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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2024
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission File No. 001-36033

THERAVANCE BIOPHARMA, INC.

(Exact name of registrant as specified in its charter)

Cayman Islands (State or Other Jurisdiction of Incorporation or Organization)	**98-1226628** (I.R.S. Employer Identification No.)
C/O Theravance Biopharma US, LLC 901 Gateway Boulevard South San Francisco, CA (Address of Principal Executive Offices)	**94080** (Zip Code)

Registrant's telephone number, including area code: **650-808-6000**

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Ordinary Share $0.00001 Par Value	TBPH	The Nasdaq Global Market

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐	Accelerated Filer ☐
Non-accelerated Filer ☒	Smaller reporting company ☒
	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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately $334.9 million, based upon the closing price of $8.48 on the Nasdaq Global Market on June 30, 2024.

On February 21, 2025, there were 49,470,647 of the registrant's ordinary shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Specified portions of the registrant's definitive Proxy Statement to be issued in conjunction with the registrant's 2025 Annual Meeting of Shareholders, which is expected to be filed not later than 120 days after the registrant's fiscal year ended December 31, 2024, are incorporated by reference into Part III of this Annual Report. Except as expressly incorporated by reference, the registrant's Proxy Statement shall not be deemed to be a part of this Annual Report on Form 10-K.

THERAVANCE BIOPHARMA, INC.
2024 Form 10-K Annual Report
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PART I

Special Note regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements involve risks, uncertainties and assumptions. All statements in this Annual Report on Form 10-K, other than statements of historical facts, including statements regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans, intentions, designs, expectations, and objectives are forward-looking statements. The words "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "designed," "developed," "drive," "estimate," "expect," "forecast," "goal," "indicate," "intend," "may," "mission," "opportunities," "plan," "possible," "potential," "predict," "project," "pursue," "represent," "seek," "suggest," "should," "target," "will," "would," and similar expressions (including the negatives thereof) are intended to identify forward looking statements, although not all forward looking statements contain these identifying words. These statements reflect our current views with respect to future events or our future financial performance, are based on assumptions, and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We may not actually achieve the plans, intentions, expectations or objectives disclosed in our forward-looking statements and the assumptions underlying our forward-looking statements may prove incorrect. Therefore, you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions, expectations, and objectives disclosed in the forward-looking statements that we make. Factors that we believe could cause actual results or events to differ materially from our forward-looking statements include, but are not limited to, those discussed in "Risk Factors," in Item 1A, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 and elsewhere in this Annual Report on Form 10-K. Our forward-looking statements in this Annual Report on Form 10-K are based on current expectations, and we do not assume any obligation to update any forward-looking statements for any reason, even if new information becomes available in the future. When used in this report, all references to "Theravance Biopharma", the "Company", or "we" and other similar pronouns refer to Theravance Biopharma, Inc. collectively with its subsidiaries.

PART I

ITEM 1. BUSINESS

Overview

Theravance Biopharma, Inc. ("we," "our," "Theravance Biopharma" or the "Company") is a biopharmaceutical company primarily focused on the development and commercialization of medicines. Our focus is to deliver *medicines that make a difference*® in people's lives.

In pursuit of our purpose, we leverage decades of expertise, which has led to the development of the United States ("US") Food and Drug Administration (the "FDA") approved YUPELRI® (revefenacin) inhalation solution indicated for the maintenance treatment of patients with chronic obstructive pulmonary disease ("COPD"). Ampreloxetine, our late-stage investigational once-daily norepinephrine reuptake inhibitor in development for the treatment of symptomatic neurogenic orthostatic hypotension ("nOH") in patients with Multiple System Atrophy ("MSA"), has the potential to be a first in class therapy effective in treating a constellation of cardinal symptoms in MSA patients.

Recent Significant Developments

YUPELRI Net Sales Growth

In 2024, YUPELRI experienced net sales growth and reached launch-to-date highs in annual net sales and brand profitability. Through the combined commercialization efforts with our partner Viatris Inc. ("Viatris"), total YUPELRI net sales increased by 8% to $238.6 million in 2024 compared to 2023. Hospital volumes, which we are directly responsible for, grew 41% in 2024 compared to 2023 and continued to be a meaningful contributor to YUPELRI's overall net sales growth for the year.

Continued Enrollment in Ampreloxetine Phase 3 Clinical Study

We continued to make steady progress with the open-label enrollment of our ampreloxetine Phase 3 clinical study (CYPRESS) in MSA patients with symptomatic nOH, using the Orthostatic Hypotension Symptom Assessment Scale ("OHSA") composite score as the primary endpoint. Current enrollment is in-line with expectations for completion in mid-2025, with data anticipated to be available approximately six months later.

Achievement of $50.0 Million TRELEGY® Royalty Milestone Payment for 2024

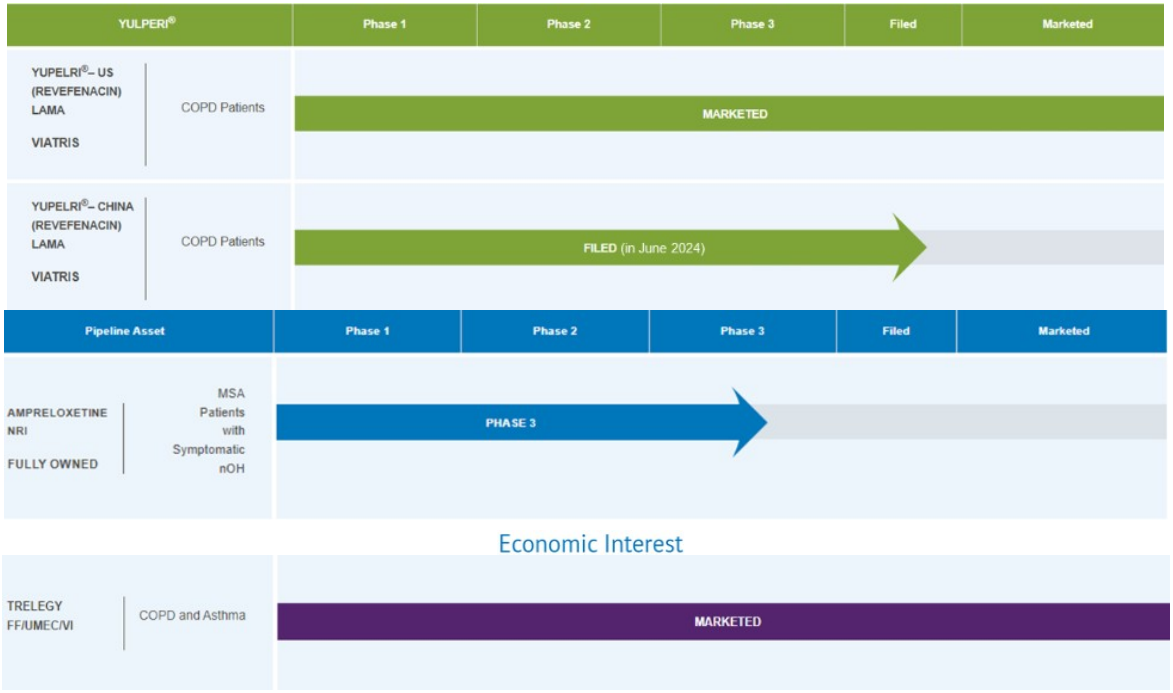
In February 2025, we received a $50.0 million maximum milestone payment from Royalty Pharma Investments associated with the achievement of certain minimum royalty payments related to 2024 TRELEGY global net sales. TRELEGY's 2024 global net sales of $3.46 billion would exceed the threshold required to achieve $50.0 million of milestones in 2025 (based on $3.41 billion of global net sales) with only 2% growth required to achieve $100.0 million of milestones in 2026 (based on $3.51 billion of global net sales).

Formation of Strategic Review Committee

In November 2024, the board of directors announced the formation of a Strategic Review Committee composed entirely of independent directors to assess all strategic alternatives to the Company, including those related to YUPELRI, ampreloxetine, and TRELEGY, with the objective of unlocking shareholder value. There can be no assurance that the Company's strategic review process will result in any transaction. We have not set a timetable for completion of this process, and we do not intend to disclose further developments unless and until we determine that such disclosure is appropriate or necessary.

Our Programs

The chart below summarizes the status of our approved product, product candidate in development, and economic interest.



Glossary of Defined Terms used in Table Above:

COPD: Chronic Obstructive Pulmonary Disease;
FF: Fluticasone Furoate;
LAMA: Long-Acting Muscarinic Antagonist;
MSA: Multiple System Atrophy;
nOH: Neurogenic Orthostatic Hypotension;
NRI: Norepinephrine Reuptake Inhibitor;
UMEC: Umeclidinium; and
VI: Vilanterol

Core Program Updates

YUPELRI (revefenacin) Inhalation Solution

YUPELRI (revefenacin) inhalation solution is a once-daily, nebulized long-acting muscarinic antagonist ("LAMA") approved for the maintenance treatment of COPD in the US. LAMAs are recognized by international COPD treatment guidelines as a cornerstone of maintenance therapy for COPD, regardless of severity of disease. Our market research indicates there is an enduring population of COPD patients in the US that either need or prefer nebulized delivery for maintenance therapy. The stability of revefenacin in both metered dose inhaler and dry powder inhaler ("MDI/DPI") formulations suggests that revefenacin could also serve as a foundation for novel handheld combination products.

