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): **May 7, 2019**

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 number, 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):

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

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

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

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

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 o

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. o

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

Item 2.02. Results of Operations and Financial Condition.

On May 7, 2019, Theravance Biopharma, Inc. issued a press release and is holding a conference call regarding its financial results for the quarter ended March 31, 2019 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 May 7, 2019
99.2	Slide deck entitled First Quarter 2019 Financial Results and Business Update

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: May 7, 2019

By: /s/ Bradford J. Shafer
Bradford J. Shafer
Executive Vice President and General Counsel

Theravance Biopharma, Inc. Reports First Quarter 2019 Financial Results and Provides Business Update

- *Late-stage clinical studies of TD-1473 and ampreloxetine underway*
- *Phase 1 results including biomarker data in asthmatics for lung-selective inhaled pan-JAK inhibitor TD-8236 expected in third quarter 2019*
- *Product launch of YUPELRI® (revefenacin) inhalation solution progressing in partnership with Mylan*
- *GSK announced positive data from Phase 3 CAPTAIN study of TRELEGY ELLIPTA in patients with asthma*
- *Company has initiated arbitration against Innoviva to enforce its full TRELEGY ELLIPTA royalty rights*

DUBLIN, IRELAND — MAY 7, 2019 — Theravance Biopharma, Inc. ("Theravance Biopharma" or the "Company") (NASDAQ: TBPH) today reported financial results for the first quarter ended March 31, 2019. Revenue for the first quarter of 2019 was $5.3 million. First quarter operating loss was $73.7 million or $61.4 million excluding share-based compensation expense. Cash, cash equivalents, and marketable securities totaled $434.1 million as of March 31, 2019.

Rick E Winningham, Chief Executive Officer, commented: "As we continue to make progress in 2019, we remain highly focused on implementing our strategy to discover, develop and commercialize transformational medicines with the potential to address important unmet patient, payor and caregiver needs.

"The Phase 2 Crohn's disease and Phase 2b/3 ulcerative colitis studies of TD-1473, our gut-selective pan-JAK inhibitor, are actively enrolling patients. Our registrational Phase 3 clinical program of ampreloxetine in symptomatic nOH is also underway, and we plan to present supportive five-month data from the completed Phase 2 study at scientific meetings in mid-2019. The Phase 1 study of TD-8236, our lung-selective JAK inhibitor, in healthy volunteers and asthmatic patients is ongoing and we expect to report results from the study in the third quarter of 2019.

"The YUPELRI launch is progressing following the commencement of formal sales and marketing efforts earlier this year in partnership with Mylan. In addition, sales of GSK's TRELEGY ELLIPTA for COPD continue to accelerate supported by product approvals and launches in additional geographies, including the recent approval in Japan. We were pleased to see GSK's recent announcement that the Phase 3 CAPTAIN study of TRELEGY ELLIPTA in patients with asthma met its primary endpoint, and GSK plans to submit the full dataset for regulatory review.

"Our strong cash position enables us to drive forward key programs in TD-1473, ampreloxetine, TD-8236, and YUPELRI, and to advance novel, organ-selective research programs toward the clinic. We intend to continue to build momentum throughout the year with a line-up of important milestones leading toward additional catalysts over the next 12 to 18 months as our late-stage trials mature, earlier-stage programs advance, and our commercial efforts gain traction," concluded Mr. Winningham.

Program Updates

TD-1473 (gut-selective pan-Janus kinase (JAK) inhibitor):

- Supplemental data from the Phase 1b study of TD-1473 in patients with ulcerative colitis to be shared in an oral presentation at Digestive Disease Week (DDW) in May 2019
- Phase 2 DIONE induction study in Crohn's disease and registrational Phase 2b/3 RHEA induction and maintenance study in ulcerative colitis underway

Ampreloxetine (TD-9855, norepinephrine reuptake inhibitor (NRI)):

- 5-month data from the Phase 2 study in patients with neurogenic orthostatic hypotension (nOH) to be presented at the International Association of Parkinsonism and Related Disorders (IAPRD) in June 2019 and selected for oral presentation at the 32nd European Neurology Congress (ENC) in July 2019
- Ongoing registrational Phase 3 program in symptomatic nOH comprised of two studies:
  - 4-week treatment study; and
  - 4-month open label study followed by a 6-week randomized withdrawal phase to demonstrate durability of response

TD-8236 (novel, lung-selective inhaled pan-JAK inhibitor for serious respiratory diseases):

- Phase 1 data expected in the third quarter of 2019; study designed to evaluate safety and provide biomarker data of TD-8236 in healthy volunteers and asthmatic patients
  - Program goal in asthma is the prevention of exacerbations and the improvement of symptoms in patients uncontrolled by steroids despite compliance
  - TD-8236 shown to potently inhibit targeted mediators of Th2-high and Th2-low asthma in human cells in preclinical studies

YUPELRI® (revefenacin) inhalation solution (lung-selective nebulized long-acting muscarinic antagonist (LAMA)):

- First and only once-daily, nebulized bronchodilator approved in the US for the maintenance treatment of patients with COPD
- Launch underway with partner Mylan; combined sales infrastructures covering the hospital, hospital discharge, and home health settings

TRELEGY ELLIPTA (first once-daily single inhaler triple therapy for COPD)[1]:

