# 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): **November 7, 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 November 7, 2022, Theravance Biopharma, Inc. issued a press release and is holding a conference call regarding its financial results for the quarter ended September 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 November 7, 2022 |
| 99.2 | Slide deck entitled Third 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: November 7, 2022

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

**Theravance Biopharma, Inc. Reports Third Quarter 2022**
**Financial Results, Provides Business Update and Extends Tender Offer**

- *Reported another record quarter of YUPELRI® (revefenacin) net sales and profitability: $18.7 million Q3 2022 sales up 35% from Q3 2021 (TBPH implied 35% share)*[1]
- *Presented ampreloxetine data in neurogenic orthostatic hypotension (nOH) at the 33rd International Symposium on the Autonomic Nervous System*
- *Continued to build the Company's intellectual property portfolio with patent covering YUPELRI until 2039*
- *Closed transaction to sell TRELEGY ELLIPTA royalty interests to Royalty Pharma for approximately $1.1 billion in upfront cash, up to $250 million of potential milestones, outer year royalties and an investment in ampreloxetine*
- *Initiated a $250 million capital return program; purchased GSK's entire holdings at $9.75 per share; launched a Dutch auction tender offer for up to $95 million of its ordinary shares*
- *Eliminated debt and ended third quarter with $487 million of cash*

**DUBLIN, IRELAND – NOVEMBER 7, 2022** – Theravance Biopharma, Inc. ("Theravance Biopharma" or the "Company") (NASDAQ: TBPH) today reported financial results for the third quarter of 2022.

*"This quarter is a milestone in the Company's transformation and demonstrates the power of a team of people who are focused and stay true to the Company's purpose, delivering medicines that make a difference. I am proud and grateful for the team that has refocused the portfolio and monetized our interest in TRELEGY to reposition and reinvigorate the Company's business model. Theravance Biopharma today is debt free, and I believe we are well-positioned for value creation,"* said Rick E Winningham, Chief Executive Officer.

**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 35% year-over-year (Q3 2022 vs Q3 2021) – its strongest quarter to date and increased its share of the long-acting nebulized COPD market, increasing to 26.3% through August 2022, up from 25.6% in Q2 2022.

  Recently issued US Patent No. 11,484,531, covering methods of treating COPD using YUPELRI, is now listed in the U.S. Food and Drug Administration publication, *Approved Drug Products with Therapeutic Equivalence Evaluations*, commonly known as the Orange Book. The patent provides for method of use until 2039.

- **Ampreloxetine**, an investigational, once-daily norepinephrine reuptake inhibitor in development for the treatment of symptomatic nOH in patients with multiple system atrophy (MSA). Phase 3 results (Study 0170) showed a benefit to MSA patients in the study that was observed in multiple endpoints.

  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 which is planned to start in the first quarter of 2023. The registrational Phase 3 Study in MSA patients with nOH (Study 0197, CYPRESS) is expected to be a 12-week open-label; 8-week double-blind, placebo-controlled, randomized withdrawal study with a primary endpoint of change in Orthostatic Hypotension Symptom Assessment (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.

[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.*

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

*Sale of TRELEGY ELLIPTA Royalty Interest*

On July 20, 2022, Theravance Biopharma closed the sale of its units in Theravance Respiratory Company, LLC (“TRC, 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.

*Global Net Sales and Milestones*

GSK posted third quarter 2022 global net sales of $552 million (up from $449 million, or 23%, from third quarter of 2021), and global net sales from the first nine months of 2022 have reached approximately $1.6 billion (up from $1.2 billion, or 34% from the first nine months of 2021). Theravance Biopharma is entitled to a milestone payment from Royalty Pharma of $50 million if TRELEGY global net sales are equal to or exceed $2.9 billion[2] in 2023, the first of $250 million of potential milestones that can be achieved between 2023 – 2026.

- **$250 Million Capital Return Program**

The Company purchased all of GSK's equity stake in Theravance Biopharma, consisting of approximately 9.6 million shares at $9.75 per share on September 20, 2022.

The Company announced a Dutch auction tender offer (the “Offer”) for up to $95 million of its ordinary shares on September 28, 2022.

The Company plans to enter into an Open Market Share Repurchase Plan to facilitate the repurchase of approximately $60 million of its ordinary shares in open market purchases subsequent to the completion of the Offer, with a goal to complete this program by the end of 2023.

**Extension of the Offer**

The Company is extending the length of the Offer such that the Offer will expire at midnight, New York City time, at the end of the day on November 17, 2022, unless the Company extends the Offer for an additional period of time. Based on information provided by Computershare Trust Company, N.A., the depositary for the Offer, to date, approximately 95,487 shares have been validly tendered for purchase in the Offer. Shareholders who have validly tendered and not withdrawn their shares do not need to re-tender their shares or take any other action in response to the extension of the Offer.

[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%.*

**Third Quarter Financial Results**

- **Revenue:** Total revenue for the third quarter of 2022 was $12.5 million, primarily comprised of $12.4 million in Viatris collaboration revenue. Total revenue for the third quarter represents a $0.7 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 $12.4 million for the third 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 third quarter of 2022 was $18.7 million, up 9% from the second quarter of 2022. There was a 35% increase in year-over-year implied net sales for the third quarter, however, due to accounting guidelines, Viatris collaboration revenue increased by 20% 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.