We co-developed YUPELRI with our collaboration partner, Viatris Inc. Under the terms of the Viatris Development and Commercialization Agreement (the "Viatris Agreement"), we led the US Phase 3 development program for YUPELRI in COPD, and Viatris was responsible for reimbursement of our costs related to the registrational program up until the approval of the first new drug application, after which costs were shared. YUPELRI was approved by the FDA for the maintenance treatment of patients with COPD in November 2018. In the US, Viatris is leading the commercialization of YUPELRI, and we co-promote the product under a profit and loss sharing arrangement (65% to Viatris; 35% to us). Outside the US (excluding China and adjacent territories), Viatris is responsible for development and commercialization and will pay us a tiered royalty on net sales at percentage royalty rates ranging from low double-digits to mid-teens. We retain worldwide rights to revefenacin delivered through other dosage forms, such as a MDI/DPI.

In 2019, we granted Viatris exclusive development and commercialization rights to nebulized revefenacin in China and adjacent territories, which include the Hong Kong SAR, the Macau SAR, and Taiwan (collectively, the "China Region"), and we are eligible to receive low double-digit tiered royalties on net sales of nebulized revefenacin, if approved. As noted above, Viatris is responsible for all aspects of development and commercialization of nebulized revefenacin in the China Region, including pre- and post-launch activities and product registration and all associated costs.

Under the terms of the Viatris Agreement, as amended, as of December 31, 2024, we were eligible to receive from Viatris potential global development, regulatory and sales milestone payments (excluding the China Region) of up to $205.0 million in the aggregate with $160.0 million associated with YUPELRI monotherapy and $45.0 million associated with future potential combination products. Of the $160.0 million associated with monotherapy, $10.0 million relates to regulatory actions in the EU and $150.0 million relates to sales milestones based on achieving certain levels of annual aggregate US net sales as follows:

YUPELRI US Net Sales (In a Calendar Year)	Sales Milestones Due from Viatris
$250.0 million	$25.0 million
$500.0 million	$50.0 million
$750.0 million	$75.0 million

As of December 31, 2024, we were also eligible to receive additional potential development and sales milestones of up to $52.5 million related to Viatris' development and commercialization of nebulized revefenacin in the China Region with $45.0 million associated with YUPELRI monotherapy and $7.5 million associated with future potential combination products. Of the $45.0 million associated with monotherapy, $7.5 million relates to regulatory approval in the China Region and $37.5 million relates to sales milestones based on achieving certain levels of cumulative net sales in the China Region as follows:

YUPELRI China Region Net Sales (Cumulative)	Sales Milestones Due from Viatris
$100.0 million	$2.5 million
$200.0 million	$5.0 million
$400.0 million	$10.0 million
$800.0 million	$20.0 million

With respect to the China Region royalties, we are also eligible to receive tiered royalties on net sales of nebulized revefenacin as follows:

YUPELRI China Region Net Sales Thresholds (Annual)	Royalty Rate Due from Viatris
≤ $75.0 million	14%
> $75.0 million to ≤ $150.0 million	17%
> $150 million	20%

In November 2023, we learned that Viatris' Phase 3 study of YUPELRI in China was positive, and the data were consistent with previous findings of YUPELRI's strong efficacy. In June 2024, Viatris completed a registrational filing for YUPELRI in China which may lead us to receive (i) a $7.5 million milestone upon regulatory approval in the China Region and (ii) a 14% - 20% royalty on net sales generated in the China Region, as shown above.

In August 2021, we announced that in collaboration with our partner Viatris, we were initiating a Phase 4 study comparing improvements in lung function in adults with severe to very severe COPD and suboptimal inspiratory flow rate following once-daily treatment with either revefenacin (YUPELRI) delivered via standard jet nebulizer or tiotropium delivered via a dry powder inhaler (Spiriva® HandiHaler®). This study was aimed at helping to better inform decisions when physicians are designing a personalized COPD treatment plan with patients. In January 2024, we announced that the Phase 4 study did not show a statistically significant difference between YUPELRI and Spiriva HandiHaler on the primary endpoint, change from baseline in trough forced expiratory volume in one second (FEV_1) at day 85. While the primary endpoint in the Phase 4 study was not met, YUPELRI demonstrated an efficacy and safety profile consistent with its performance in other clinical studies.

While Viatris records total YUPELRI net sales, we are entitled to a 35% share of the net profit (loss). Our implied 35% share of total YUPELRI net sales is presented below:

	Year Ended December 31,		Change	
(In thousands)	2024	2023	$	%
YUPELRI net sales (100% recorded by Viatris)	$ 238,626	$ 220,962	$ 17,664	8 %
YUPELRI net sales (Theravance Biopharma implied 35%)	83,519	77,337	6,182	8

Ampreloxetine (TD-9855)

Ampreloxetine is an investigational, once-daily Norepinephrine Reuptake Inhibitor ("NRI") that we are developing for the treatment of Multiple System Atrophy ("MSA") patients with symptomatic neurogenic orthostatic hypotension ("nOH"). nOH is caused by primary autonomic failure conditions and the majority of patients with MSA experience symptoms of nOH. Ampreloxetine has high affinity for binding to the norepinephrine ("NE") transporter. By blocking the action of the NE transporter, ampreloxetine causes an increase in extracellular concentrations of norepinephrine. Ampreloxetine is wholly owned by Theravance Biopharma.

Based on positive results from a small exploratory Phase 2 study in nOH and discussions with the FDA, we advanced ampreloxetine into a Phase 3 program. We announced the initiation of patient dosing in the study in early 2019. The Phase 3 program consisted of two pivotal studies and one non-pivotal study. The first pivotal study (SEQUOIA), a four-week, randomized double-blind, placebo-controlled study, was designed to evaluate the efficacy and safety of ampreloxetine in Parkinson's disease ("PD"), pure autonomic failure ("PAF") and MSA patients with symptomatic nOH. The second pivotal study (REDWOOD), a four-month open label study followed by a six-week randomized withdrawal phase was designed to evaluate the durability of the same patient group's response to ampreloxetine. The protocol for the pivotal studies stipulated an enrollment threshold of 40% MSA patients based on the hypothesis ampreloxetine would work the best in patients with MSA because they have more intact nerves on which ampreloxetine can exert its effect, relative to the other patient types in the study. The third, non-pivotal study (OAK), was a three-and-a-half-year long-term extension study.

In September 2021, we reported that the SEQUOIA Phase 3 clinical study did not meet its primary endpoint. Most treatment-related adverse events were mild or moderate in severity. Serious adverse events occurred in two patients on placebo and four on ampreloxetine, none of which were considered related to the study drug. No deaths were reported, and there was no signal for supine hypertension.

In April 2022, we reported that the REDWOOD Phase 3 clinical study did not meet its primary endpoint as the results were not statistically significant for the overall population of patients which included patients with PD, PAF, and MSA. The pre-specified subgroup analysis by disease type suggested that the average benefit seen in patients receiving ampreloxetine was largely driven by a benefit to MSA patients. The benefit to MSA patients in the study was observed in multiple endpoints including Orthostatic Hypotension Symptom Assessment Scale ("OHSA") composite, Orthostatic Hypotension Daily Activities Scale ("OHDAS") composite, Orthostatic Hypotension Questionnaire ("OHQ") composite

and OHSA #1. Throughout the study, there was no indication of worsening of supine hypertension among any of the patient sub-groups. Data suggest that ampreloxetine was well-tolerated and no new safety signals were identified among any of the patient sub-groups.

In June 2022, we held a Type C meeting with the FDA. From this meeting, we aligned on a path to a New Drug Application ("NDA") filing with one additional Phase 3 clinical study (CYPRESS) in MSA patients with symptomatic nOH, using the OHSA composite score as the primary endpoint. This Phase 3 study was initiated in the first quarter of 2023, and we currently anticipate that the final patient will be enrolled in the open label period of the study in mid-2025 and we expect that top-line data will be available approximately six months thereafter. In May 2023, we announced that the FDA granted Orphan Drug Designation status to ampreloxetine for the treatment of symptomatic nOH in patients with MSA.

In July 2022, Royalty Pharma Investments ("Royalty Pharma") agreed to invest up to $40.0 million to advance the development of ampreloxetine in MSA in exchange for unsecured low single-digit royalties. Royalty Pharma's $40.0 million investment in ampreloxetine included a $25.0 million upfront payment received in July 2022 and an additional $15.0 million payment upon the first regulatory approval of ampreloxetine. In exchange, Royalty Pharma will receive future unsecured royalties of 2.5% on annual ampreloxetine global net sales up to $500.0 million and 4.5% on annual global net sales over $500.0 million. If ampreloxetine regulatory approval is not achieved or if ampreloxetine sales are never recognized, the amounts invested by Royalty Pharma would not be repaid by us.

Economic Interests and Other Assets

Mid- and Long-Term Economic Interest in TRELEGY®

In July 2022, we completed the sale of all of our equity interests in Theravance Respiratory Company, LLC ("TRC") representing our 85% economic interest in the sales-based royalty rights on worldwide net sales of GSK plc's ("GSK") TRELEGY ELLIPTA ("TRELEGY") to Royalty Pharma for approximately $1.11 billion in upfront cash while retaining future value through the right to receive contingent milestone payments and certain outer year-royalties.

From and after January 1, 2023, for any calendar year starting with the year ended December 31, 2023 and ending with the year December 31, 2026, upon certain milestone minimum royalty amounts for TRELEGY being met, Royalty Pharma is obligated to make certain cash payments to us (the "Milestone Payments(s)"). In February 2025, we were informed by Royalty Pharma that the 2024 minimum royalty amount for TRELEGY was achieved based on $3.46 billion of 2024 TRELEGY global net sales, and we received the maximum $50.0 million Milestone Payment from Royalty Pharma in February 2025.