- First quarter 2019 net sales of $112.7 million; Theravance Biopharma entitled to approximately 5.5% to 8.5% (tiered) of worldwide net sales of the product
- Phase 3 CAPTAIN study in patients with asthma met primary endpoint:
  - TRELEGY demonstrated statistically significant 110mL improvement in lung function compared with RELVAR/BREO
  - GSK plans to submit data for regulatory review once full dataset is available
- Marketing authorization granted in Japan for the treatment for COPD; product now launched in 30 markets with the potential for an approval in China later this year

Notes:
[1] As reported by Glaxo Group Limited or one of its affiliates (GSK); reported sales converted to USD; economic interest related to TRELEGY ELLIPTA (the combination of fluticasone furoate, umeclidinium, and vilanterol, (FF/UMEC/VI), jointly developed by GSK and Innoviva, Inc.) entitles Company to upward tiering payments equal to approximately 5.5% to 8.5% on worldwide net sales of the product (net of TRC LLC expenses paid and the amount of cash, if any, expected to be used in TRC over the next four fiscal quarters). RELVAR/BREO ELLIPTA (the combination of fluticasone furoate and vilanterol)

First Quarter Financial Results

Revenue

Revenue from collaborative arrangements for the first quarter of 2019 was $5.3 million compared to $4.6 million in the same period in 2018. Total revenue decreased by approximately $3.0 million as compared to the first quarter of 2018. The decrease in total revenue resulted primarily from no product sales being recognized in the first quarter of 2019 following the sale of VIBATIV® to Cumberland Pharmaceuticals in late 2018.

Research and Development (R&D) Expenses

R&D expenses for the first quarter of 2019 were $53.8 million, compared to $47.8 million in the same period in 2018. The increase was primarily due to an increase in external and employee-related expenses. The increase in employee-related expenses includes the impact of the reduction in force announced in the first quarter of 2019. First quarter R&D expenses included non-cash share-based compensation of $6.2 million.

Selling, General and Administrative (SG&A) Expenses

SG&A expenses for the first quarter of 2019 were $25.2 million, compared to $24.7 million in the same period in 2018. The increase was primarily due to higher collaboration and employee-related expenses. The increase in employee-related expenses includes the impact of the reduction in force announced in the first quarter of 2019. First quarter SG&A expenses included non-cash share-based compensation of $6.1 million.

Cash, Cash Equivalents and Marketable Securities

Cash, cash equivalents and marketable securities, excluding restricted cash, totaled $434.1 million as of March 31, 2019.

2019 Financial Guidance

The Company’s guidance on operating loss excluding non-cash share-based compensation for the full year of 2019 remains unchanged at $210.0 million to $230.0 million. Operating loss guidance does not include royalty income for TRELEGY ELLIPTA which the Company recognizes as non-operating income. The Company’s share of US profits and losses related to the commercialization of YUPELRI, potential future business development collaborations as well as the timing and cost of clinical studies associated with its key programs, among other factors, could impact the Company’s financial guidance.

Arbitration Against Innoviva

As noted in the Innoviva, Inc. ("Innoviva") Quarterly Report on Form 10-Q for the three months ended March 31, 2019[2] filed with the Securities and Exchange Commission on May 1, 2019, no distributions were made to Theravance Biopharma with respect to its 85% economic interest in Theravance Respiratory Company, LLC ("TRC LLC") for the quarter ended December 31, 2018. As a result of this unjustified withholding of cash and Innoviva's statement to Theravance Biopharma that it intends to cause TRC LLC to withhold making further cash distributions through calendar 2019, the Company has initiated an arbitration against Innoviva and TRC LLC regarding Innoviva's material breach of its obligations to cause TRC LLC to make contractually-required distributions to the Company from royalties paid to TRC LLC by GlaxoSmithKline and its affiliates (collectively, "GSK") related to GSK's net sales of TRELEGY ELLIPTA.

Rick E Winningham, chairman and chief executive officer of Theravance Biopharma, commented: "Theravance Biopharma intends to aggressively enforce all aspects of its agreement with Innoviva and TRC LLC to ensure we continue receiving our stipulated 85% share of royalties linked to TRELEGY ELLIPTA net sales. We firmly believe there is no justification or legal basis for Innoviva to cause TRC LLC to withhold the Q4 2018 distributions, the 2019 distributions or any material amount of cash. We are confident that Theravance Biopharma will prevail in this dispute and retain all rights to its full portion of the TRELEGY ELLIPTA royalties paid to TRC LLC by GSK."

In connection with Theravance Biopharma's spin-off from Innoviva in 2014, the two companies (collectively, and including Theravance Biopharma affiliates who became members, the "Members") entered into a limited liability company agreement (the "TRC LLC Agreement") that established TRC LLC. TRC LLC is jointly owned by the two companies despite being managed by Innoviva, and its purpose is to collect and disburse royalties from GSK's sales of certain products, including TRELEGY ELLIPTA, to the Members. The terms of the Agreement plainly state that Member interests owned by Theravance Biopharma entitle it to 85% of the royalties paid to TRC LLC by GSK as a result of GSK's net sales of TRELEGY ELLIPTA (net of TRC LLC expenses paid and the amount of cash, if any, expected to be used in TRC LLC over the next four fiscal quarters). The TRC LLC Agreement imposes express fiduciary duties on Innoviva equal to those of directors of a for-profit corporation and those of a controlling shareholder. To ensure that Innoviva causes TRC LLC to fulfill its contractual duties to distribute royalties, and to discharge its own fiduciary duties, the TRC LLC Agreement imposes significant limitations on Innoviva's authority as manager, including requiring Theravance Biopharma's consent before taking actions or omitting to take actions that would reasonably be expected to have a direct or indirect material and adverse effect on the Company's economic interest in TRC LLC or its rights, preferences, privileges or obligations.