- **Research and Development (R&D) Expenses:** R&D expenses for the third quarter of 2022 were $9.9 million, compared to $43.7 million in the same period in 2021. Third quarter R&D expenses included total non-cash share-based compensation of $2.6 million.

- **Selling, General and Administrative (SG&A) Expenses:** SG&A expenses for the third quarter of 2022 were $16.3 million, compared to $21.3 million in the same period in 2021. Third quarter SG&A expenses included total non-cash share-based compensation of $5.2 million.

- **Loss on Extinguishment of Debt:** Loss on extinguishment of debt of $3.0 million for the third quarter of 2022 was related to the paydown of our 2023 convertible senior notes.

- **Income from Discontinued Operations (before income taxes):** Income from discontinued operations (before income tax) of $1,115.0 million for the third quarter of 2022 was primarily related to the $1,141.1 million gain from the sale of our equity interests in TRC, LLC and was partially offset by a $24.0 million loss on the extinguishment of our non-recourse 2035 notes.

- **Provision for Income Tax Expense (Discontinued Operations):** Income tax expense from discontinued operations of $182.4 million for the third quarter of 2022 was primarily related to the tax liability arising from the gain from the sale of our equity interests in TRC, LLC. The Company estimates a current tax liability of approximately $120.6 million.

- **Cash Position:** Cash, cash equivalents and marketable securities totaled $486.8 million as of September 30, 2022.

**2022 Financial Guidance**

- **Operating Expenses:** The Company reiterates that it 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 continues to expect to approach breakeven cash flow from operations.

**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 GMT.** To participate in the live call by telephone, please register here. 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 webcast will be available on Theravance Biopharma's website for 30 days through December 7, 2022.

**About Theravance Biopharma**

Theravance Biopharma, Inc.'s focus is to deliver *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 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, the ability to provide value to shareholders, 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, including potential points of differentiation, the market for products being commercialized and product candidates, product sales or profit share revenue and the Company's expectations for its future financial performance and expectations as to future cash flows, the effectiveness of the Company's intellectual property portfolio, the timing of the Offer, including the settlement thereof and the satisfaction of conditions to the Offer, and the Company's repurchase of its ordinary shares by way of an open market share repurchase plan. 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 or product 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, the ability of the Company to protect and to enforce its intellectual property rights, the satisfaction of the conditions to the Offer, volatility and fluctuations in the trading price and volume of the Shares, and general economic and market conditions. Other risks affecting Theravance Biopharma are in the Company's Form 10-Q filed with the SEC on August 8, 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.

**Important Information Regarding the Tender Offer**

This press release 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 ordinary shares, par value $0.00001 per share (the "Shares"). A Dutch auction tender offer (the "Offer") to purchase up to $95 million of the Shares is being made solely by the Company's Offer to Purchase, dated September 28, 2022, the related Letter of Transmittal and other related materials, as they may be amended or supplemented. Holders of Shares should read the Company's offer statement on Schedule TO filed with the SEC in connection with the Offer, which includes as exhibits the Offer to Purchase, the Letter of Transmittal 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, or will be, filed with the SEC, and, when available, holders may obtain them for free from the SEC at its website (www.sec.gov) or from the information agent in connection with the Offer.

This press release does not set forth all of the terms and conditions of the Offer. Shareholders should carefully read the Offer to Purchase, the Letter of Transmittal and related materials, for a complete description of all terms and conditions before making any decision with respect to the Offer. None of the Company, its management, its board of directors, its officers, the dealer manager, the depositary, or the information agent, or any of their respective affiliates, makes any recommendation that holders tender or refrain from tendering all or any portion of their Shares, and no one has been authorized by any of them to make such a recommendation. Holders must make their own decision as to whether to tender their Shares and, if so, the amount of Shares to tender and the purchase price or prices at which to tender.

Contact: Andrew Hindman
Chief Financial Officer
investor.relations@theravance.com
650-808-4045