As of February 28, 2025, a total of $150.0 million in potential Milestone Payments remain available to us. For the next potential Milestone Payment, we are eligible to receive either (i) $25.0 million if Royalty Pharma receives $260.0 million or more in royalty payments from GSK with respect to 2025 TRELEGY global net sales, which we would expect to occur in the event TRELEGY global net sales are approximately $3.06 billion or (ii) $50.0 million if Royalty Pharma receives $295.0 million or more in royalty payments from GSK with respect to 2025 TRELEGY global net sales, which we would expect to occur in the event TRELEGY global net sales exceed approximately $3.41 billion. We are eligible to receive either (i) $50.0 million if Royalty Pharma receives $270.0 million or more in royalty payments from GSK with respect to 2026 TRELEGY global net sales, which we would expect to occur in the event TRELEGY global net sales are approximately $3.16 billion or (ii) $100.0 million if Royalty Pharma receives $305.0 million or more in royalty payments from GSK with respect to 2026 TRELEGY global net sales, which we would expect to occur in the event TRELEGY global net sales exceed approximately $3.51 billion. Total 2024 TRELEGY global net sales represented a 26% increase compared to 2023, and TRELEGY is currently expected to generate global peak sales of $4.0 billion in 2026 according to consensus estimates.

In addition to potential Milestone Payments, we will receive from Royalty Pharma 85% of the royalty payments on TRELEGY payable to Royalty Pharma for: (a) sales or other activities occurring on and after January 1, 2031 related to TRELEGY in the US; and (b) sales or other activities occurring on and after July 1, 2029 related to TRELEGY outside of the US. On a country-by-country basis, we will be entitled to royalties until the expiration of the longest-lived patent or 15 years after commercial launch, whichever comes later. We expect fifteen years after the commercial launch

in the US will occur in late 2032 and fifteen years after the first commercial launch in ex-US jurisdictions will start occurring in the mid-2030s. US TRELEGY royalties payable to us by Royalty Pharma are country specific. Total royalty rates are upward tiering from 6.5% to 10% and based on total annual global net sales as follows:

TRELEGY Global Net Sales Thresholds (Annual)	Royalty Rate Due from GSK to Royalty Pharma
≤ $750.0 million	6.5%
> $750.0 million to ≤ $1,250.0 million	8.0%
> $1,250.0 million to ≤ $2,250.0 million	9.0%
> $2,250.0 million	10.0%

The following information regarding the TRELEGY program is based solely upon publicly available information and may not reflect the most recent developments under the programs.

TRELEGY provides the activity of an inhaled corticosteroid (FF) plus two bronchodilators (UMEC, a LAMA, and VI, a long-acting beta2 agonist, or LABA) in a single delivery device administered once-daily. TRELEGY is approved for use in the US, European Union ("EU"), and other countries for the long-term, once-daily, maintenance treatment of patients with COPD. Additionally, the FDA approved an sNDA for the use of TRELEGY to treat asthma in adults in September 2020 making TRELEGY the first once-daily single inhaler triple therapy for the treatment of both asthma and COPD in the US. GSK continues to pursue approval for the asthma indication in additional markets.

See *"Risk Factors—We do not control the commercialization of TRELEGY; accordingly, our receipt of Milestone Payments and receipt of the value we currently anticipate from the Outer Years Royalty will depend on, among other factors, GSK's ability to further commercialize TRELEGY"* for additional information.

Our Strategy

Our focus is to deliver *medicines that make a difference*® in people's lives. In pursuit of our purpose, we leverage decades of expertise, which has led to the development of FDA-approved YUPELRI® (revefenacin) inhalation solution indicated for the maintenance treatment of patients with COPD. Ampreloxetine, our late-stage investigational norepinephrine reuptake inhibitor in development for symptomatic nOH, has the potential to be a first in class therapy effective in treating a constellation of cardinal symptoms in MSA patients. We are committed to creating/driving shareholder value.

We follow these core guiding principles in our mission to drive value creation:

- Focus on insight and innovation;
- Outsource non-core activities;
- Create and foster an integrated environment; and
- Aggressively manage uncertainty.

We manage our programs with the goal of optimizing value and allocation of resources. We employ multiple strategies for commercialization of our products. Our approach may involve retaining product rights and marketing a product independently in the US or we may partner a product to extend our commercial reach, to expand our geographic reach, and/or to manage the financial risk associated with the program. Alternatively, we may monetize or divest an asset that we designate as outside our core business, where we believe the program is optimized by leveraging partner capabilities and removing or limiting our research and development costs.

Manufacturing

We rely on a network of third-party contract manufacturing organizations to produce the active pharmaceutical ingredients ("API") and drug products required for our clinical trials. We believe that we and our partners have in-house expertise to manage this network of third-party manufacturers, and we believe that we will be able to continue to negotiate third-party manufacturing arrangements on commercially reasonable terms and that it will not be necessary for

us to rely on internal manufacturing capacity in order to develop or, potentially, commercialize our products. However, if we are unable to obtain contract manufacturing or obtain such manufacturing on commercially reasonable terms, or if manufacturing is interrupted at one of our suppliers, whether due to regulatory or other reasons, we may not be able to develop or commercialize our products as planned.

Any inability to acquire sufficient quantities of API or drug product in a timely manner from current or future sources could disrupt our development programs, the conduct of clinical trials or our commercialization efforts. For more information, see the risk factor under the heading "*There is a single source of supply for our product candidate and for YUPELRI, and our business will be harmed if any of these single-source manufacturers are not able to satisfy demand and alternative sources are not available*" of this Annual Report on Form 10-K.

Government Regulation

The development and commercialization of pharmaceutical products and our product candidates by us, our collaboration partners and licensees, and those commercializing products in which we have an economic interest, such as GSK, are subject to extensive regulation by governmental authorities in the US and other countries. Before marketing in the US, any medicine must undergo rigorous preclinical studies and clinical studies and an extensive regulatory approval process implemented by the FDA under the Federal Food, Drug, and Cosmetic Act.

Outside the US, the ability to market a product depends upon receiving a marketing authorization from the appropriate regulatory authorities which are subject to equally rigorous regulatory obligations. The requirements governing the conduct of clinical studies, marketing authorization, pricing and reimbursement also vary widely from country to country. In any country, however, the commercialization of pharmaceutical products is permitted only if the appropriate regulatory authority is satisfied that we have presented adequate evidence of the safety, quality and efficacy of the product. For example, the EU has its own procedure for the authorization of eligible medicines, referred to as the centralized procedure, where a single application, evaluation and authorization can result in a single marketing authorization which covers all the EU and also Northern Ireland. A separate product licensing procedure applies in Great Britain (England, Scotland and Wales) ("GB"). From January 1, 2024, eligible GB marketing authorization applications can benefit from a new International Recognition Procedure that allows the UK regulatory authority, the MHRA, to conduct targeted assessments by recognizing approvals from trusted reference regulatory agencies in Australia, Canada, the EU, Japan, Singapore, Switzerland and the US. Within the EU and the UK, regulatory protections are afforded to medicinal products such as data exclusivity. On April 26, 2023, the European Commission adopted a proposal for a new Directive and a new Regulation. In April 2024, the European Parliament published its amendments to the Commission proposal. If made into law, this proposal will revise and replace the existing general pharmaceutical legislation and will affect the existing period of regulatory protection afforded to medicinal products in the EU and Northern Ireland. The legislative process for this reform is expected to take several years, and adoption of the new legislation is not expected to take place before 2026.

Before commencing clinical studies in humans in the US, we must submit to the FDA an investigational new drug application ("IND") that includes, among other things, the general investigational plan and protocols for specific human studies and the results of preclinical studies. An IND will go into effect 30 days following its receipt by the FDA unless the FDA issues a clinical hold. Once clinical studies have begun under the IND, they are usually conducted in three phases and under FDA oversight. These phases generally include the following:

Phase 1. The product candidate is introduced into patients or healthy human volunteers and is tested for safety, dose tolerance and pharmacokinetics.

Phase 2. The product candidate is introduced into a limited patient population to assess the efficacy of the drug in specific, targeted indications, assess dosage tolerance and optimal dosage, and identify possible adverse effects and safety risks.

Phase 3. Phase 3 clinical trials are undertaken to further evaluate dosage, clinical efficacy, potency and safety in an expanded patient population at geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit profile of the product and provide an adequate basis for product labeling.

The results of product development, preclinical studies and clinical studies must be submitted to the FDA as part of an NDA. The NDA also must contain extensive manufacturing information, and under the Pediatric Research Equity Act ("PREA"), certain applications for approval must also include an assessment, generally based on clinical study data, of the safety and effectiveness of the subject drug in relevant pediatric populations. The submission of an NDA generally requires payment of a substantial user fee to the FDA under the Prescription Drug User Fee Act ("PDUFA"), subject to certain limited deferrals, waivers and reductions. FDA's PDUFA performance goal is to review and act on 90 percent of priority new molecular entity ("NME") NDA submissions within 6 months of the 60-day filing date, and to review and act on 90 percent of standard NME NDA submissions within 10 months of the 60-day filing date. The FDA may determine that a Risk Evaluation and Management Strategy ("REMS") is necessary to ensure that the benefits of a product outweigh its risks. At the end of the review period, the FDA communicates either approval of the NDA or issues a complete response letter ("CRL") listing the application's deficiencies. The CRL may require additional testing or information, including additional pre-clinical or clinical data, for the FDA to reconsider the application. Even if such additional information and data are submitted, the FDA may decide that the NDA still does not meet the standards for approval. Data from clinical trials are not always conclusive and the FDA may interpret data differently than the sponsor. FDA approval of any application may include many delays or never be granted. If FDA grants approval, an approval letter authorizes commercial marketing of the product candidate with specific prescribing information for specific indications. Post-approval modifications to the drug, such as changes in indications, labeling, or manufacturing processes or facilities, may require a sponsor to develop additional data or conduct additional pre-clinical studies or clinical trials, to be submitted in a new or supplemental NDA, which would require FDA approval.