On November 30, 2018, an affiliate of Theravance Biopharma named Triple Royalty Sub LLC (the "Issuer") closed a private placement of $250 million aggregate principal amount of non-recourse Triple PhaRMA[sm] 9% Fixed Rate Term notes due on or before April 15, 2033 (the "Notes"). The Notes are secured by, and the primary source of funds to make payments on the Notes is, the Issuer's 63.75% economic interest in any future payments made by GSK to TRC LLC (net of TRC LLC expenses paid and the amount of cash, if any, expected to be used in TRC LLC over the next four fiscal quarters).

The Notes bear an annual interest rate of 9%, with interest and principal payable quarterly beginning April 15, 2019. Through October 15, 2020, the terms of the Notes provide that to the extent there are insufficient funds to satisfy the Issuer's scheduled quarterly interest obligations, the shortfall shall be

added to the principal amount of the Notes without a default or event of default occurring. The terms of the Notes also provide that, at Theravance Biopharma's option, the quarterly interest payment obligations can be satisfied by making a capital contribution to the Issuer, but not for more than four (4) consecutive quarterly interest payment dates or for more than six (6) quarterly interest payment dates during the term of the Notes. For the April 15, 2019 interest payment date, Theravance Biopharma R&D, Inc. (parent entity of Issuer) made a capital contribution to satisfy the interest payment obligations for that scheduled payment. If necessary, interest may be paid in-kind or Theravance Biopharma may exercise its capital contribution option in the near future while we arbitrate this dispute with Innoviva.

Rick E Winningham concluded:

"As we work to resolve this dispute in our favor, we will continue to execute on our go-forward strategy. Again, we firmly believe there is no justification or legal basis for Innoviva to cause TRC LLC to withhold any material amount of cash. We are confident that Theravance Biopharma will prevail in this dispute and retain all rights to its full portion of the TRELEGY ELLIPTA royalties paid to TRC LLC by GSK. We believe the arbitration process provided for under the Agreement will enable us to pursue and achieve a favorable resolution in a relatively timely manner."

Quinn Emanuel Urquhart & Sullivan, LLP is serving as external counsel to Theravance Biopharma in this matter.

Notes:
[2] As disclosed in Innoviva's Condensed Consolidated Statement of Cash Flows and the Condensed Consolidated Statements of Stockholders' Equity in the Form 10-Q for the three months ended March 31, 2019.

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. To participate in the live call by telephone, please dial (855) 296-9648 from the US, or (920) 663-6266 for international callers, and use the confirmation code 9890346. 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 Investor Relations section, Presentations and Events. Please go to the website 15 minutes prior to the start of the call to register, download, and install any necessary audio software.

A replay of the conference call will be available on Theravance Biopharma's website for 30 days through June 7, 2019. An audio replay will also be available through 8:00 pm ET on May 14, 2019 by dialing (855) 859-2056 from the U.S., or (404) 537-3406 for international callers, and then entering confirmation code 9890346.

About Theravance Biopharma

Theravance Biopharma, Inc. ("Theravance Biopharma") is a diversified biopharmaceutical company primarily focused on the discovery, development and commercialization of organ-selective medicines. Our purpose is to create transformational medicines to improve the lives of patients suffering from serious illnesses. Our research is focused in the areas of inflammation and immunology.

In pursuit of our purpose, we apply insights and innovation at each stage of our business and utilize our internal capabilities and those of partners around the world. We apply organ-selective expertise to biologically compelling targets to discover and develop medicines designed to treat underserved localized diseases and to limit systemic exposure, in order to maximize patient benefit and minimize risk. These efforts leverage years of experience in developing lung-selective medicines to treat respiratory disease, including FDA-approved YUPELRI® (revefenacin) inhalation solution indicated for the maintenance treatment of patients with chronic obstructive pulmonary disease (COPD). Our pipeline of internally discovered programs is targeted to address significant patient needs.

We have an economic interest in potential future payments from Glaxo Group or one of its affiliates (GSK) pursuant to its agreements with Innoviva, Inc. relating to certain programs, including TRELEGY ELLIPTA.

For more information, please visit www.theravance.com.

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 and the Private Securities Litigation Reform Act of 1995. Examples of such statements include statements relating to: the current dispute with Innoviva and TRC LLC, the Company’s strategies, plans and objectives, the Company’s regulatory strategies and timing of clinical studies (including the data therefrom), the potential characteristics, benefits and mechanisms of action of the Company’s product and product candidates, the potential that the Company’s research programs will progress product candidates into the clinic, the Company’s expectations for product candidates through development, potential regulatory approval and commercialization (including their differentiation from other products or potential products), product sales or profit share revenue and the Company’s expectations for its 2019 operating loss, excluding share-based compensation. These statements are based on the current estimates and assumptions of the management of Theravance Biopharma as of the date of the 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: the nature of the current dispute with Innoviva and TRC LLC, the uncertainty of arbitration and litigation and the possibility that an arbitration award or litigation result involving the current dispute could be adverse to the Company, delays or difficulties in commencing, enrolling or completing clinical studies, the potential that results from clinical or non-clinical studies indicate the Company’s compounds or product candidates are unsafe or ineffective, risks that product candidates do not obtain approval from regulatory authorities, the feasibility of undertaking future clinical trials for our product candidates based on policies and feedback from regulatory authorities, 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. Other risks affecting Theravance Biopharma are described under the heading “Risk Factors” contained in Theravance Biopharma’s Form 10-K filed with the Securities and Exchange Commission (SEC) on February 28, 2019 and Theravance Biopharma’s other filings 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.