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

| | September 30, 2022 (Unaudited) | December 31, 2021 (1) |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents and short-term marketable securities | $ 486,832 | $ 173,465 |
| Receivables from collaborative arrangements | 14,114 | 14,065 |
| Prepaid clinical and development services | 2,645 | 10,245 |
| Other prepaid and current assets | 8,127 | 8,561 |
| Current assets - Discontinued operations | - | 43,534 |
| Total current assets | 511,718 | 249,870 |
| Property and equipment, net | 11,884 | 13,657 |
| Operating lease assets | 39,992 | 39,690 |
| Future contingent milestone and royalty assets | 194,200 | - |
| Restricted cash | 836 | 837 |
| Other assets | 4,866 | 3,228 |
| Non-current assets - Discontinued operations | - | 67,537 |
| Total assets | $ 763,496 | $ 374,819 |
| | | |
| **Liabilities and Shareholders' Equity (Deficit)** | | |
| Current liabilities - Continuing operations | $ 21,582 | $ 55,893 |
| Current liabilities - Discontinued operations: | | |
| Income tax payable | 120,550 | - |
| Accrued interest payable on Non-recourse notes due 2035, net | - | 2,694 |
| Non-Current liabilities - Continuing operations: | | |
| Long-term operating lease liabilities | 51,381 | 52,681 |
| Future royalty payment contingency | 24,888 | - |
| Unrecognized tax benefits | 62,661 | 240 |
| Other long-term liabilities | 1,856 | 2,490 |
| Non-recourse notes due 2035, net | - | 371,359 |
| Convertible senior notes due 2023, net | - | 228,035 |
| Shareholders' equity (deficit) | 480,578 | (338,573) |
| Total liabilities and shareholders' equity (deficit) | $ 763,496 | $ 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 September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | (Unaudited) | | (Unaudited) | |
| **Revenue:** | | | | |
| Viatris collaboration agreement (1) | $ 12,445 | $ 10,397 | $ 34,010 | $ 31,716 |
| Collaboration revenue | 6 | 2,797 | 187 | 8,649 |
| Licensing revenue | - | - | 2,500 | - |
| Total revenue | 12,451 | 13,194 | 36,697 | 40,365 |
| **Costs and expenses:** | | | | |
| Research and development (2) | 9,867 | 43,739 | 48,691 | 162,431 |
| Selling, general and administrative (2) | 16,277 | 21,299 | 51,105 | 77,780 |
| Restructuring and related expenses (2) | 509 | 1,771 | 11,427 | 1,771 |
| Total costs and expenses | 26,653 | 66,809 | 111,223 | 241,982 |
| **Loss from operations** | (14,202) | (53,615) | (74,526) | (201,617) |
| Interest expense | (1,545) | (2,136) | (5,819) | (6,410) |
| Loss on extinguishment of debt | (3,034) | - | (3,034) | - |
| Interest income and other income (expense), net | 2,758 | (166) | 4,823 | 771 |
| Loss from continuing operations before income taxes | (16,023) | (55,917) | (78,556) | (207,256) |
| Provision for income tax benefit (expense) | - | 7 | (12) | - |
| **Net loss from continuing operations** | **(16,023)** | **(55,910)** | **(78,568)** | **(207,256)** |
| Income from discontinued operations before income taxes | 1,115,016 | 20,602 | 1,143,930 | 39,864 |
| Provision for income tax expense | (182,362) | - | (182,868) | - |
| **Net income from discontinued operations** | **932,654** | **20,602** | **961,062** | **39,864** |
| **Net income (loss)** | **$ 916,631** | **$ (35,308)** | **$ 882,494** | **$ (167,392)** |
| Net income (loss) per share: | | | | |
| Continuing operations - basic and diluted | $ (0.21) | $ (0.76) | $ (1.04) | $ (3.05) |
| Discontinued operations - basic and diluted | $ 12.35 | $ 0.28 | $ 12.70 | $ 0.59 |
| Net income (loss) - basic and diluted | $ 12.14 | $ (0.48) | $ 11.66 | $ (2.46) |
| Shares used in compute per share calculations - basic and diluted | 75,515 | 73,574 | 75,678 | 67,945 |

(1) While Viatris, Inc. records the total YUPELRI net sales, the Company is entitled to a 35% share of the net profit (loss) pursuant to a co-promotion agreement with Viatris. The Company's implied 35% share of total YUPELRI net sales is presented below:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **2022** | **2021** |
| YUPELRI net sales (implied 35%) | $ 18,698 | $ 13,806 | $ 51,158 | $ 41,334 |

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **2022** | **2021** |
| Research and development | $ 2,623 | $ 6,956 | $ 10,709 | $ 22,192 |
| Selling, general and administrative | 5,196 | 7,414 | 16,488 | 22,951 |
| Restructuring and related expenses | 711 | - | 5,587 | - |
| Total share-based compensation expense | $ 8,530 | $ 14,370 | $ 32,784 | $ 45,143 |

Theravance Biopharma®

Medicines That Make a Difference®

# Third Quarter 2022 Financial Results and Business Update

November 7, 2022

# 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 August 8, 2022, and other periodic reports filed with th to the risks described above and in Theravance Biopharma's filings with the SEC, other unknown or unpredictable factors also could affect Ther Biopharma's results. No forward-looking statements can be guaranteed, and actual results may differ materially from such statements. Given th you should not place undue reliance on these forward-looking statements. Theravance Biopharma assumes no obligation to update its forward- statements on account of new information, future events or otherwise, except as required by law.

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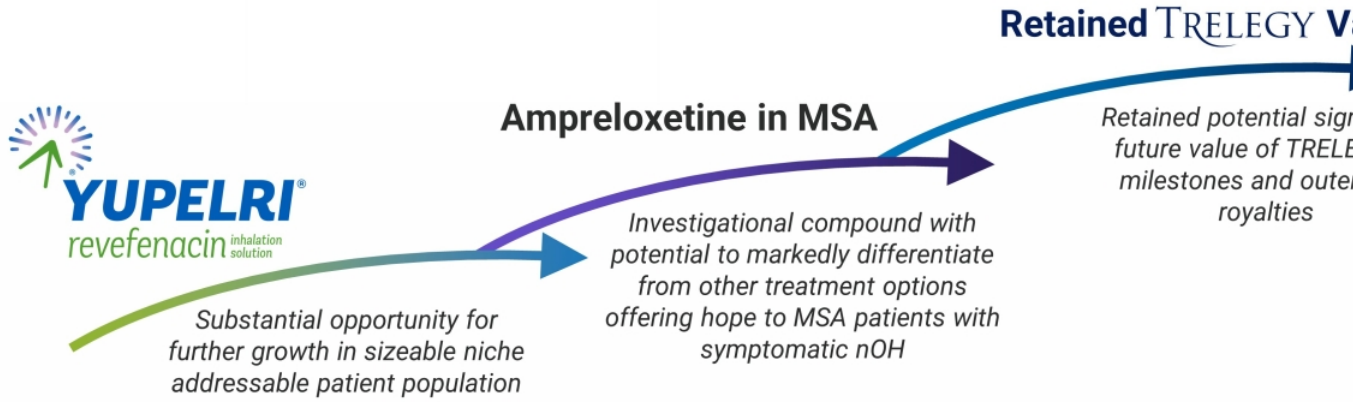
This slide presentation does not set forth all of the terms and conditions of the Offer. Shareholders should carefully read the Offer to Purc Transmittal and related materials, for a complete description of all terms and conditions before making any decision with respect to the Company, its management, its board of directors, its officers, the dealer manager, the depositary, or the information agent, or any of their r makes any recommendation that holders tender or refrain from tendering all or any portion of their Shares, and no one has been authorized make such a recommendation. Holders must make their own decision as to whether to tender their Shares and, if so, the amount of Share purchase price or prices at which to tender.

