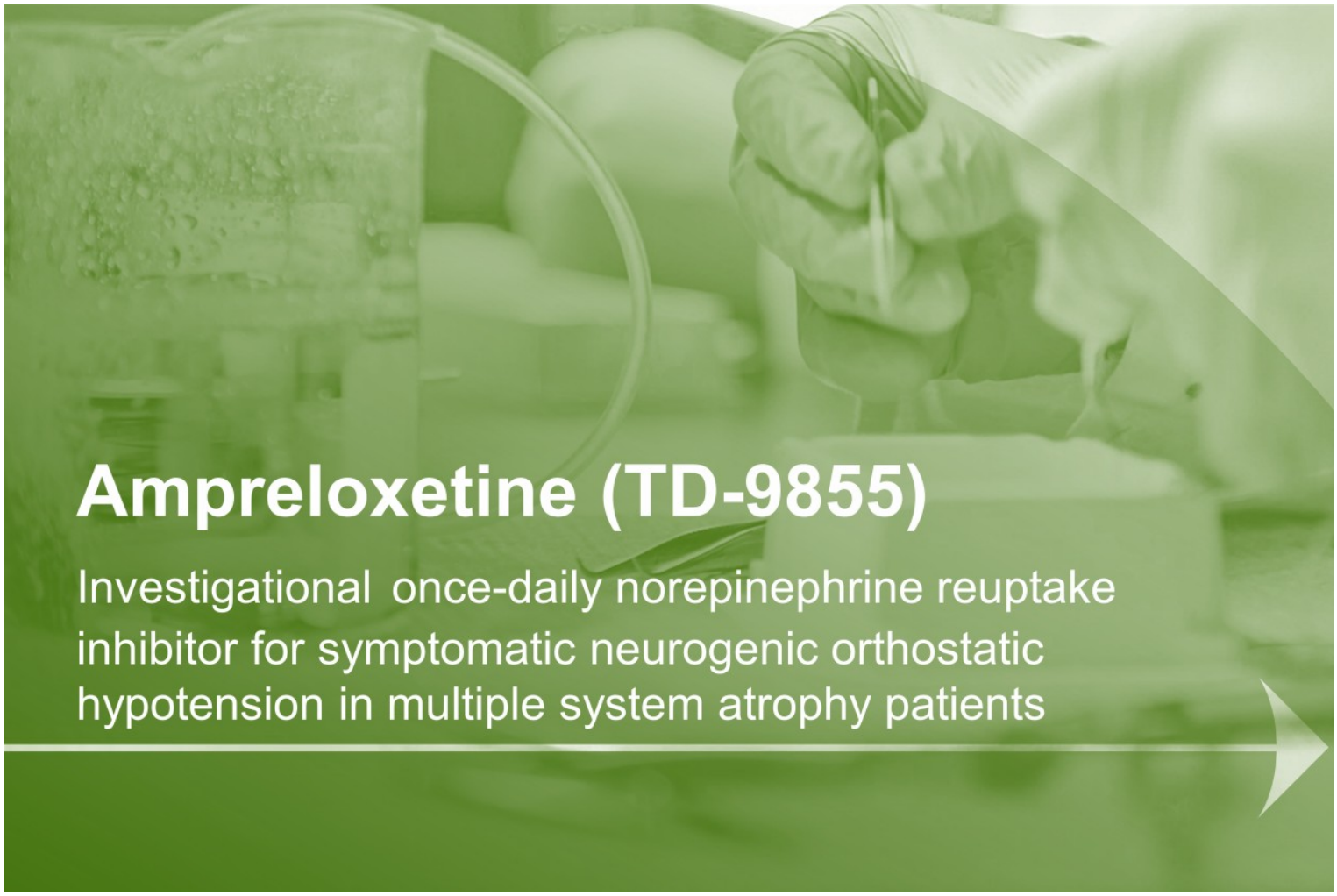
YUPELRI®:
Phase 4 randomized, double-blind, parallel-group study (F

Endpoints

- **Primary:** Change from baseline in trough FEV_1 on Day 85
- **Key secondary:** Trough overall treatment effect on FEV_1

Theravance Biopharma
Medicines That Make a Difference

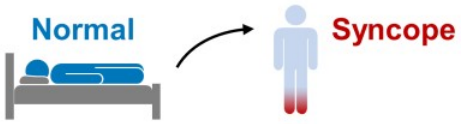
A Phase 4, Randomized, Double-Blind, Parallel-Group Study in Adults With Severe to Very Severe COPD and Suboptimal Inspiratory Flow Rate.
*Dry powder inhaler (Spiriva® HandiHaler®).
FEV_1, forced expiratory volume in 1 second; PIFR, peak inspiratory flow rate.