Contact Information:

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650-808-4045
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For Innoviva dispute:
Profile
Greg Marose / Charlotte Kiaie, 347-343-2999
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THERAVANCE BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended March 31,	
	2019	2018
	(Unaudited)	
Revenue:		
Product sales	$ —	$ 3,679
Collaboration revenue	5,338	4,640
Total revenue	5,338	8,319
Costs and expenses:		
Cost of goods sold	—	826
Research and development (1)	53,818	47,765
Selling, general and administrative (1)	25,186	24,704
Total costs and expenses	79,004	73,295
Loss from operations	(73,666)	(64,976)
Income from investment in TRC, LLC	6,229	686
Interest expense	(7,858)	(2,137)
Interest and other income, net	2,795	1,484
Loss before income taxes	(72,500)	(64,943)
Provision for income tax expense	(80)	(144)
Net loss	$ (72,580)	$ (65,087)
Net loss per share:		
Basic and diluted net loss per share	$ (1.32)	$ (1.22)
Shares used to compute basic and diluted net loss per share	54,938	53,256

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

	Three Months Ended March 31,	
(In thousands)	2019	2018
Research and development	$ 6,159	$ 6,559
Selling, general and administrative	6,061	7,439
Total share-based compensation expense	$ 12,220	$ 13,998

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

	March 31, 2019 (Unaudited)	December 31, 2018 (1)
Assets		
Current assets:		
Cash and cash equivalents and short-term marketable securities	$ 434,058	$ 505,276
Receivables from collaborative arrangements	7,824	10,053
Other prepaid and current assets	25,351	17,494
Total current assets	467,233	532,823
Property and equipment, net	12,899	13,176
Long-term marketable securities	—	11,869
Operating lease assets	48,861	—
Restricted cash	833	833
Other assets	1,439	1,534
Total assets	$ 531,265	$ 560,235
Liabilities and Shareholders' Deficit		
Current liabilities	$ 113,542	$ 98,554
Convertible senior notes due 2023, net	225,086	224,818
Non-recourse notes due 2033, net	221,402	229,535
Operating lease liabilities	48,493	—
Other long-term liabilities	35,994	58,917
Shareholders' deficit	(113,252)	(51,589)
Total liabilities and shareholders' deficit	$ 531,265	$ 560,235

(1) The condensed consolidated balance sheet as of December 31, 2018 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, 2018.

Exhibit 99.2

Theravance Biopharma, Inc.

(NASDAQ: TBPH)

First Quarter 2019 Financial Results and Business Update

May 7, 2019

Theravance Biopharma

Medicines That Make a Difference®

Forward Looking Statements

Under the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, the company cautions investors that any forward-looking statements or projections made by the company are subject to risks and uncertainties that may cause actual results to differ materially from the forward-looking statements or projections.

Examples of forward-looking statements in this presentation may include the current dispute with Innoviva, Inc. and TRC LLC, statements relating to the company's strategies, plans and objectives, the company's regulatory strategies and timing of clinical studies (including the data therefrom), the potential characteristics, benefits and mechanisms of action of the company's product and product candidates, the potential that the company's research programs will progress product candidates into the clinic, the company's expectations for product candidates through development, potential regulatory approval and commercialization (including their differentiation from other products or potential products), product sales or profit share revenue and the company's expectations for its 2019 operating loss, excluding share-based compensation.

The company's forward-looking statements are based on the estimates and assumptions of management as of the date of this presentation and are subject to risks and uncertainties that may cause the actual results to be materially different than those projected, such as risks related to the nature of the current dispute with Innoviva and TRC LLC, the uncertainty of arbitration and litigation and the possibility that an arbitration award or litigation result involving the current dispute could be adverse to the company, delays or difficulties in commencing or completing clinical studies, the potential that results from clinical or non-clinical studies indicate product candidates are unsafe or ineffective (including when our product candidates are studied in combination with other compounds), delays or failure to achieve and maintain regulatory approvals for product candidates, risks of collaborating with third parties to discover, develop and commercialize products, risks associated with establishing and maintaining sales, marketing and distribution capabilities.

Other risks affecting the company are described under the heading "Risk Factors" and elsewhere in the company's Form 10-K filed with the Securities and Exchange Commission (SEC) on February 28, 2019, and other periodic reports filed with the SEC.

Focus on Strategic Priorities

COMMITMENT TO CREATING TRANSFORMATIONAL MEDICINES

Opportunities to Create Transformational Medicines	YUPELRI®	**Nebulized LAMA in COPD** • Formal commercial launch underway
	TD-1473	**Intestinally-restricted JAKi for inflammatory intestinal diseases** • Phase 2 DIONE study in Crohn's disease underway • Phase 2b/3 RHEA study in ulcerative colitis underway • Supplemental Phase 1b data to be shared in oral presentation at DDW
	Ampreloxetine	**NRI in symptomatic neurogenic orthostatic hypotension** • Registrational Phase 3 program progressing • 5-month data from Phase 2 in nOH to be shared at IAPRD and ENC
	TD-8236	**Lung-selective inhaled pan-JAK inhibitor for serious respiratory diseases** • Safety and biomarker data from Phase 1 study in healthy volunteers and asthmatic patients expected 3Q19
Economic Interest	TRELEGY ELLIPTA[1]	**(FF/UMEC/VI) Single inhaler triple therapy in COPD** • Product launched in 30 markets, including Japan; additional geographies expected throughout 2019 (incl. China) • Positive results from Phase 3 CAPTAIN study in patients with asthma recently announced • Potential sNDA in 2H 2019