# Agenda

| | |
|---|---|
| **Introduction and Overview** | **Rick E Winningham**<br>Chief Executive Officer |
| **Commercial and Development Update** | **Rhonda F. Farnum**<br>Senior Vice President, Chief Business Offi<br>**Richard A. Graham**<br>Senior Vice President, Research and Deve |
| **Financial Update** | **Andrew A. Hindman**<br>Senior Vice President, Chief Financial Offi |
| **Closing Remarks** | **Rick E Winningham**<br>Chief Executive Officer |

# Theravance Biopharma: Transformed and Focus

**Three distinct drivers of value over the near-, mid-, and long-term**




**Theravance is well positioned to maximize the value of its assets from a position of financial strength**

Theravance Biopharma
Medicines That Make a Difference

MSA, multiple system atrophy; nOH, neurogenic orthostatic hypotension.

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*

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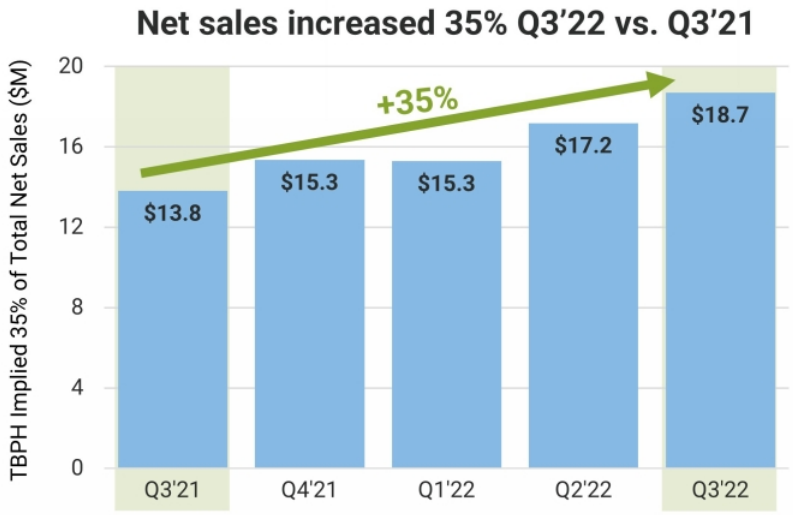
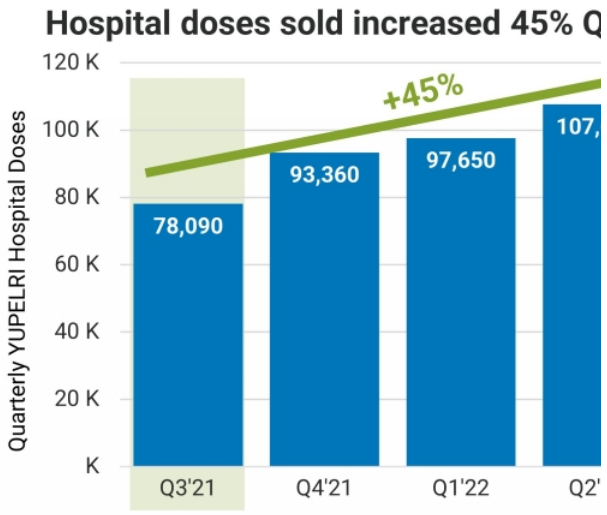
# YUPELRI® | Growing Net Sales and Hospital Volu

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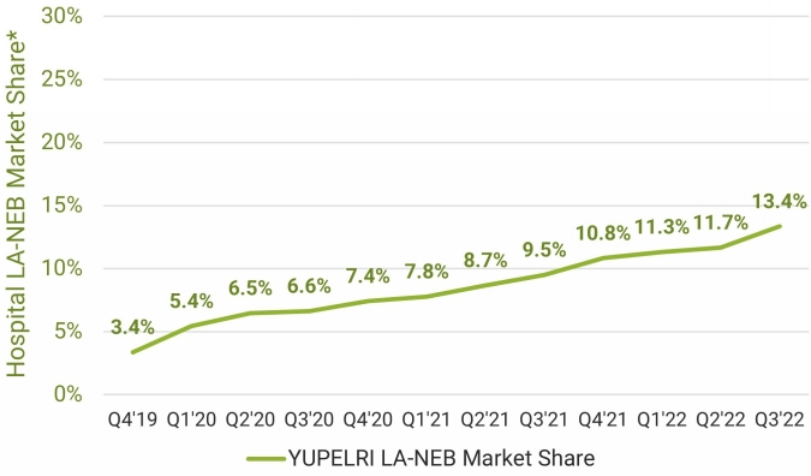
Source: IQVIA DDD, HDS, VA and Non-Reporting Hospital through 9/30/2022.
See TBPH 10K filed February 28, 2022 for greater detail re TBPH implied 35%.