Ampreloxetine (TD-9855)

Investigational once-daily norepinephrine reuptake inhibitor for symptomatic neurogenic orthostatic hypotension in multiple system atrophy patients

Commercial opportunity for ampreloxetine in MSA



nOH Prevalence in MSA Patients

- **~50K MSA** patients in US[1] (meets orphan disease criteria)
- **70–90%** of MSA patients experience **nOH** symptoms[2]
- Despite available therapies, **many** MSA patients **remain symptom**

- Current treatment landscape includes droxidopa and midodrine
  - Both drugs are associated with **limited durability** of treatment effect
  - Both drugs have **complex dosing regimens** and **black box warnings** for supine hypertension

- **Ampreloxetine:**
  - **Unique MOA:** norepinephrine transporter reuptake inhibitor
  - **Once daily dosing**
  - **Durable efficacy:** clinically meaningful response over 22 weeks as assessed by the OHSA composite s
  - **Safety**: no signal for supine hypertension in safety database of >800 patients and healthy subjects[3]
  - **IP exclusivity until 2037**

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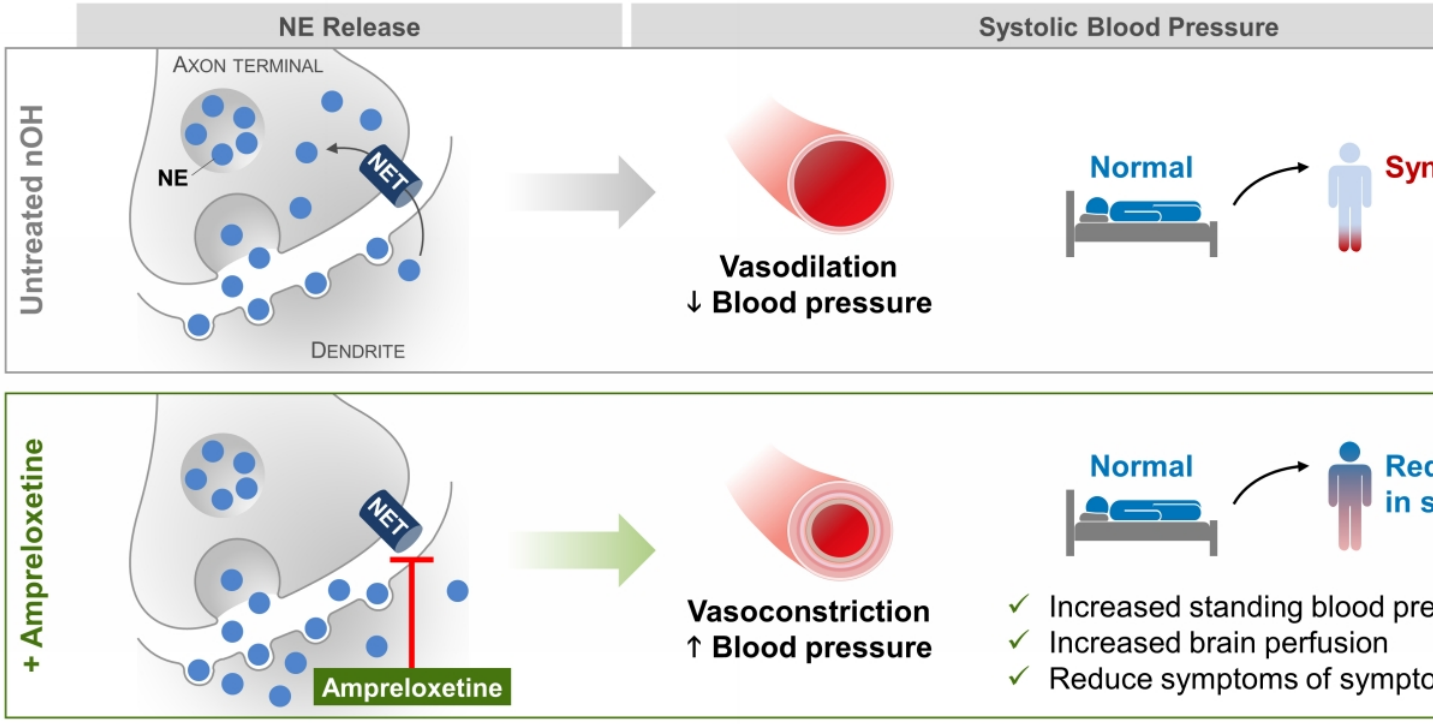
1. 2019 IQVIA Claims Analysis; NIH .
2. Symptoms associated with orthostatic hypotension in pure autonomic failure and multiple systems atrophy CH Mathias, Journal of Neurology (1999); ODD Analysis.
3. Data on file.