Significant existing cash resources to fund strategic priorities[2]

Theravance Biopharma
Medicines That Make a Difference

[1] TBPH holds 85% economic interest in upward-tiering royalty stream of 6.5% – 10% payable by GSK (net of TRC LLC expenses paid and the amount of cash, if any, expected to be used by TRC pursuant to the TRC LLC Agreement over the next four fiscal quarters). All statements based on publically available information.
[2] Cash of approximately $434M as of March 31, 2019 (cash, cash equivalents, and marketable securities)

GSK's TRELEGY ELLIPTA

FIRST AND ONLY ONCE-DAILY SINGLE INHALER TRIPLE THERAPY

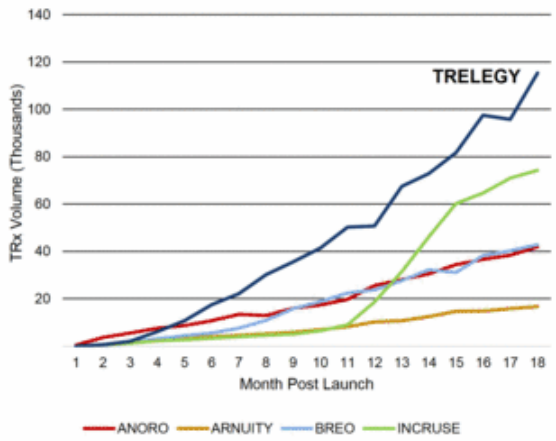
Economic interest in TRELEGY ELLIPTA

- Upward-tiering royalty of ~5.5% - 8.5% of worldwide net sales[1]
- Passive economic interest; no product cost obligations

Growth continues after first full year on market

- Available in 30 markets, including recent Japan launch
- Additional geographies expected in 2019; potential for China approval and launch later this year
- Phase 3 asthma study met primary endpoint; data to be submitted for regulatory review once full dataset available

Strongest US ELLIPTA Launch to Date



Launched in US in November 2017

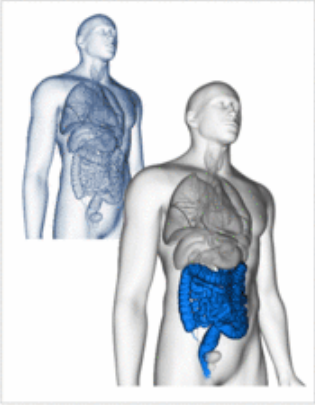
Source: GSK, IQVIA NPA weekly TRx data. This information is an estimate derived from the use of information under license from the following IQVIA information service: NPA for the time period Sept 2013 through March 2019. IQVIA expressly reserves all rights, including rights of copying, distribution, & republication.

Theravance Biopharma
Medicines That Make a Difference

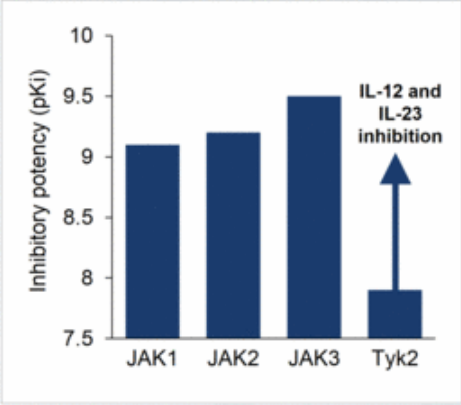
TRELEGY ELLIPTA is FF/UMEC/VI or fluticasone furoate/umeclidinium/vilanterol; comprised of ICS, LAMA, and LABA, active components of Breo (FF/VI) and Anoro (UMEC/VI).
[1] TBPH holds 85% economic interest in upward-tiering royalty stream of 6.5% – 10% payable by GSK (net of TRC LLC expenses paid and the amount of cash, if any, expected to be used by TRC pursuant to the TRC LLC Agreement over the next four fiscal quarters). All statements based on publically available information.
sNDA: supplemental new drug application