# YUPELRI® Hospital Sales and Community TRx T

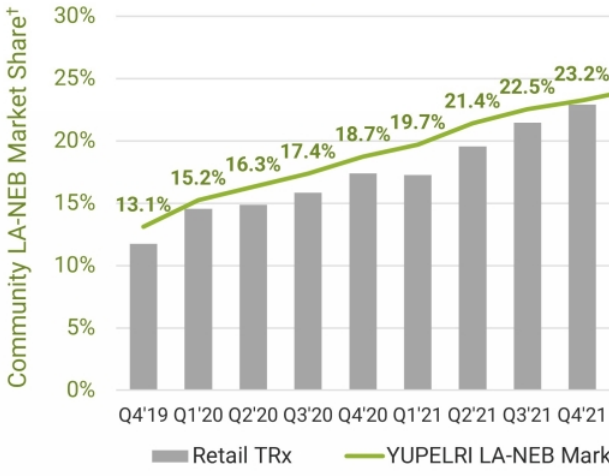
Continued market share growth across both the hospital and retail channels

## Hospital Market Share




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

## Community Market Share witl




TRx volume represents retail only which is typically 33%
Reported DME volume, while lagged, typically follows Re

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

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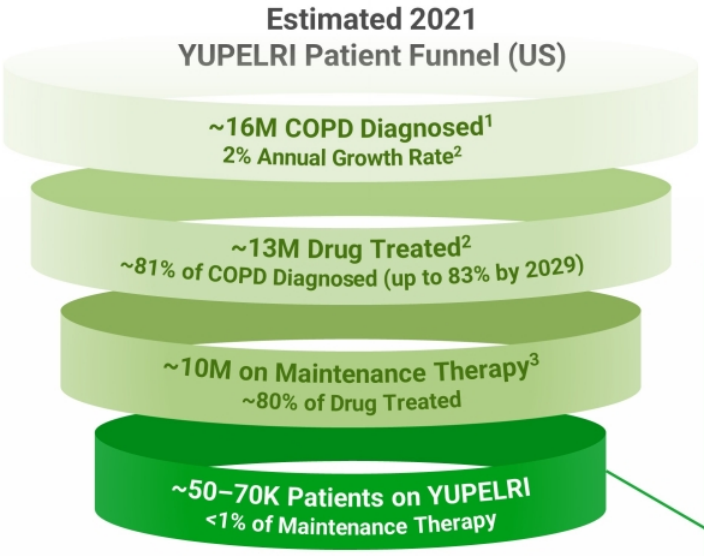
1. Joint VTRS/TBPH Market Research.
* Hospital LA-NEB Market Share - IQVIA DDD through 9/30/2022.
†Community LA-NEB Market Share includes Retail + DME / Med B FFS through Aug'22
ǂRetail TRx Volume - Symphony Health METYS Prescription Dashboard through 9/30/2022.

# Substantial Opportunity for Further YUPELRI® Gr

## Once-Daily Nebulized LAMA COPD treatment represents a sizeable niche market




Patent No 11,484,531, methods of treating COPD, until 2039 is now listed in the *Approved Drug Products with Therapeutic Equivalence Evaluations*

- COPD is **under-diagnosed**[1]
- COPD patients with or without symptoms may be treated with maintenance therapies
- Estimated patient counts from volume using average 'days of assumptions vary considerably across DME and retail channe

### Growth opportunities within numerous patient s

**YUPELRI** may be appropriate for COPD patients, including but no

- **Moderate-to-very-severe COPD** (73–92%[4]); once-daily LAMAs are therapy for moderate-to-very severe COPD patients
- Patients with **suboptimal PIFR** (19–78% of COPD patients[5])
- Patients with **cognitive or dexterity challenges**
  - ~36% of COPD patients present episodes of cognitive impairment; ~33% of elderly patients have inadequate hand strength for inhalers
- Patients inappropriately using **short-acting nebulized treatment a** therapy
- Patients **transitioning from hospital to home care** after being stab nebulized treatment during hospitalization