If an application is approved, drug products are subject to continuing regulation by the FDA, and the FDA may withdraw the product approval if compliance with post-marketing regulatory standards is not maintained or if safety or quality issues are identified after the product reaches the marketplace. In addition, the FDA may require post-marketing studies, sometimes referred to as Phase 4 studies, to monitor the safety and effectiveness of approved products, and may limit further marketing of the product based on the results of these post-marketing studies. The FDA has broad post-market regulatory and enforcement powers, including the ability to require changes to a product's approved labeling, including the addition of new warnings and contraindications, or the implementation of other risk management measures, including distribution-related restrictions, if there are new safety information developments, suspend or delay issuance of approvals, seize products, withdraw approvals, enjoin violations, and initiate criminal prosecution.

If regulatory approval for a medicine is obtained, the clearance to market the product will be limited to those diseases and conditions approved by FDA and for which the medicine was shown to be effective, as demonstrated through clinical studies and specified in the medicine's labeling. If this regulatory approval is obtained, a marketed medicine, its manufacturer and its manufacturing facilities are subject to continual review and periodic inspections by the FDA. The FDA ensures the quality of approved medicines, carefully monitoring manufacturers' compliance with its current Good Manufacturing Practice ("cGMP") regulations by conducting regular, periodic visits to re-inspect equipment, facilities, and processes following the initial approval of a product. Failure to comply with applicable cGMP requirements and conditions of product approval may lead the FDA to take enforcement actions or seek sanctions, including fines, issuance of warning letters, civil penalties, injunctions, suspension of manufacturing operations, operating restrictions, withdrawal of FDA approval, seizure or recall of products, and criminal prosecution. The cGMP regulations for drugs contain minimum requirements for the methods, facilities, and controls used in manufacturing, processing, and packaging of a medicine. The regulations are intended to make sure that a medicine is safe for use, and that it has the ingredients and strength it claims to have. Discovery of previously unknown problems with a medicine, manufacturer or facility may result in restrictions on the medicine or manufacturer, including fines, issuance of warning letters, civil penalties, injunctions, suspension of manufacturing operations, operating restrictions, costly recalls, withdrawal of FDA approval, and criminal prosecution.

Additionally, the FDA and other federal regulatory agencies closely regulate the marketing and promotion of drugs through, among other things, standards and regulations for direct-to-consumer advertising, advertising and promotion to healthcare professionals, communications regarding unapproved uses, industry-sponsored scientific and educational activities, and promotional activities involving the Internet. A product cannot be promoted before it is approved. After approval, product promotion can include only those claims relating to safety and effectiveness that are consistent with the labeling approved by the FDA. Healthcare providers are permitted to prescribe drugs for "off-label" uses - that is, uses not approved by the FDA and not described in the product's labeling - because the FDA does not

regulate the practice of medicine. However, FDA regulations impose restrictions on manufacturers' communications regarding off-label uses. Broadly speaking, a manufacturer may not promote a drug for off-label use, but under certain conditions may engage in non-promotional, balanced, scientific communication regarding off-label use. Failure to comply with applicable FDA requirements and restrictions in this area may subject a company to adverse publicity and enforcement action by the FDA, the Department of Justice, or the Office of the Inspector General of the Department of Health and Human Services, as well as state authorities. This could subject a company to a range of penalties that could have a significant commercial impact, including civil and criminal fines and agreements that materially restrict the manner in which a company promotes or distributes a drug.

We, our collaboration partners and licensees are also subject to various laws and regulations regarding laboratory practices, the experimental use of animals and the use and disposal of hazardous or potentially hazardous substances in connection with our drug development. In each of these areas, as above, the FDA and other regulatory authorities have broad regulatory and enforcement powers, including the ability to suspend or delay issuance of approvals, seize products, withdraw approvals, enjoin violations, and initiate criminal prosecution, any one or more of which could have a material adverse effect upon our business, financial condition and results of operations.

Outside the US, the ability to market products will also depend on receiving marketing authorizations from the appropriate regulatory authorities. Risks similar to those associated with FDA approval described above exist with the regulatory approval processes in other countries.

United States Healthcare Reform

The Patient Protection and Affordable Care Act, as amended (the "Healthcare Reform Act"), substantially changed the way healthcare is financed by both governmental and private insurers, and impacts pricing and reimbursement of YUPELRI and the marketed drugs with respect to which we are entitled to royalty or similar payments, and related commercial operations. Certain provisions of the Healthcare Reform Act have been subject to judicial challenges as well as efforts to modify them or to alter their interpretation or implementation. We expect that the Healthcare Reform Act, its implementation, efforts to modify, or invalidate, the Healthcare Reform Act or portions thereof, or its implementation, and other healthcare reform measures that may be adopted in the future, could have a material adverse effect on our industry generally and on the ability of us, our collaboration partners, or those commercializing products with respect to which we have an economic interest or right to receive royalties to maintain or increase sales of our existing products or to successfully commercialize our product candidates, if approved. For more information, see the risk factor under the heading *"Changes in healthcare law and implementing regulations, including government restrictions on pricing and reimbursement, as well as healthcare policy and other healthcare payor and distributor cost containment initiatives, may negatively impact us, our collaboration partners, or those commercializing products with respect to which we have an economic interest or right to receive royalties"* of this Annual Report on Form 10-K.

Pharmaceutical Pricing

We participated in and had certain price reporting obligations under the Medicaid Drug Rebate and other programs and we remain responsible for data reported under those programs in past quarters, as described in greater detail under the risk factor "*If we failed to comply with our reporting and payment obligations under the Medicaid Drug Rebate program or other governmental pricing programs, we could be subject to additional reimbursement requirements, penalties, sanctions and fines, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects"* of this Annual Report on Form 10-K.

Our ability, and the ability of our collaboration partners, licensees, or those commercializing products with respect to which we have an economic interest or right to receive royalties to commercialize our products successfully, and our ability to attract commercialization partners for our products, depends in significant part on the availability of adequate financial coverage and reimbursement from third-party payors, including, in the US, governmental payors such as the Medicare and Medicaid programs, managed care organizations, and private health insurers. The Inflation Reduction Act of 2022 (the "IRA") establishes a new manufacturer discount program, Part B and Part D inflation rebates, and a Drug Price Negotiation Program under which the prices for Medicare units of certain high Medicare spend drugs without generic or biosimilar competition will be capped by reference to, among other things, a specified non-

federal average manufacturer price, with negotiated prices set to take effect starting in 2026. Whether any of our products are selected for negotiation for a given year will depend on whether they are at least 7 years post-approval/licensure; whether they meet any of the exclusions from eligibility for selection for negotiation, such as the exclusion of certain orphan drugs; their expenditures under Medicare Part B or Part D during a statutorily specified period; and whether a generic of the product has been determined to have come to market. Ampreloxetine received an Orphan Drug Designation status from the FDA, which should mean it will not be selected for negotiation, assuming it continues to meet all other criteria for the exclusion from eligibility for selection. However, our understanding of whether and when our products are likely to be subject to selection for negotiation could evolve as the Drug Price Negotiation Program is implemented. We further expect continued scrutiny on pricing from Congress, agencies, and other bodies with respect to drug pricing. In addition, pricing pressure may be further compounded by varying concentration at or consolidation among wholesalers, pharmacies, pharmacy benefit managers, private insurers, managed care organizations and other private payors. The reimbursement environment is described in greater detail under the risk factor *"Changes in healthcare law and implementing regulations, including government restrictions on pricing and reimbursement, as well as healthcare policy and other healthcare payor and distributor cost containment initiatives, may negatively impact us, our collaboration partners, or those commercializing products with respect to which we have an economic interest or right to receive royalties"* of this Annual Report on Form 10-K.

Coverage and Reimbursement

Market acceptance and sales of any one or more of our product candidates will depend on reimbursement policies and may be affected by future healthcare reform measures in the US. Significant uncertainty exists as to the coverage and reimbursement status of any drug products. In the US and markets in other countries, sales of any products for which we receive regulatory approval for commercial sale will depend in part on the availability of reimbursement from third-party payers. Third-party payers include government health administrative authorities, managed care providers, private health insurers and other organizations. The process for determining whether a payer will provide coverage for a drug product may be separate from the process for setting the price or reimbursement rate that the payer will pay for the drug product. Third-party payers may limit coverage to specific drug products on an approved list, or formulary, which might not include all of the FDA-approved drugs for a particular indication. Third-party payers are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. We may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain FDA approvals. Any products we commercialize may not be considered by payers to be medically necessary or cost-effective for particular diseases or conditions. A payer's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development.

Fraud and Abuse Laws

Our interactions and arrangements with customers and third-party payors are subject to applicable US federal and state fraud and abuse laws and equivalent third country laws. These laws and the related risks are described in greater detail under the risk factor "*Our relationships with customers and third-party payors are subject to applicable anti-kickback, fraud and abuse, transparency and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, exclusion, contractual damages, reputational harm and diminished profits and future earnings*" of this Annual Report on Form 10-K.

Data Privacy and Protection

We are subject to laws and regulations that address privacy and data security. In the US, numerous federal and state laws and regulations, including state data breach notification laws, state health information and/or genetic privacy laws, and federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act ("FTC Act") and the Health Breach Notification Rule), govern the collection, use, disclosure, and protection of health-related and other personal information. Similar obligations apply outside of the US. For example, the General Data Protection Regulation, including as implemented in the UK (collectively "GDPR") amplified existing data protection obligations in the EU. These laws and related risks are described in greater detail under the risk factor *"If we fail to comply with data protection laws and regulations, we could be subject to government enforcement actions (which could include civil or*

criminal penalties), private litigation and/or adverse publicity, which could negatively affect our operating results and business" of this Annual Report on Form 10-K.