TD-1473 Research Vision

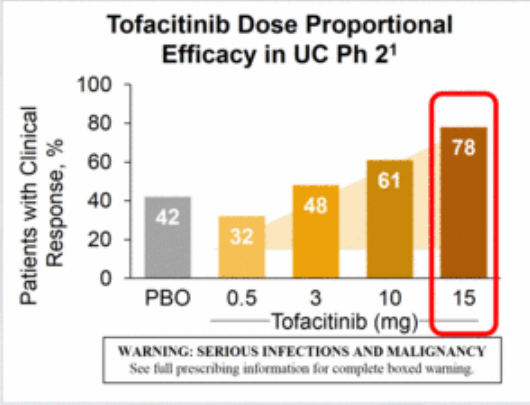
ORAL GUT-SELECTIVE PAN-JAK INHIBITOR



Treat disease at site to maximize efficacy



Optimize pharmacology to include potent inhibition of Tyk2



Improve upon the efficacy of a clinically validated target

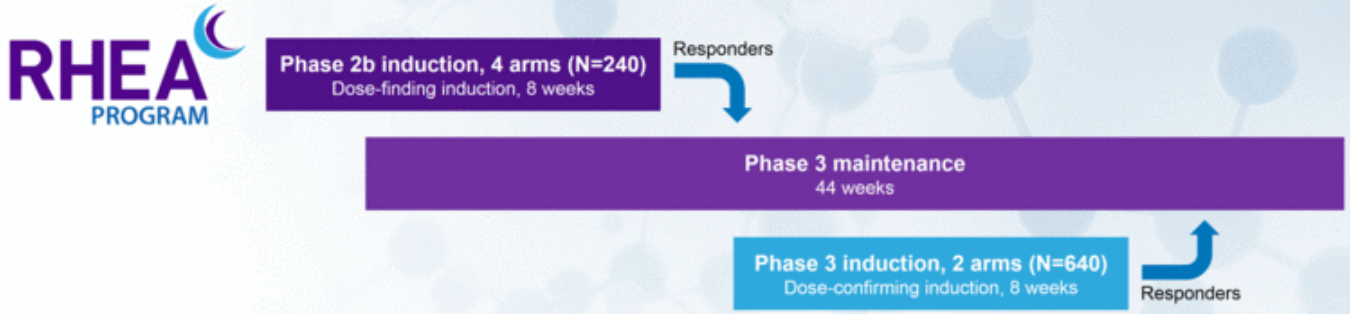
TD-1473 advancing in Phase 2 study in Crohn's disease and Phase 2b/3 study in ulcerative colitis

[1] Sandborn WJ, et al. N Engl J Med 2012;367:616-24

TD-1473 Clinical Program

LATE STAGE STUDIES IN ULCERATIVE COLITIS AND CROHN'S DISEASE

Phase 2b/3 study in ulcerative colitis



Phase 2 study in Crohn's disease

Organ-selective Approach

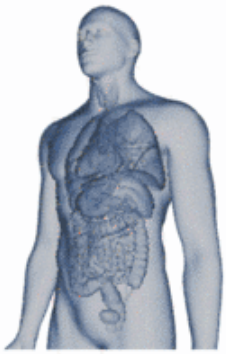
COMPOUNDS DESIGNED TO FULLY HARNESS INTENDED BIOLOGY

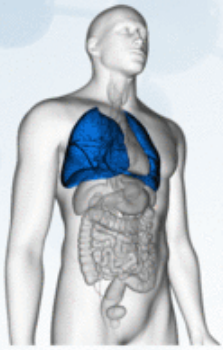
Conventional Systemic Compound

- Often unable to achieve maximal efficacy due to dose limiting safety
- Narrow therapeutic index

Theravance Biopharma Organ-selective Compound

- Opportunity to increase dose for improved efficacy, without cost of systemic safety risk
- Expanded therapeutic index

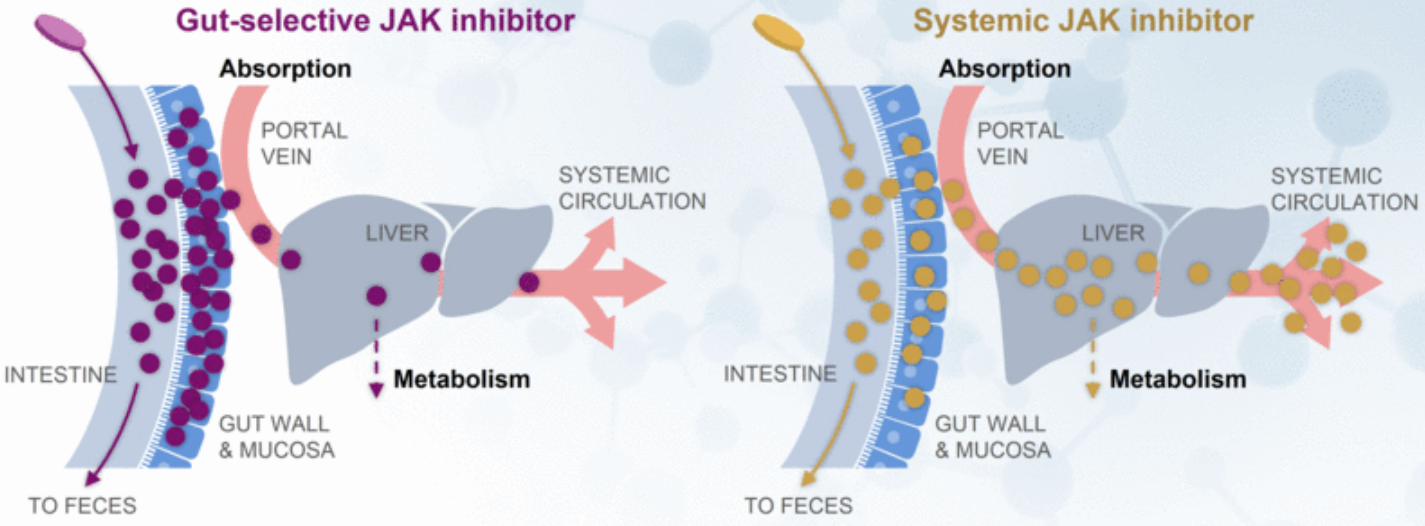




Illustrated example: lung selectivity

Gut-selective Design

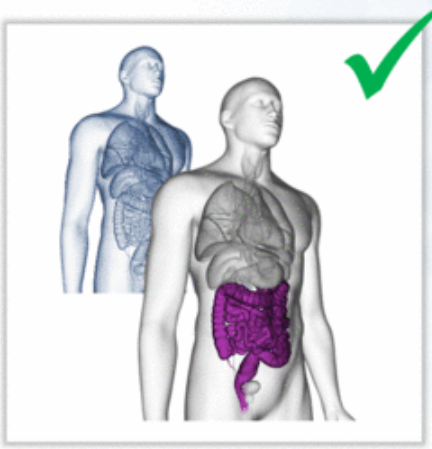
INFLAMMATION TREATED AT THE TISSUE OF INTEREST