MOA, mechanism of action; MSA, multiple system atrophy; nOH, neurogenic orthostatic hypotension; OHSA, orthostatic hypotension symptom assessment.

Ampreloxetine mechanism of action



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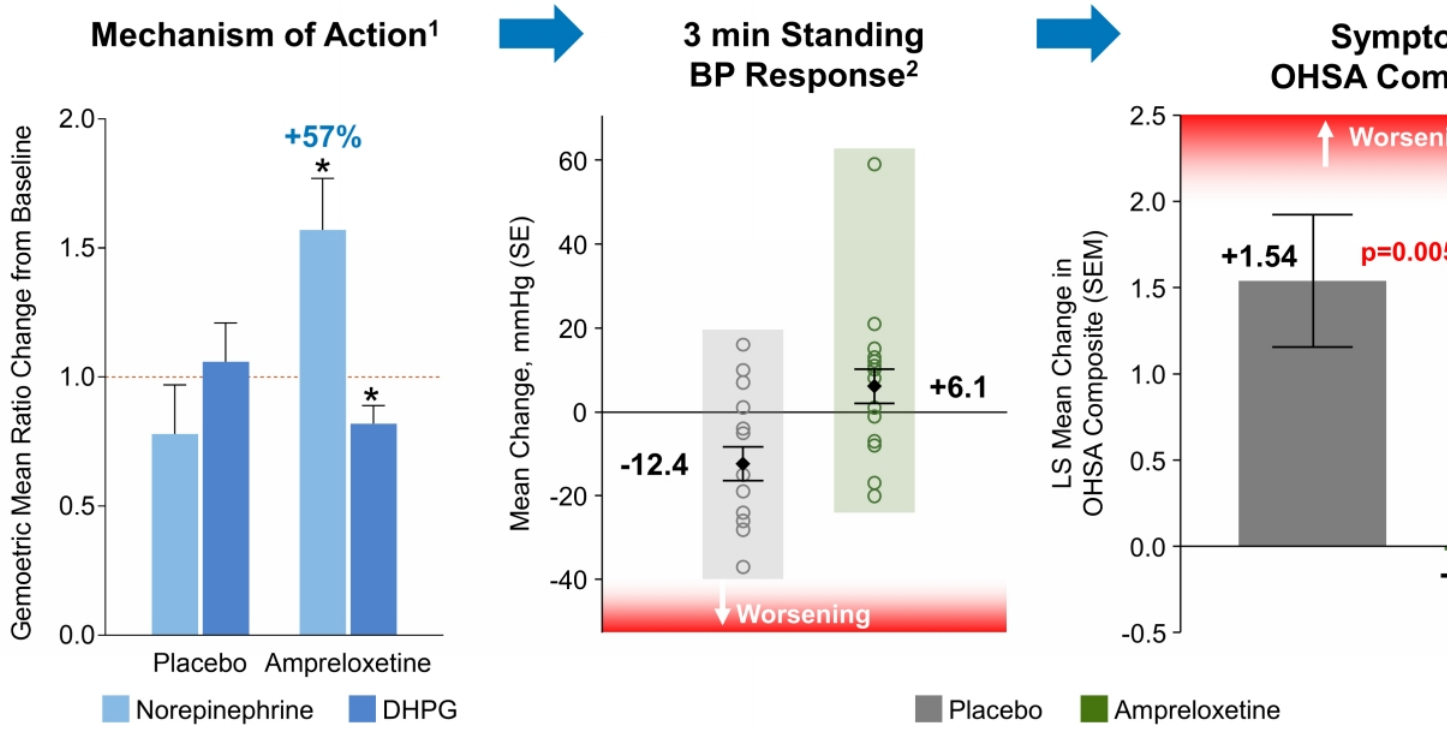
1. Palma JA, Kaufmann H. Mov Disord Clin Pract 2017;4:298-308.
NE, norepinephrine; NET, norepinephrine transporters; nOH, neurogenic orthostatic hypotension.