Patents and Proprietary Rights

We will be able to protect our technology from unauthorized use by third parties only to the extent that our technology is covered by valid and enforceable patents or is effectively maintained as trade secrets. Our success in the future will depend in part on obtaining patent protection for our product candidates. Accordingly, patents and other proprietary rights are essential elements of our business. Our policy is to seek patent protection in the US and selected foreign countries for novel technologies, including compositions of matter that are commercially important to the development of our business. Issued US and foreign patents generally expire 20 years after their filing date. For proprietary know-how that may not be patentable, processes for which patents are difficult to enforce and any other elements of our drug discovery process that involve proprietary know-how and technology that is not covered by patent applications, we rely on trade secret protection and confidentiality agreements to protect our interests. We require all of our employees, consultants, and advisors to enter into confidentiality agreements. Where it is necessary to share our proprietary information or data with outside parties, our policy is to make available only that information and data required to accomplish the desired purpose and only pursuant to a duty of confidentiality on the part of those parties.

As of December 31, 2024, we owned a total of 177 issued US patents and 1,070 granted foreign patents, as well as additional pending US patent applications and foreign patent applications. The claims in these various patents and patent applications are typically directed to compositions of matter, including claims covering product candidates, crystalline forms, lead compounds and key intermediates, pharmaceutical compositions, methods of use and/or processes for making our compounds. Our patents and patent applications are also directed to other inventions made during the research and development process. In particular, our wholly-owned subsidiary Theravance Biopharma R&D IP, LLC owns the following US patents that are listed in the FDA *Approved Drug Products with Therapeutic Equivalence Evaluations* (Orange Book) for YUPELRI (revefenacin) inhalation solution: US Patent No. 7,288,657, expiring on October 31, 2028 (including patent term extension); US Patent No. 7,491,736, expiring March 10, 2025; US Patent No. 7,521,041, expiring March 10, 2025; US Patent No. 7,550,595, expiring March 10, 2025; US Patent No. 7,585,879, expiring March 10, 2025; US Patent No. 7,910,608, expiring March 10, 2025; US Patent No. 8,034,946, expiring March 10, 2025; US Patent No. 8,053,448, expiring March 10, 2025; US Patent No. 8,273,894, expiring March 10, 2025; US Patent No. 8,541,451, expiring August 25, 2031; US Patent No. 9,765,028, expiring July 14, 2030; US Patent No. 10,106,503, expiring March 10, 2025; US Patent No. 10,343,995, expiring March 10, 2025; US Patent No. 10,550,081, expiring July 14, 2030; US Patent No. 11,008,289, expiring July 14, 2030; US Patent No. 11,247,969, expiring March 10, 2025; US Patent No. 11,484,531, expiring October 23, 2039; US Patent No. 11,691,948, expiring July 14, 2030; US Patent No. 11,858,898, expiring July 14, 2030; and US Patent No. 12,048,692, expiring August 29, 2039. Thus, the last to expire patent currently listed in the Orange Book for YUPELRI (revefenacin) inhalation solution expires on October 23, 2039.

The patent rights relating to YUPELRI (revefenacin) inhalation solution currently consist of issued US patents, pending US patent applications and certain counterpart patents and patent applications in a number of jurisdictions, including Europe and China.

Additionally, some of our patents and patent applications are directed to products in development. For example, our patent rights relating to ampreloxetine include an issued US composition of matter patent that expires in 2030 and an issued US method of treatment patent that expires in 2037 (in each case, not including any patent term extensions that may be available under the Drug Price Competition and Patent Term Restoration Act of 1984). The patent portfolio for this development product includes additional pending patent applications and granted patents in a number of jurisdictions. Nevertheless, issued patents can be challenged, narrowed, invalidated, or circumvented, which could limit our ability to stop competitors from marketing similar products and threaten our ability to commercialize our product candidates. Our patent position, similar to other companies in our industry, is generally uncertain and involves complex legal and factual questions. To maintain our proprietary position, we will need to obtain effective claims and potentially enforce these claims once granted. It is possible that, before any of our products can be commercialized, any related patent may expire or remain in force only for a short period following commercialization, thereby reducing any advantage of the patent. Also, we do not know whether any of our patent applications will result in any issued patents or, if issued, whether the scope of the issued claims will be sufficient to protect our proprietary position.

Patent Term Restoration, Regulatory Exclusivities, and Hatch-Waxman Litigation

Depending upon the timing, duration, and specifics of FDA approval of our product candidates, some of our US patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA, plus the time between the submission date of an NDA and the approval of that application, except that the period is reduced by any time during which the applicant failed to exercise due diligence. Only one patent applicable to an approved drug is eligible for the extension, and the extension must be applied for prior to expiration of the patent and within 60 days of approval. The USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration.

The Hatch-Waxman Act also provides periods of regulatory exclusivity for products that would serve as a reference listed drug, or RLD, for an abbreviated new drug application, or ANDA, or application submitted under section 505(b)(2) of the FDCA, or 505(b)(2) application. If a product is a new chemical entity, or NCE — generally meaning that the active moiety has never before been approved in any drug — there is a period of five years from the product's approval during which the FDA may not accept for filing any ANDA or 505(b)(2) application for a drug with the same active moiety. An ANDA or 505(b)(2) application may be submitted after four years, however, if the sponsor of the application makes a "Paragraph IV" certification stating that one or more of the Orange Book listed patents are invalid or will not be infringed by the applicant's product.

Once the FDA accepts for filing an ANDA or 505(b)(2) application containing a Paragraph IV certification, the applicant must within 20 days provide notice to the RLD NDA holder and patent owner that the application has been submitted and provide the factual and legal basis for the applicant's assertion that the patent is invalid or not infringed. If the NDA holder or patent owner files suit against the ANDA or 505(b)(2) applicant for patent infringement within 45 days of receiving the Paragraph IV notice, the FDA is prohibited from approving the ANDA or 505(b)(2) application for a period of 30 months or the resolution of the underlying suit, whichever is earlier. If the RLD has NCE exclusivity and the notice is given and suit filed during the fifth year of exclusivity, the regulatory stay extends until 7.5 years after RLD approval. The FDA may approve the proposed product before the expiration of the regulatory stay if a court finds the patent invalid or not infringed or if the court shortens the period.

The Orphan Drug Act further provides periods of regulatory exclusivity for orphan drug products. If a product has received an orphan drug designation and is subsequently approved for a condition falling within that designation, there is a period of 7 years from the product's approval during which the FDA may not approve a later product with the same active moiety and for the same orphan condition, unless the later product is clinically superior to the approved product or the sponsor of the original product is unable to assure a sufficient quantity of the drug for the orphan drug population. This orphan drug exclusivity runs concurrently with any NCE exclusivity described above.

During January 2023, we received notice from Accord Healthcare, Inc.; Cipla USA, Inc. and Cipla Limited; Eugia Pharma Specialties Ltd.; Lupin Inc.; Mankind Pharma Ltd.; Orbicular Pharmaceutical Technologies Private Limited; and Teva Pharmaceuticals, Inc. (collectively, the "generic companies"), that they have each filed with the FDA an ANDA, for a generic version of YUPELRI. The notices from the generic companies each included a paragraph IV certification with respect to five of our patents listed in the FDA's Orange Book for YUPELRI on the date of our receipt of the notice. The asserted patents relate generally to polymorphic forms of and a method of treatment using YUPELRI. In February 2023, we filed patent infringement suits against the generic companies in federal district courts, including the United States District Court for the District of New Jersey, the U.S. District Court for the District of Delaware, and the U.S. District Court for the Middle District of North Carolina. The suits in Delaware and North Carolina have been dismissed, as all generic companies have agreed to venue in New Jersey. The complaint alleges that by filing the ANDAs, the generic companies have infringed five of our Orange Book listed patents. We are seeking a permanent injunction to prevent the generic companies from introducing a generic version of YUPELRI that would infringe our patents. As a result of this lawsuit, a stay of approval through May 2026 has been imposed by the FDA on the generic companies' ANDAs pending any adverse court decision. Additional patents covering YUPELRI, granted on July 4, 2023

and January 2, 2024, were subsequently listed in FDA's Orange Book. We filed additional patent infringement suits in the U.S. District Court for the District of New Jersey during August 2023 and January 2024. These suits have been consolidated with the above action. Further, the original complaint was amended during December 2023 to include certain patents not listed in the Orange Book.

In May 2024, we received notice from Qilu Pharmaceuticals Co., Ltd. ("subsequent ANDA filer"), that it had filed with the FDA an ANDA for a generic version of YUPELRI. The notice from the subsequent ANDA filer included a paragraph IV certification with respect to certain of our patents listed in FDA's Orange Book for YUPELRI. The asserted patents relate generally to polymorphic forms of and a method of treatment using YUPELRI. In June 2024, we filed a patent infringement suit against the subsequent ANDA filer in the U.S. District Court for the Eastern District of Pennsylvania. The complaint alleges that by filing the ANDA, the subsequent ANDA filer has infringed certain of our Orange Book listed patents.

As of February 28, 2025, we have settled all litigation with Accord Healthcare, Inc.; Lupin Pharmaceuticals, Inc.; Orbicular Pharmaceutical Technologies Private Limited; Qilu Pharmaceuticals Co., Ltd.; and Teva Pharmaceuticals, Inc. pursuant to individual agreements in which we granted these companies a royalty-free, non-exclusive, non-sublicensable, non-transferable license to manufacture and market their respective generic versions of YUPELRI inhalation solution in the US on or after the licensed launch date of April 23, 2039, subject to certain exceptions as is customary in these type of agreements. As required by law, the settlements are subject to review by the U.S. Department of Justice and the Federal Trade Commission. The patent litigation against the three remaining generic companies, along with certain affiliates, remains pending.

A further method of treatment patent, with an expiration date of August 2039, was granted on July 30, 2024 and was listed in the Orange Book. We filed an additional patent infringement suit in the U.S. District Court for the District of New Jersey during August 2024 against the three remaining generic companies. This suit has been consolidated with the action described above.

This litigation and the related risks are described in greater detail under the risk factor "*Litigation to protect or defend our intellectual property or third-party claims of intellectual property infringement will require us to divert resources and may prevent or delay our drug development and commercialization efforts"* of this Annual Report on Form 10-K.