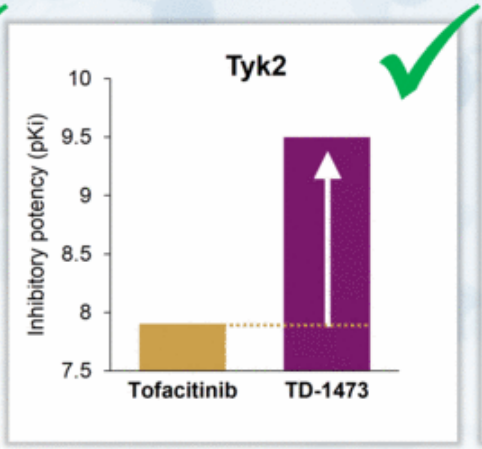
Systemically available drug eliminated by the liver via first pass metabolism

TD-1473: Innovative Approach in Treating IBD

COMPELLING PRECLINICAL PACKAGE AND ENCOURAGING PHASE 1B DATA



Gut selectivity



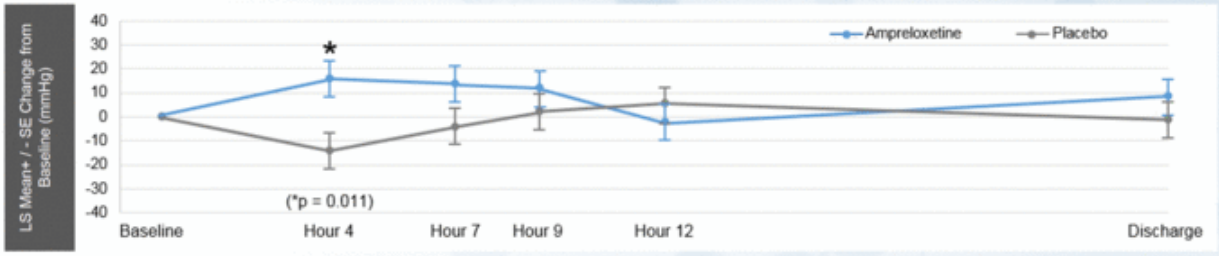
Potent inhibition of Tyk2

Anti-inflammatory activity in disease model

Ampreloxetine: Top-line Phase 2 Results in nOH

PART B and C: VERSUS PLACEBO AND REPEAT DOSE EXTENSION PHASE

Part B: Change from baseline SBP



Part C: Durability of effect observed in repeat-dose open-label extension phase

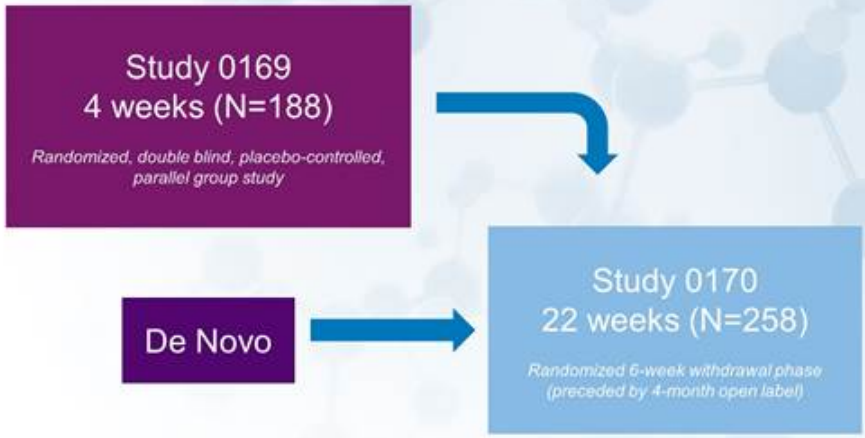
- Reductions in symptom severity, with most pronounced benefit in patients with symptomatic nOH
  - Mean reduction in OHSA #1 = 2.4 at four weeks (n=16)
  - 13 completers had OHSA #1 > 4 at baseline; **mean reduction in this group = 3.8 at four weeks**

Positive results including durability of effect provide basis for registrational Phase 3 program in symptomatic nOH

SBP = systolic blood pressure. OHSA = orthostatic hypotension symptom assessment. OHSA #1 is a measurement of dizziness, a cardinal symptom of nOH.
[1] Symptomatic defined as OHSA #1 > 4.
Durability of effect observed at four weeks and five months in the completed Phase 2 trial of ampreloxetine in patients with nOH

Ampreloxetine Clinical Program

PHASE 3 REGISTRATIONAL PROGRAM IN SYMPTOMATIC NOH

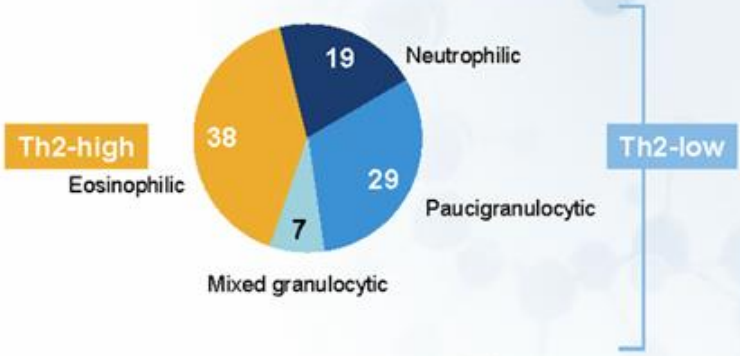


Supportive 5-month treatment data from Phase 2 study to be presented at IAPRD and ENC