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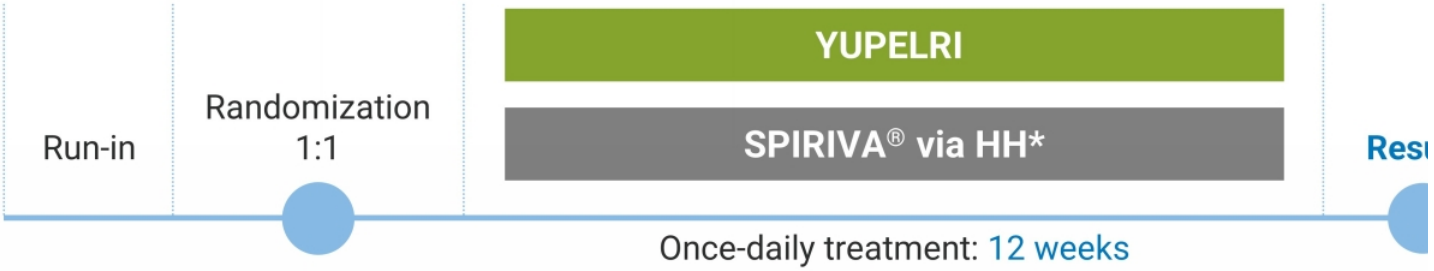
1. American Lung Association.
2. Clarivate COPD Disease Landscape & Forecast US 2021.
3. Revefenacin COPD Joint Venture Research 2016.
4. Safka KA, et al. Chronic Obstr Pulm Dis 2017.
5. Mahler DA, et al. Chronic Obstr Pulm Dis 2019.
6. Armitage JM, Williams SJ Inhaler technique in the elderly. Age Ageing 1988 17:275-278.

COPD, chronic obstructive pulmonary disease; DME, durable medical equipment; LAMA, long-acting muscarinic antagonist; PIFR, peak inspiratory flow rate.

# YUPELRI®:
## Phase 4 Randomized, Double-blind, Parallel-group Study (PIFR




**Sample size**

- Potentially increasing (N=366 → 488) due to pre-specified per-protocol blinded sample size re-estimation
- Topline results 2H '23

**Endpoints**

- **Primary:** Change from baseline in trough FEV
- **Key secondary:** Trough overall treatment effe

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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

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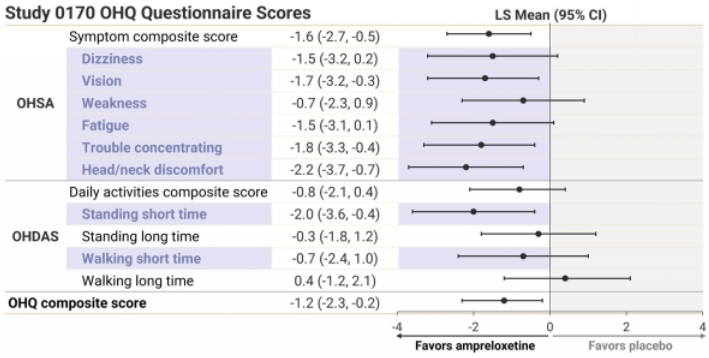
# Potential Differentiating Features from Other The

## Differentiated efficacy

First-in-class therapy effective in treating a **constellation of cardinal symptoms in MSA patients:**




Improvement in **activities of daily living** and favorable impact on caregiver burden (walking and standing for a short time)[1]

Clinically meaningful and **durable effectiveness** well-beyond 2 weeks[1]

## Differentiated dosi

**Once-a-day dosing** is meaningful in

- Difficulty swallowing
- Less compliance with increased
- Patients and/or caregiver burden

## Differentiated safet

**Supine hypertension** with droxidopa

**Absence** of a signal would be a diffe

- Available to patients with very hig
- Can be taken anytime of day/nigh
- Can be combined with other drug

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Reflects Theravance Biopharma's expectations for ampreloxetine based on clinical trial data to date. Ampreloxetine is in development and not approved for any i
1. Data from MSA patients at week 6 of the randomized withdrawal period of study 0170. 2. NORTHERA® (droxidopa) [package insert]. Deerfield, IL: Lundbeck. 2
(midodrine hydrochloride) [Warning Ref 4052798]. Lexington, MA: Shire. 2017. CI, confidence interval; MSA, multiple system atrophy; OHDAS, orthostatic hyp
activity scale; OHQ, orthostatic hypotension questionnaire; OHSA, Orthostatic Hypotension Symptom Assessment.

# Offering Hope to MSA Patients with Symptomat

AMERICAN AUTONOMIC SOCIETY

**33rd International Symposium on the Autonomic Nervous Sys**
**November 2–5, 2022: Sheraton Maui, Hawaii**

## Platform Presentations, Session 1, November 2, 2022

**Biaggioni I, et al. Abstract 34 / Virtual Poster 106**
A phase 3, 22-week, multi-center, randomized withdrawal study of ampreloxetine in treating symptom

**Kaufmann H, et al. Abstract 33 / Virtual Poster 117**
Blood pressure and pharmacodynamic response of ampreloxetine, a norepinephrine reuptake inhibito in patients with symptomatic nOH

**Freeman R, et al. Abstract 30 / Virtual Poster 4**
Longitudinal analysis of ampreloxetine for the treatment of symptomatic nOH in subset of patients w