Competition

Our late-stage development program, and the marketed products to which we are entitled to profit share revenue, royalty or similar payments are primarily focused on respiratory and neurological therapeutics. Our commercial infrastructure is focused primarily on the acute care setting. We expect that any medicines that we commercialize with our collaborative partners or on our own will compete with existing and future market-leading medicines.

Many of our competitors have substantially greater financial, technical and personnel resources than we have. In addition, many of these competitors have significantly greater commercial infrastructures than we have. Our ability to compete successfully will depend largely on our ability to leverage our experience in drug development and commercialization to:

- develop medicines that are superior to other products in the market;
- attract and retain qualified scientific, clinical development and commercial personnel;
- obtain patent and/or other proprietary protection for our medicines and technologies;
- obtain required regulatory approvals;
- commercialize approved products; and
- successfully collaborate with pharmaceutical companies in the development and commercialization of new medicines.

YUPELRI (revefenacin) inhalation solution

YUPELRI competes predominately with short-acting nebulized bronchodilators that are dosed three to four times per day. During 2023, Sunovion Pharmaceuticals Inc. voluntarily withdrew Lonhala® Magnair® (glycopyrrolate) from the US market due to limited utilization, leaving YUPELRI as the only approved nebulized LAMA.

Verona Pharma plc's ensifentrine, a first-in-class, selective inhaled dual inhibitor of PDE3 and PDE4 received FDA approval in June 2024. Nebulized ensifentrine has the potential to be complementary to YUPELRI given that it is another nebulized treatment for COPD maintenance care and is positioned as an add-on to standard of care ("SOC") therapy which includes LAMA + LABA.

Sanofi and Regeneron Pharmaceutical, Inc. received US approval for their first-in-class, IL-4/IL-13 monoclonal antibody (mAb) Dupixent® (dupilumab) for COPD in September 2024. The expanded indication is for maintenance treatment for patients with moderate-to-severe COPD, who are uncontrolled with current SOC triple therapy (LAMA + LABA + ICS) and have evidence of Type 2 inflammation and frequent exacerbation history. Dupixent is also indicated for atopic dermatitis, asthma, chronic rhinosinusitis with nasal polyposis, eosinophilic esophagitis and prurigo nodularis.

Ampreloxetine norepinephrine reuptake inhibitor ("NRI")

If successfully developed and approved in accordance with its target product profile, ampreloxetine would be expected to serve as the only safe, convenient, and durably effective treatment option for MSA patients with symptomatic nOH. While droxidopa is currently the sole product approved for nOH patients, it was approved to treat dizziness, lightheadedness, or the "feeling that you are about to black out" in adults who experience nOH and who have MSA or other conditions. Droxidopa has never demonstrated a durable effect on nOH symptoms including failure of a confirmatory study known as RESTORE which was required by the FDA as a condition of an accelerated approval. Northera®, marketed by Lundbeck NA Ltd., is the branded version of droxidopa and became generic in 2021. Midodrine, which is approved for OH, is not indicated to improve symptoms of nOH. Both midodrine and droxidopa must be taken 3 times daily and carry a black box warning for its potential to lead to a "marked elevation of supine blood pressure". Pending confirmation of its clinical profile in the CYPRESS study, it is anticipated that ampreloxetine will represent a differentiated treatment option for MSA patients with symptomatic nOH.

TRELEGY (the combination of fluticasone furoate/umeclidinium bromide/vilanterol)

For treatment of COPD, TRELEGY competes in all major markets with AstraZeneca's Breztri® Aerosphere® (budesonide/glycopyrronium/formoterol fumarate, dosed twice per day). Trimbow® (beclometasone dipropionate/formoterol fumarate/glycopyrronium bromide, dosed twice per day) from Chiesi Farmaceutici is an additional COPD competitor in Europe.

For treatment of asthma, TRELEGY is the only triple therapy approved in the US and competes in Japan with Novartis's Enerzair® Breezhaler® (indacaterol acetate, glycopyrronium bromide and mometasone furoate, dosed once daily).

In both COPD and asthma, TRELEGY also competes with "open triple" therapy which can be accomplished by the concurrent use of two or three products. An example of such use includes a LABA/ICS combination, such as AstraZeneca's Symbicort® and a LAMA such as Boehringer Ingelheim's Spiriva®.

Human Capital

As of December 31, 2024, we had 97 employees. Of these employees, 86 were based in the US, and 11 were based in Dublin, Ireland.

Culture and Employee Engagement

We consider our employee experience to be first-rate and strive to provide a culture of purpose, engagement, and learning. We have a strong value proposition anchored in our Core Values—*We Think it Through, We Find a Way, We Get it Done,* and *We Win Together.* We strive to live these values across the Company every day, integrating them into everything from our interview, hiring, and onboarding processes to our *PULSE* performance process, total rewards,

and recognition programs. In addition to valuing professional qualifications, we emphasize the importance of character and integrity, fostering a culture of empowerment where employees have ownership in business outcomes.
Reflected in our Core Values are behaviors that keep our people engaged and working collaboratively. Our employees are encouraged to ask questions, make suggestions, and provide input through many forms of corporate communication, such as an open-door policy, all-employee meetings, an anonymous online suggestion box, and an employee *PULSE* survey. Our employee *PULSE* survey is designed to assist us in measuring overall employee engagement, and we consistently achieve participation rates between 85% to 100%. Our 2024 survey scores averaged an overall score of 4.4 on a scale of 1 (Strongly Disagree) through 5 (Strongly Agree), and we received 96% participation from employees. These survey results provide important insight into our strengths as an organization and allow areas of opportunity to be identified and addressed.

We expect all employees to observe the highest levels of business ethics while delivering the highest levels of performance. These expectations are outlined and reinforced in various documents and forms of communication within and across our Company. The Company encourages employees to speak up and raise questions and concerns promptly about any situation that may violate our Code of Business Conduct, our Core Values, or our policies. We seek to promote an environment that fosters honest communications about matters of conduct related to our business activities, whether that conduct occurs within the Company, involves one of the Company's contractors, suppliers, consultants, clients, or any other party with a business relationship with the Company. We work diligently to make clear that management is prepared to address any reported violations and ensure that it is known that any form of retaliation is strictly prohibited. In addition, we have an easily accessible hotline available to employees wishing to report complaints anonymously.

Diversity, Equity, Inclusion & Belonging

As an equal-opportunity employer, we strive to build and maintain a culture of diversity, equity, inclusion and belonging through both our business and human resources practices and policies. We work to eliminate discrimination and harassment in all its forms, including related to color, race, sex or gender, sexual orientation, gender identity, age, pregnancy, caste, disability, ethnicity, national origin, ancestry, religious beliefs, veteran status, uniformed service member status, or physical or mental disability. We strive to build and foster a culture where all employees feel empowered to be their authentic selves.

Our Diversity, Equity, Inclusion & Belonging Council and Women's Leadership Network are Company-sponsored, employee-led groups open to all that aim to improve attraction, retention, development, inclusion, and engagement of a diverse and global workforce. We are committed to creating a workplace culture that values and celebrates diversity in all its forms. We believe that diversity of thought, background, and experience is essential for innovation and growth, and we are committed to creating an inclusive workplace where everyone feels welcomed, valued, and empowered to be their authentic selves, fueling our ability to collaborate and win together. For the benefit of our employees, patients, and community, we must celebrate, encourage, and support similarities and differences to drive innovation.

Talent, Development, and Total Rewards

We believe that our talent strategy of providing exciting career growth and development opportunities, recognizing, and rewarding performance, providing competitive compensation and benefits assists us in attracting and retaining the best talent. We believe we are successful in our retention efforts because we provide challenging work assignments, cross-functional teamwork experiences, and career progression supported by new skill-building. We invest in employee learning and development by identifying and providing training and development programs, speakers, tuition reimbursement, and cross-training in areas of interest beyond hired role.

We work diligently to attract the best talent from a diverse range of sources to meet the current and future demands of our business. We offer a competitive total rewards package that supports our business strategy to attract, retain and reward our employees in a highly competitive market. Our employees are provided with a strong base salary, cash bonus opportunities, equity incentives, health and wellness benefits, and programs. We regularly evaluate our compensation programs with an independent consultant and utilize industry benchmarking. In addition, we provide a variety of programs and services that meet our employees' needs and encourage work-life balance. These services

include competitive and affordable healthcare and additional insurance benefits for both full-time and part-time employees, including eligible dependents. We also match contributions to tax-qualified defined contribution savings (401k) plans and provide training and development programs designed to improve workplace performance while supporting flexible, hybrid-remote working.

Understanding the importance of goal setting and ongoing career development conversations, we require managers and employees to play an active role in the *PULSE* performance management process at monthly, quarterly, and annual frequencies. *PULSE* is designed to increase clarity and accountability for roles and responsibilities, strengthen communication, and build trust, all while championing personal and professional growth, learning, and success.

Workplace Safety

Workplace safety is always a priority for us. To maintain a safe and healthy workplace, we have implemented initiatives, procedures, and policies designed to address risk and stay compliant with relevant national and international health and safety standards. We continue to focus on employee wellness and safety, policy updates based on Centers for Disease Control and Prevention ("CDC"), county, federal, and state guidelines, and ongoing employee communication.

Financial Information About Geographic Areas

Information on our total revenues attributed to geographic areas and customers who represented at least 10% of our total revenues is included in *"Item 8. Note 3. Segment Information,"* to our consolidated financial statements in this Annual Report on Form 10-K.