Ampreloxetine increases norepinephrine, prevents blo pressure drop and symptoms worsening in MSA[1, 2]



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1. Data from MSA patients. Error bars represent SE. * $p < 0.05$ comparison to baseline reported after 4 weeks of ampreloxetine administration in study 0169.
2. Data from MSA patients at week 6 of the randomized withdrawal period of study 0170.
BP, blood pressure; DHPG, dyhydroxyphenylglycol; LS, least-squares; MSA, multiple system atrophy; OHSA, orthostatic hypotension symptom assessment; SE, standard error; SEM, standard

Sale of Economic interest

GSK's TRELEGY ELLIPTA (FF/UMEC/VI): Once-daily single inhaler triple therapy

Delivering Strategic Value of Theravance Biopharma's 85% TRELEGY ELLIPTA Inte

Over $1.5 Billion in potential total value to Company sharel

Upfront:

~$1.1B cash

Unlocks and accelerates capture of TRELEGY ELLIPTA value

Mid-Term:

Up to $250M

- TRELEGY ELLIPTA sales-based milestones between 2023–2026
- First milestone in 2023 ($50M) for Global Net Sales of $2.863B[2]
  - Q2'22 actuals of $591M up 46% from Q2'21

Additional value from continued TRELEGY ELLIPTA performance

Long-Te

~$200

- Will be paid to TE from Royalty Pha
- Estimated NPV

Retain long-ter TRELEGY ELLIPTA

GSK remains exclusively responsible for commercialization of TRELEGY ELLIPTA

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1. All of its units in Theravance Respiratory Company, LLC. 2. The first milestone payment, of $50.0 million, will be triggered if Royalty Pharma receives $240.0 million or more in royalty payme to 2023 TRELEGY global net sales, which we would expect to occur in the event TRELEGY global net sales reach approximately $2.863 billion. 3. 85% of TRELEGY ELLIPTA royalties return t beginning July 1, 2029 for sales ex-U.S., and January 1, 2031 for sales within the U.S. Net present value ("NPV") of royalties based on GSK Bloomberg Consensus for TRELEGY ELLIPTA thro and through 2034 for ex-U.S. sales, discounted at 7%. Ex-U.S. sales for 2033-2034 extrapolated by Management due to limitation of consensus beyond 2032.

Second quarter 2022 financial highlights

$132.9 million cash[1] as of June 30, 2022

($, in thousands)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months End 2022
	(Unaudited)		(Unaudi
Revenue:			
Viatris collaboration agreement	$ 10,878	$ 10,934	$ 21,565
Collaboration revenue	172	1,980	181
Licensing revenue	-	-	2,500
Total revenue	11,050	12,914	24,246
Costs and expenses:			
Research and development (2)	15,571	51,093	38,824
Selling, general and administrative (2)	16,986	25,931	34,828
Transaction-related legal expenses (3)	3,778	-	5,057
Restructuring and related expenses (2)	1,594	-	10,918
Total costs and expenses	37,929	77,024	89,627
Loss from operations	**(26,879)**	**(64,110)**	**(65,381)**
Share-based compensation expense:			
Research and development	3,556	7,315	8,086
Selling, general and administrative	5,794	7,626	11,292
Restructuring and related expenses	359	-	4,876
Total share-based compensation expense	9,709	14,941	24,254
Operating expense excl. share-based compensation and one-time expenses:			
R&D operating expense (excl. share-based comp and restructuring exp.)	12,015	43,778	30,738
SG&A operating expense (excl. share-based comp, restructuring and one-time legal exp.)	11,192	18,305	23,536

Theravance Biopharma
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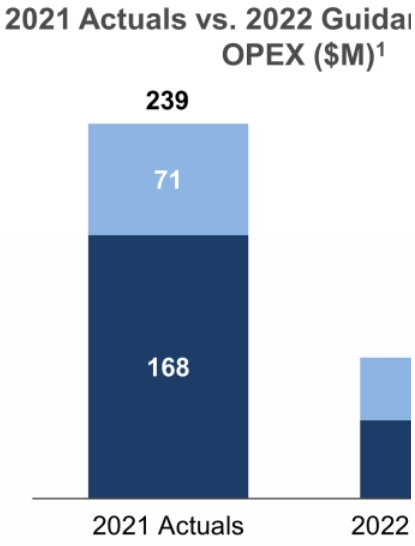
1. Cash, cash equivalents and marketable securities.
2. Amounts include share-based compensation.
3. Represents legal expenses related to the TRC sale to Royalty Pharma in July 2022.