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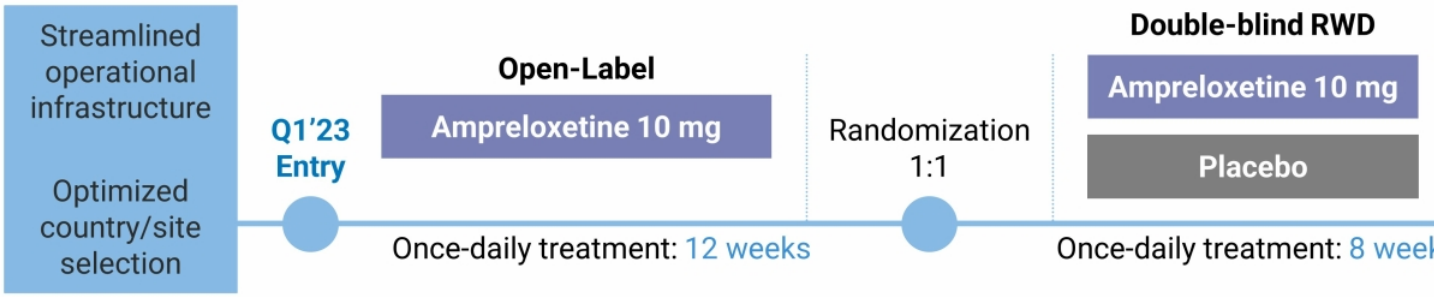
MSA, multiple system atrophy; nOH, neurogenic orthostatic hypotension.

# Offering Hope to MSA Patients with Symptomat

Study 0197 (CYPRESS): Phase 3 randomized withdrawal study in patients with MSA
Primary endpoint: change in OHSA composite score

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MSA, multiple system atrophy; nOH, neurogenic orthostatic hypotension; OHSA, orthostatic hypotension symptom assessment; RWD, randomized withdrawal des

# TRELEGY Royalty Transaction

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

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# Retained Value of Theravance Biopharma's 85% TREL ELLIPTA Interest[1]

## **Over $1.5 Billion** in potential total value

**Upfront:**
**~$1.1B cash**

+

**Mid-Term:**
**Up to $250M**

- Sales-based milestones between 2023–2026
- First milestone in 2023 ($50M) for Global Net Sales of ~$2.9B[2]
  - Q3'22 actuals of $552M up 23% from Q3'21
  - YTD'22 actuals of $1.6B up 34% from 2021

+

**Long-Te**
**Outer-Year R**

- US royalties return af
- Ex-US royalties returr
- Paid directly from Ro

**Unlocks and accelerates capture of TRELEGY ELLIPTA value**

**Additional value from continued TRELEGY ELLIPTA performance**

**Retain long-ter TRELEGY ELLIPTA r**

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 payments from GSK with respect to 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 to Theravance Biopharma beginning July 1, 2029 for sales ex-U.S., and January 1, 2031 for sales within the U.S.

# Initiated $250 Million Capital Return Program

| | |
|---|---|
| Purchased GSK equity stake in Theravance Biopharma | **~9.6M shares at $9.75/share**<br>*closed Sep. 20, 2022* |
| Commenced Dutch auction tender offer (the "Offer") | **to purchase up to $95M Theravance Biopharma ordi**<br>*initiated on Sep. 28, 2022, offer extended to midnight (N*<br>*2022* |
| Plan to enter Open Market Share Repurchase Program | **to repurchase ~$60M Theravance Biopharma ordinar**<br>*Expected to initiate subsequent to completion of the Of*<br>*with goal of completing by end of 2023* |

# Third Quarter 2022 Financial Highlights

## $487 million cash[1] as of September 30, 2022

| ($, in thousands) | Three Months Ended September 30, 2022 (Unaudited) | 2021 | Nine Months Ended Se 2022 (Unaudited | |
|---|---|---|---|---|
| **Revenue:** | | | | |
| Viatris collaboration agreement | $ 12,445 | $ 10,397 | $ 34,010 | $ |
| Collaboration revenue | 6 | 2,797 | 187 | |
| Licensing revenue | - | - | 2,500 | |
| Total revenue | 12,451 | 13,194 | 36,697 | |
| **Costs and expenses:** | | | | |
| Research and development (2) | 9,867 | 43,739 | 48,691 | |
| Selling, general and administrative (2) | 16,277 | 21,299 | 51,105 | |
| Restructuring and related expenses (2) | 509 | 1,771 | 11,427 | |
| Total costs and expenses | 26,653 | 66,809 | 111,223 | |
| **Loss from continuing operations (before tax and other income/expense)** | **(14,202)** | **(53,615)** | **(74,526)** | |
| **Income from discontinued operations (before tax)** | **1,115,016** | **20,602** | **1,143,930** | |
| **Share-based compensation expense:** | | | | |
| Research and development | 2,623 | 6,956 | 10,709 | |
| Selling, general and administrative | 5,196 | 7,414 | 16,488 | |
| Restructuring and related expenses | 711 | - | 5,587 | |
| Total share-based compensation expense | 8,530 | 14,370 | 32,784 | |
| **Operating expense excl. share-based compensation and one-time expenses:** | | | | |
| R&D operating expense (excl. share-based comp and restructuring exp.) | 7,244 | 36,783 | 37,982 | |
| SG&A operating expense (excl. share-based comp and restructuring exp.) | 11,081 | 13,885 | 34,617 | |

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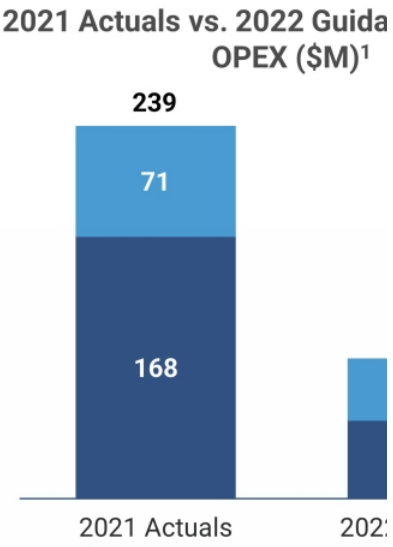
1. Cash, cash equivalents and marketable securities.
2. Amounts include share-based compensation.