Corporation Information

Theravance Biopharma was incorporated in the Cayman Islands in July 2013 under the name Theravance Biopharma, Inc. Theravance Biopharma began operating as an independent, publicly-traded company on June 2, 2014 following a spin-off from Innoviva, Inc. Our corporate address in the Cayman Islands is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and the address of our wholly-owned US operating subsidiary is Theravance Biopharma US, LLC, 901 Gateway Boulevard, South San Francisco, California 94080, which also serves as our principal executive office. While Theravance Biopharma is incorporated under Cayman Island law, the Company became an Irish tax resident effective July 1, 2015. The office address of our wholly-owned Irish operating subsidiary, Theravance Biopharma Ireland Limited, is The Lennox Building, Suite 101, 50 Richmond Street South, Saint Kevin's, Dublin, Ireland.

Available Information

Our Internet address is *www.theravance.com*. Our investor relations website is located at *https://investor.theravance.com*. We make available free of charge on our investor relations website under "SEC Filings" our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, our directors' and officers' Section 16 Reports and any amendments to those reports as soon as reasonably practicable after filing or furnishing such materials to the US Securities and Exchange Commission ("SEC"). The SEC maintains a website that contains the materials we file with or furnish to the SEC at www.sec.gov. Our current Code of Business Conduct, Corporate Governance Guidelines, Articles of Association, Board of Director Committee Charters, and other materials, including amendments thereto, may also be found on our investor relations website under "Corporate Governance." The information found on our website is not part of this or any other report that we file with or furnish to the SEC. Theravance Biopharma and the Theravance Biopharma logo are registered trademarks of the Theravance Biopharma group of companies. Trademarks, tradenames, or service marks of other companies appearing in this report are the property of their respective owners.

ITEM 1A. RISK FACTORS

The risks described below and elsewhere in this Annual Report on Form 10-K and in our other public filings with the SEC are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Summary of Principal Risks Associated with Theravance Biopharma's Business

- We may never achieve or sustain profitability from our operations;
- If YUPELRI's acceptance by physicians, patients, third-party payors, or the medical community in general does not continue to grow, we may not receive significant additional revenues from sales of this product;
- In collaboration with Viatris, we are responsible for marketing and sales of YUPELRI in the US, which subjects us to certain risks;
- Any delay in commencing or completing clinical studies for product candidates or product and any adverse results from clinical or non-clinical studies or regulatory obstacles product candidates or product may face, would harm our business and the price of our securities could fall;
- If our product candidates are not approved by regulatory authorities, including the FDA, we will be unable to commercialize them;
- If our partners do not satisfy their obligations under our agreements with them, or if they terminate our partnerships with them, we may not be able to develop or commercialize our partnered product candidates as planned;
- Our ongoing drug development efforts might not generate additional approvable drugs;
- We face substantial competition from companies with more resources and experience than we have, which may result in others discovering, developing, receiving approval for or commercializing products before or more successfully than we do;
- We are subject to extensive and ongoing regulation, oversight and other requirements by the FDA and failure to comply with these regulations and requirements may subject us to penalties that may adversely affect our financial condition or our ability to commercialize any approved products; and
- We and/or our collaboration partners and those commercializing products with respect to which we have an economic interest or right to receive royalties may face competition from companies seeking to market generic versions of any approved products in which we have an interest, such as YUPELRI.

RISKS RELATING TO THE COMPANY

We may never achieve or sustain profitability from our operations.

First as part of Innoviva, Inc., and since June 2, 2014 as Theravance Biopharma, we have been engaged in pharmaceutical discovery and development since 1997. We may never generate sufficient cash or revenue to achieve sustainable cash flow or profitability from our operations. For the year ended December 31, 2024, we recognized net loss of $56.4 million. We reflect the cumulative net loss incurred after June 2, 2014, the effective date of our spin-off from Innoviva, Inc. (the "Spin-Off"), as accumulated deficit on our consolidated balance sheets, which was $965.5 million as of December 31, 2024. We may continue to incur net losses over the next several years due to expenditures relating to the development of our current product candidate, which we are advancing through later stage clinical studies without a

partner and which we are preparing to potentially commercialize. In addition, we may invest strategically in efforts to continue to support our business. While our YUPELRI operations have been profitable on a brand basis since the third quarter of 2020, we will continue to incur costs and expenses associated with the commercialization of YUPELRI in the US, including the maintenance of an independent sales and marketing organization with appropriate technical expertise, and a medical affairs presence and consultant support. Our commitment of resources to the continued development of ampreloxetine and YUPELRI will require ongoing funding, and we expect our sales, marketing, and medical affairs expenditures may increase in 2025 as we prepare for the potential commercial launch of ampreloxetine. Our operating expenses also will increase if, among other things:

- we pursue clinical development of our potential or current products in new indications;
- our clinical trials become more complicated or need to be extended due to other factors;
- we increase the number of patents we are prosecuting or maintaining or otherwise expend additional resources on patent prosecution or defense or patent litigation; or
- we acquire or in-license additional technologies, product candidates, products or businesses.

While we generate revenues and income from sales of YUPELRI and our economic and royalty interests, we may not generate significant profit from our operations in the near future. We could fail to meet our revenue expectations. If we or our collaborators or licensees are not able to successfully develop additional products, obtain required regulatory approvals, manufacture products at an acceptable cost or with appropriate quality, or successfully market and sell such products, and do so with desired margins, our expenses will continue to exceed any revenues we may receive in the future.

Our strategic business plan is subject to significant uncertainties and risks as a result of, among other factors, the sales levels of our approved product, unplanned expenses, clinical program outcomes, expenses being higher than anticipated, revenue and cash receipts being lower than anticipated, whether, when and on what terms we are able to enter into new collaboration arrangements, and the need to satisfy contingent liabilities. Our ability to reach, and the time required to reach, and then to sustain, profitability from operations is uncertain. As a result, we may incur substantial losses in the future. Failure to become and remain profitable from operations would adversely affect the price of our securities and our ability to continue operations as planned.

If YUPELRI's acceptance by physicians, patients, third-party payors, or the medical community in general does not continue to grow, we may not receive significant additional revenues from sales of this product.

The commercial success of YUPELRI depends upon its acceptance by physicians, patients, third-party payors and the medical community in general. YUPELRI's acceptance by these parties may not continue to grow as we have planned. YUPELRI competes predominately with short acting nebulized bronchodilators that are dosed three to four times per day. See the Risk Factor entitled "*We face substantial competition from companies with more resources and experience than we have, which may result in others discovering, developing, receiving approval for or commercializing products before or more successfully than we do*" for additional information regarding the competitive landscape in which we operate. If physicians, patients, third-party payors, or the medical community in general believe that YUPELRI is not a preferred treatment option for those with COPD, do not continue to prescribe, fill prescriptions for, cover, or reimburse for YUPELRI, we may see declines, or fail to grow. In addition, we have experienced headwinds from an evolved channel mix and a lower realized net price. While we anticipate a more stable pricing environment and continued YUPELRI demand growth in 2025 and beyond, there can be no assurance that our and our partner Viatris' efforts to improve our current pricing dynamics will be successful. See the Risk Factor entitled "*Changes in healthcare law and implementing regulations, including government restrictions on pricing and reimbursement, as well as healthcare policy and other healthcare payor and distributor cost containment initiatives, may negatively impact us, our collaboration partners, or those commercializing products with respect to which we have an economic interest or right to receive royalties*" for additional information regarding elements of the pricing landscape in which we operate. If YUPELRI's acceptance and net price does not grow, or declines from previous levels, our business and financial results could be materially harmed.

In collaboration with Viatris, we are responsible for marketing and sales of YUPELRI in the US, which subjects us to certain risks.

We currently maintain a sales force in the US to support our co-promotion obligations for YUPELRI under our agreement with Viatris. The risks of fulfilling our US co-promotion obligations to Viatris include:

- costs and expenses associated with maintaining an independent sales and marketing organization with appropriate technical expertise and supporting infrastructure, including third-party vendor logistics and consultant support, which costs and expenses could, depending on the scope and method of the marketing effort, exceed any product revenue;
- our ability to retain effective sales and marketing personnel and medical science liaisons in the US;
- the ability of our sales and marketing personnel to obtain access to, and educate adequate numbers of prescribers about prescribing YUPELRI, in appropriate clinical situations; and
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines.

If we are not successful in maintaining a sales and marketing organization with appropriate experience, technical expertise, supporting infrastructure and the ability to obtain access to and educate adequate numbers of physicians about prescribing YUPELRI in appropriate clinical situations, we will have difficulty maintaining effective commercialization of YUPELRI in the hospital setting, which would adversely affect our business and financial results, and the condition and the price of our securities could fall.

Any delay in commencing or completing clinical studies for product candidates or product and any adverse results from clinical or non-clinical studies or regulatory obstacles product candidates or product may face, would harm our business and the price of our securities could fall.

Product candidates must undergo extensive non-clinical and clinical studies as a condition to regulatory approval. Clinical studies are expensive, take many years to complete and study results may lead to delays in further studies, new requirements for conducting future studies or decisions to terminate programs. The completion of clinical studies for our product candidate may be delayed and programs may be terminated due to many factors, including, but not limited to:

- lack of efficacy of product candidate during clinical studies;
- adverse events, safety issues or side effects (or perceived adverse developments or results) relating to the product candidate or its formulation into medicines;
- unfavorable study data or unfavorable interpretations of data among the FDA and foreign regulatory authorities;
- insufficient capital to continue our development program;
- inability to enter into partnering arrangements relating to the development and commercialization of our program and product candidate or partner decisions not to maintain a partnership with us;
- delays in patient enrollment and variability in the number and types of patients available for clinical studies;
- competitive clinical trials;
- our inability or the inability of our collaborators or licensees to manufacture or obtain from third-parties materials sufficient for use in non-clinical and clinical studies;

- governmental or regulatory delays or suspensions of the conduct of the clinical trials and changes in regulatory requirements, policy and guidelines;
- challenges with recruitment and/or progressing patients through studies;
- failure of any partners to advance product candidates through clinical development;
- incomplete data from clinical trials;
- varying regulatory requirements or interpretations of data among the FDA and foreign regulatory authorities;
- new clinical trial regulations in the European Union; and
- a disturbance where we or our collaborative partners are enrolling patients in clinical trials, such as a pandemic, terrorist activities or war, political unrest or a natural disaster.