Financial Guidance

- **Reiterating** 2022 OPEX guidance:
  - R&D: range of $45–55M
  - SG&A: range of $35–45M

- 2022 guidance includes **~$10M in non-recurring spend:**
  - Majority in Q1 to support completion of late-stage programs
  - OPEX Q3 and onward will reflect recurring spend only

- Guidance **excludes**:
  - Non-cash share-based compensation (SBC)
  - One-time restructuring, severance & termination costs
    - ~ $11.7M in 2022 ($9.3M[2] Q1 / $1.6M[3] Q2 / $0.8M[4] Q3 / $0M[4] Q4)
  - One-time transaction related costs of $5.1M YTD



Theravance Biopharma expects to approach breakeven cash flow from operations in and become sustainably cash flow positive going forward on an annual basis

Theravance Biopharma
Medicines That Make a Difference

1.) Excludes non-cash share-based compensation (SBC), one-time restructuring, severance and termination costs, and one-time transaction related legal expenses.
2.) $4.8M of cash related expenses and $4.5M of non-cash expenses.
3.) $1.2M of cash related expenses and $0.4M of non-cash expenses.
4.) Q3 / Q4 are estimates and subject to change; primarily comprised of non-cash expenses.

Theravance Biopharma transformed and focused

Focused on continuing to grow YUPELRI® (specialized respiratory)

Streamlined development investment to focus on ampreloxetine (rare neurolog

Leverage partnerships to unlock value of pipeline assets

Overarching goal: maximize shareholder value

Rick E Winningham
Chairman and Chief Executive Officer

Andrew A. Hindman
Senior Vice President, Chief Financial Officer

Rhonda F. Farnum
Senior Vice President, Chief Business Officer

Q&A Session

Richard A. Graham
Senior Vice President, Research and Development

YUPELRI® (revefenacin) inhalation solution

YUPELRI® inhalation solution is indicated for the maintenance treatment of patients with chronic obstructive pulmonary disea

Important Safety Information (US)

YUPELRI is contraindicated in patients with hypersensitivity to revefenacin or any component of this product.

YUPELRI should not be initiated in patients during acutely deteriorating or potentially life-threatening episodes of COPD, acute symptoms, i.e., as rescue therapy for the treatment of acute episodes of bronchospasm. Acute symptoms should b inhaled short-acting beta2-agonist.

As with other inhaled medicines, YUPELRI can produce paradoxical bronchospasm that may be life-threatening. If paradoxic occurs following dosing with YUPELRI, it should be treated immediately with an inhaled, short-acting bronchodilator. YU discontinued immediately and alternative therapy should be instituted.

YUPELRI should be used with caution in patients with narrow-angle glaucoma. Patients should be instructed to immedi healthcare provider if they develop any signs and symptoms of acute narrow-angle glaucoma, including eye pain or discomf visual halos or colored images in association with red eyes from conjunctival congestion and corneal edema.

Worsening of urinary retention may occur. Use with caution in patients with prostatic hyperplasia or bladder-neck obstru patients to contact a healthcare provider immediately if symptoms occur.

Immediate hypersensitivity reactions may occur after administration of YUPELRI. If a reaction occurs, YUPELRI should be and alternative treatments considered.

The most common adverse reactions occurring in clinical trials at an incidence greater than or equal to 2% in the YUPELRI than placebo, included cough, nasopharyngitis, upper respiratory infection, headache and back pain.

Coadministration of anticholinergic medicines or OATP1B1 and OATP1B3 inhibitors with YUPELRI is not recommended.

YUPELRI is not recommended in patients with any degree of hepatic impairment.

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OATP, organic anion transporting polypeptide.

About YUPELRI® (revefenacin) inhalation solution

YUPELRI® (revefenacin) inhalation solution is a once-daily nebulized LAMA approved for the maintenance treatment of COPI in the US.