# 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
- Guidance **excludes**:
  - Non-cash share-based compensation (SBC)
  - One-time restructuring, severance & termination costs
    - ~ $11.4M in 2022 ($9.3M[2] Q1 / $1.6M[3] Q2 / $0.5M[4] Q3 / $0M Q4)
    - No restructuring costs expected post Q3'22




**Theravance Biopharma continues to expect to approach breakeven cash flow from**

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1. Excludes non-cash share-based compensation (SBC) and one-time restructuring, severance and termination costs.
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. ($0.2M) of cash related expenses and $0.7M of non-cash expenses.

# Theravance Biopharma Transformed and Focus

YUPELRI® revefenacin inhalation solution

- Commercial product poised for significant near-term growth
- YUPELRI PIFR-2 Phase 4

**Experienced Board and Management** team with the right mix of skills and experience to drive value

## Retained TRELEGY Val

- Mid- to long-term value fr
  milestone and outer-year

## Ampreloxetine

- Phase 3 potential therapy for MSA patients with opportunity to differentiate from existing treatment options
- $25 million investment from Royalty Pharma to fund majority of Phase 3 costs

## Financials

- Debt-free balance sheet
- $250 million capital returr
- Expect to approach break
  from operations



MSA, multiple system atrophy; PIFR, peak inspiratory flow rate.

# Q&A Session

**Rick E Winningham**
**Chairman and Chief Executive Officer**
*Former CEO, Theravance, Inc. (now INVA)*
*Former President (Oncology/Immunology/Oncology Therapeutics Network), Bristol Myers Squibb*

**Rhonda F. Farnum**
**Senior Vice President, Chief Business Officer**
*Former Executive Director of Marketing, Amgen*
*Former VP (Hematology), Onyx Pharmaceuticals &*
*Former Commercial Leadership, Genentech*

**Andrew A. Hindman**
**Senior Vice President, Chief Financial Officer**
*Former Chief Business Officer, Acorda Therapeutics*
*Former President & CEO, Tobira Therapeutics*

**Richard A. Graham**
**Senior Vice President, Research and Development**
*Former Senior Director, Head of Translational Medicine, Onyx Pharmaceuticals*
*Former Clinical Pharmacologist and Project Team Leader, Genentech and GlaxoSmithKline*

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# YUPELRI® (revefenacin) inhalation solution

YUPELRI® inhalation solution is indicated for the maintenance treatment of patients with chronic obstructive pulmonary disease (COPD).

**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, or for the relief of acu
as rescue therapy for the treatment of acute episodes of bronchospasm. Acute symptoms should be treated with an inhaled short-acting beta

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

YUPELRI should be used with caution in patients with narrow-angle glaucoma. Patients should be instructed to immediately consult their hea
they develop any signs and symptoms of acute narrow-angle glaucoma, including eye pain or discomfort, blurred vision, visual halos or
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 obstruction and instruct pat
healthcare provider immediately if symptoms occur.

Immediate hypersensitivity reactions may occur after administration of YUPELRI. If a reaction occurs, YUPELRI should be stopped at on
treatments considered.

The most common adverse reactions occurring in clinical trials at an incidence greater than or equal to 2% in the YUPELRI group, and hig
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 Soluti

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

Market research by Theravance Biopharma indicates approximately 9% of the treated COPD patients in the US use ongoing maintenance therapy.[1] LAMAs are a cornerstone of maintenance therapy for COPD and YUPELRI® is positior once-daily single-agent bronchodilator product for COPD patients who require, or prefer, nebulized therapy. YUPELRI®'s metered dose inhaler and dry powder device formulations suggest that this LAMA could also serve as a foundation for combination products.

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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

# Offering Hope to MSA Patients with Symptomat

## Potential for ampreloxetine to differentiate from approved therapies

| | Droxidopa | Midodrine | Ampreloxet |
|---|---|---|---|
| **Indication** | Symptomatic nOH | OH | Symptomatic associated wit |
| **MOA** | Norepinephrine prodrug; vasoconstrictor | Desglymidodrine prodrug; alpha$_1$-receptor agonist; vasoconstrictor | Norepinephrine tr reuptake inh |
| **Dosing** | 3x daily, titration to effect | 3x daily | **Once-dai** |
| **Clinical Efficacy/ Durability** | OHSA#1, clinical effectiveness >2 weeks not established | Increase in systolic blood pressure 1 min after standing | OHSA composite meaningful and dura **over 22 we** |
| **Clinical Safety** | **Black box warning** for supine hypertension | | **No signal for supine** in safety databas patients and healt |

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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 an
MOA, mechanism of action; MSA, multiple system atrophy; nOH, neurogenic orthostatic hypotension; OH, orthostatic hypotension; OHSA, orthostatic hypotension

# Theravance Biopharma and Royalty Pharma Deal S

## TRELEGY ELLIPTA

- Upfront: $1.1B (Received)
- 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]

## Ampreloxetine
(Unsecured Royalty)

- Upfront payment: $25M (Received)
- 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 $
  - 4.5% on annual global net sales > $500

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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.