TD-8236: Lung-selective pan-JAK Inhibitor

POTENTIAL TO ADDRESS PATIENTS NEEDS REGARDLESS OF TH2 PHENOTYPE

Patient heterogeneity in severe asthma



JAK/STAT cytokines implicated in severe asthma

Th2-high	Th2-low
IL-4	**IL-23**/IL-12
IL-13	**IL-6**
IL-5	IL-27
TSLP	IFN-γ

Bold denotes biologics in development or approved

TD-8236 shown to potently inhibit targeted mediators of Th2-high and Th2-low asthma in human cells in preclinical studies

- Novel approved biologics address only Th2-high asthma
- Key treatment needs: Prevention of exacerbations and symptom control for patients regardless of Th2 phenotype

Phase 1 study data in healthy volunteers and asthmatic patients (including biomarker measures) expected 3Q19

Theravance Biopharma

Simpson JL, et al. Resp 2006;115:461.

YUPELRI®: Formal Commercial Launch Underway

FDA-APPROVED FOR THE MAINTENANCE TREATMENT OF COPD

- *First and only once-daily bronchodilator delivered in a nebulizer*
- *Higher of two doses approved: 175 mcg once daily, for use with any standard jet nebulizer*

Unmet need for nebulized LAMA therapy

- Once-daily LAMAs are first-line therapy for moderate to severe COPD[1]
- No once-daily nebulized LAMAs available previously; only available in handheld devices
- Nebulized therapy associated with reduced hospital readmissions in low PIFR patients[2]

Theravance Biopharma
Medicines That Make a Difference

YUPELRI® (revefenacin) inhalation solution. Approved for the maintenance treatment of patients with COPD. COPD = Chronic Obstructive Pulmonary Disease.
[1] Global Strategy for Diagnosis, Management, and Prevention of COPD.
[2] Suboptimal Inspiratory Flow Rates Are Associated with COPD and All Cause Readmissions. Loh et al., Annals of ATS 2017.

Partnership with Mylan Provides Commercial Strength in Nebulized Opportunity

Combined sales infrastructures to cover Hospital, Hospital Discharge and Home Health settings

Enduring patient niche and significant market opportunity

- >100M patient treatment days in nebulized COPD segment[1]
- 9% of COPD patients currently use nebulizers for ongoing maintenance therapy[2]
- 41% of COPD patients use nebulizers at least occasionally for bronchodilator therapy[2]

HD = hospital discharge.
[1] IMS Health information service: NSP for period MAT May, 2015. Excludes nebulized SABAs. IMS expressly reserves all rights, including rights of copying, distribution and republication.
[2] TBPH market research (N = 160 physicians); refers to US COPD patients.

YUPELRI® Launch Update
ENCOURAGING INITIAL MARKET RESPONSE

FORMULARY

17 Wins
(equates to 63 accounts)

72 Reviews Scheduled
(~280 potential accounts)

100% medical support
requests **fulfilled** <30 days

PATIENT

Field force productivity goals exceeded

~4,500 patients prescribed to date

ACCESS

~50% Commercial

100% Medicare Part B
(for patients with supplemental insurance)

First Quarter 2019 Financial Highlights

($, in thousands)	Three Months Ended, March 31, 2019	2018
	(Unaudited)	
Product sales	-	3,679
Collaboration revenue	5,338	4,640
Total revenue	**5,338**	**8,319**
Cost of goods sold	-	826
Research and development[1]	53,818	47,765
Selling, general and administrative[1]	25,186	24,704
Total costs and expenses	**79,004**	**73,295**
Loss from operations	**(73,666)**	**(64,976)**
Share-based compensation expense		
Research and development	6,159	6,559
Selling, general and administrative	6,061	7,439
Total share-based compensation expense	**12,220**	**13,998**
Operating loss excluding share-based compensation	**(61,446)**	**(50,978)**

Strong financial position with $434M in cash as of the end of the first quarter[2]

[1]Amounts include share-based compensation
[2] Cash, cash equivalents, and short-term marketable securities

Strategic Focus with Inflection Points Near- and Long-term

YUPELRI® (LAMA)	Ampreloxetine (NRI)	TD-1473 (JAKi)
Formal Launch Underway *First and only once-daily nebulized LAMA for treatment of COPD* *Partnered with Mylan*	Pivotal Phase 3 program in symptomatic nOH progressing *Durable improvements in symptoms observed in Phase 2 four-week results in nOH*	Phase 2 DIONE study in Crohn's disease and Phase 2b/3 RHEA study in ulcerative colitis ongoing *Partnered with Janssen*

- Differentiated organ-selective projects advancing to clinical development
- Economic interest in TRELEGY ELLIPTA serves as an important strategic asset[1]
  - Strong launch following approvals in US and EU in late 2017

YUPELRI®, ampreloxetine, and TD-1473 each internally discovered and developed by R&D engine which serves as important driver of long-term value

[1] TBPH holds 85% economic interest in upward-tiering royalty stream of 6.5% – 10% payable by GSK (net of TRC LLC expenses paid and the amount of cash, if any, expected to be used by TRC pursuant to the TRC LLC Agreement over the next four fiscal quarters).
YUPELRI® (revefenacin) inhalation solution. Approved for the maintenance treatment of patients with COPD. NRI: norepinephrine reuptake inhibitor. LAMA: long-acting muscarinic antagonist. JAKi: Janus kinase inhibitor.