Market research by Theravance Biopharma indicates approximately 9% of the treated COPD patients in the US use nebu maintenance therapy.[1] LAMAs are a cornerstone of maintenance therapy for COPD and YUPELRI® is positioned as the first agent bronchodilator product for COPD patients who require, or prefer, nebulized therapy. YUPELRI®'s stability in both met and dry powder device formulations suggest that this LAMA could also serve as a foundation for novel handheld combination

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1. TBPH market research (N=160 physicians); refers to US COPD patients.
COPD, chronic obstructive pulmonary disease; LAMA, long-acting muscarinic antagonist.

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Medicines That Make a Difference®

Appendix

August 4, 2022

Symptomatic nOH Treatment Landscape

	Droxidopa	Midodrine	Ampreloxe
Indication	Symptomatic nOH	OH	Symptomatic associated wi
Approval	Accelerated	Accelerated	Seeking f
MOA	Norepinephrine prodrug; vasoconstrictor	Desglymidodrine prodrug; alpha$_1$-receptor agonist; vasoconstrictor	Norepinephrine t reuptake inh
Posology	Multiple doses (3x daily), titration to effect	Multiple doses (3x daily)	Once da
Clinical Efficacy	OHSA#1, clinical effectiveness >2 weeks not established	Increase in systolic blood pressure 1 min after standing	OHSA composite meaningful & durab over 22 we
Clinical Safety	**Black box warning** for supine hypertension		No signal for supine

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1. Reflects Theravance Biopharma's expectations for ampreloxetine based on clinical trial data to date. Ampreloxetine is in development and not approved for any indication. 3. Data on file.
MOA, mechanism of action; MSA, Multiple System Atrophy; nOH, neurogenic orthostatic hypotension; OH, orthostatic hypotension; OHSA, orthostatic hypotension symptom assessment

Theravance Biopharma transformed and focused

Delivering TRELEGY ELLIPTA's strategic value, providing capital that

Streamlined Balance Sheet + Return of Capital

- **Retire all outstanding debt**
  - ~$420M TRELEGY notes
  - ~$230M Convertible debt
- **Return capital to shareholders**
  - Plan to be finalized following debt paydown

Attractive Pro Forma Financial Profile

- **Well-capitalized**: estimated cash balance of ~$430M before implementation of capital return plan
- **Expect to approach breakeven cash flow from operations in 2H 2022**

Enhanced Fo Near-Term Valu

- **Maximize value o** significant comme opportunity in the
- **Ampreloxetine**: A FDA on path to ND one new study in I
- **TRELEGY ELLIP retained**: 2023–2(up to $250 million

FDA, U.S. Food and Drug Administration; MSA, multiple system atrophy; NDA, new drug application.

Theravance Biopharma and Royalty Pharma Deal Sum

TRELEGY ELLIPTA

- Upfront: $1.1B
- Milestones: Up to $250M

Year	Royalties[2]	Global Net Sales Equivalent	Milestone
2023	$240M	$2,863M	$50M
2024[1]	$240M	$2,863M	$25M
	$275M	$3,213M	$50M
2025[1]	$260M	$3,063M	$25M
	$295M	$3,413M	$50M
2026[1]	$270M	$3,163M	$50M
	$305M	$3,513M	$100M

- Outer Year Royalty ("OYR"): 85% of royalties for TRELEGY ELLIPTA return to Theravance Biopharma:
  - On and after January 1, 2031 for U.S. sales[3]
  - On and after July 1, 2029 for ex-U.S. sales[3]
  - NPV estimated at ~$200M[4]

Ampreloxetine (Unsecured Royalty)

- Upfront payment: $25M
- 1st Regulatory approval milestone: $15
  - Approval by either FDA or first of the EM/ Germany, France, Italy and Spain
- Future royalties paid to Royalty Pharma
  - 2.5% on annual global net sales up to $5
  - 4.5% on annual global net sales > $500M

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1. If both milestones are achieved in a given year, Theravance Biopharma will only earn the higher milestone.
2. Based on 100% of TRELEGY ELLIPTA royalties.
3. U.S. royalties expected to end late 2032; ex-U.S. royalties expected to end mid-2030s and are country specific.
4. Net present value ("NPV") of royalties based on GSK Bloomberg Conse 2032 for U.S. sales and through 2034 for ex-U.S. sales, discounted at 7% 2034 extrapolated by Management due to limitation of consensus beyond