Any adverse developments or results or perceived adverse developments or results with respect to our clinical program including, without limitation, any delays in our development program, any halting of development in our program, any difficulties or delays encountered with regard to the FDA or other third country regulatory authorities with respect to our program, or any indication from clinical or non-clinical studies that the compounds in our program are not safe, efficacious or sufficiently differentiated from those of our competitors, could have a material adverse effect on our business and cause the price of our securities to fall. For example, in August 2021 we announced that our Phase 2b study of izencitinib in ulcerative colitis did not meet its primary endpoint, and in September 2021, we announced that our four-week SEQUOIA Phase 3 study for ampreloxetine did not meet its primary endpoint. There can be no assurance that our Phase 3 CYPRESS study for ampreloxetine will be completed on the timeline we expect or at all, that data from the Phase 3 study for ampreloxetine will be read out on the timeline we expect or at all, that the study will meet its endpoints, or that ampreloxetine will ultimately be found to be safe and effective.

If our product candidates are not approved by regulatory authorities, including the FDA, we will be unable to commercialize them.

The FDA must approve any new medicine before it can be marketed and sold in the US. We will not obtain this approval for a product candidate, such as ampreloxetine, unless and until the FDA approves a New Drug Application ("NDA"). We, or our collaborative partners, must provide the FDA and similar foreign regulatory authorities with data from preclinical and clinical studies that demonstrate that our product candidates comply with the regulatory requirements for the quality of medicinal products and are safe and effective for a defined indication before they can be approved for commercial distribution. FDA or foreign regulatory authorities may disagree with our trial design and our interpretation of data from preclinical studies and clinical trials. The processes by which regulatory approvals are obtained from the FDA and foreign regulatory authorities to market and sell a new product are complex, require a number of years, depend upon the type, complexity and novelty of the product candidate and involve the expenditure of substantial resources for research, development and testing. The FDA has substantial discretion in the drug approval process and may require us to conduct additional non-clinical and clinical testing or to perform post-marketing studies. Further, the implementation of new laws and regulations, and revisions to FDA clinical trial design guidance, may lead to increased uncertainty regarding the approvability of new drugs. See the risk factor entitled "*Any delay in commencing or completing clinical studies for product candidates or product and any adverse results from clinical or non-clinical studies or regulatory obstacles product candidates or product may face, would harm our business and the price of our securities could fall*" above for additional information. In addition, the FDA has additional standards for approval of new drugs, including recommended advisory committee meetings for certain new molecular entities, and formal risk evaluation and mitigation requirements at the FDA's discretion. Even if we receive regulatory approval of a product, the approval may limit the indicated uses for which the drug may be marketed or impose significant restrictions or limitations on the use and/or distribution of such product.

In addition, in order to market our medicines in foreign jurisdictions, we or our collaborative partners must obtain separate regulatory approvals in each country. The approval procedure varies among countries and can involve

additional testing, and the time required to obtain approval may differ from that required to obtain FDA approval. Approval by the FDA does not ensure approval by regulatory authorities in other countries, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries or by the FDA. Conversely, failure to obtain approval in one or more jurisdictions may make approval in other jurisdictions more difficult. These laws, regulations, additional requirements and changes in interpretation could cause non-approval or further delays in the FDA's or other regulatory authorities' review and approval of our and our collaborative partners' product candidates, which would materially harm our business and financial condition and could cause the price of our securities to fall.

If our partners do not satisfy their obligations under our agreements with them, or if they terminate our partnerships with us, we may not be able to develop or commercialize our partnered product candidates as planned.

In January 2015, we entered into a collaboration agreement with Viatris for the development and commercialization of a nebulized formulation of our LAMA revefenacin, including YUPELRI. Under the terms of the agreement, we and Viatris will co-develop nebulized revefenacin, including YUPELRI, for COPD and other respiratory diseases. Viatris is the NDA holder and is responsible for manufacturing, pricing and compliance matters as well as sales and marketing in the community setting. We are responsible for sales and marketing in the hospital setting. In 2019, we granted Viatris exclusive development and commercialization rights to nebulized revefenacin in China and adjacent territories, which include the Hong Kong SAR, the Macau SAR, and Taiwan, and we are eligible to receive low double-digit tiered royalties on net sales of nebulized revefenacin, if approved. Viatris is responsible for all aspects of development and commercialization of nebulized revefenacin in China and adjacent territories, including pre- and post-launch activities and product registration and all associated costs. In connection with these agreements, Viatris has certain rights regarding the use of patents and technology with respect to the compounds in our development programs, including development and marketing rights.

Our partner may not fulfill their obligations under our agreements, and, in certain circumstances, they or we may terminate our partnership with them. For example, in June 2023, we received notice from Pfizer terminating the License Agreement (the "Pfizer Agreement") with Pfizer Inc. ("Pfizer") regarding our preclinical program for skin targeted, locally acting pan Janus kinase (JAK) inhibitors that can be rapidly metabolized as of October 2023. We have discontinued our JAK inhibitor research program and are assessing our choices with respect to the program covered by the Pfizer Agreement. We may be unable to assume the development and commercialization responsibilities covered by the agreements or enter into alternative arrangements with a third-party to develop and commercialize such product candidates. If a partner elected to promote alternative products and product candidates such as its own products and product candidates in preference to those licensed from us, does not devote an adequate amount of time and resources to our product or product candidates or is otherwise unsuccessful in its efforts with respect to our products or product candidates, the development and commercialization of products and product candidates covered by the agreements could be delayed or terminated, and future payments to us could be delayed, reduced or eliminated and our business and financial condition could be materially and adversely affected. Accordingly, our ability to receive any revenue from the products and product candidates covered by these agreements is dependent on the efforts of our partners. If a partner terminates or breaches its agreements with us, otherwise fails to complete its obligations in a timely manner or alleges that we have breached our contractual obligations under these agreements, the chances of successfully developing or commercializing products and product candidates under the collaboration could be materially and adversely affected. In addition, effective collaboration with a partner requires coordination to achieve complex and detail-intensive goals between entities that potentially have different priorities, capabilities and processes and successful navigation of the challenges such coordination entails. We could also become involved in disputes with a partner, which could lead to delays in or termination of our development and commercialization programs and time-consuming and expensive litigation or arbitration. Furthermore, termination of an agreement by a partner could have an adverse effect on the price of our ordinary shares or other securities even if not material to our business.

Our ongoing drug development efforts might not generate additional approvable drugs.

Our compounds in clinical trials are subject to the risks and failures inherent in the development of pharmaceutical products. These risks include, but are not limited to, the inherent difficulty in selecting the right drug and drug target and avoiding unwanted side effects, as well as unanticipated problems relating to product development,

testing, enrollment, obtaining regulatory approvals, maintaining regulatory compliance, manufacturing, competition and costs and expenses that may exceed current estimates.

Clinical studies involving our product candidate may reveal that it is ineffective, inferior to existing approved medicines, unacceptably toxic, or that they have other unacceptable side effects. In addition, the results of preclinical studies do not necessarily predict clinical success, and larger and later-stage clinical studies may not produce the same results as earlier-stage clinical studies. For example, despite promising early-stage studies, we previously announced that two late-stage clinical programs failed to meet their primary endpoints. There can be no assurance that our Phase 3 study for ampreloxetine will meet its primary endpoint, and developments and results from that study may be adverse or may be perceived to be adverse.

Frequently, product candidates that have shown promising results in early preclinical or clinical studies have subsequently suffered significant setbacks or failed in later non-clinical or clinical studies. In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same product candidate due to numerous factors, including changes in trial protocols, differences in size and type of the patient populations, varying levels of adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. Clinical and non-clinical studies of product candidates often reveal that it is not possible or practical to continue development efforts for these product candidates. In addition, the design of a clinical trial can determine whether its results will support regulatory approval and flaws in the design of a clinical trial may not become apparent until the clinical trial is well underway or completed. As our clinical studies for one of our prior product candidates suggested that our product candidate was not efficacious in the indications we were investigating, we choose to cease development of this product candidate. In addition, our product candidate may have undesirable side effects or other unexpected characteristics that could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restricted label or the delay or denial of regulatory approval by regulatory authorities.

Our strategic review process may not result in an executed or consummated transaction or other strategic alternative, and the process of reviewing strategic alternatives or its conclusion could adversely affect our business and our shareholders.

In November 2024, the board of directors announced the formation of a Strategic Review Committee composed entirely of independent directors to assess all strategic alternatives to the Company, including those related to YUPELRI, ampreloxetine, and TRELEGY, with the objective of unlocking shareholder value. Any potential strategic alternative would be dependent on a number of factors that may be beyond our control, including, among other things, market conditions, industry trends, regulatory approvals, and the availability of financing for a potential transaction on reasonable terms. The process of reviewing potential strategic alternatives may be time-consuming, distracting, and disruptive to our business operations, which may cause concern to our employees, investors, strategic partners, and other constituencies and may have a material impact on our business and operating results and/or result in increased volatility in our share price. We have and will continue to incur substantial expenses associated with identifying, evaluating, and negotiating potential strategic alternatives. There can be no assurance that any potential transaction or other strategic alternative, if consummated, will provide greater value to our shareholders than that reflected in the current price of our common stock. Until the process is concluded, perceived uncertainties related to our future may result in the loss of potential business opportunities and volatility in the market price of our common stock and may make it more difficult for us to attract and retain qualified personnel and business partners.

We face substantial competition from companies with more resources and experience than we have, which may result in others discovering, developing, receiving approval for or commercializing products before or more successfully than we do.

Our ability to succeed in the future depends on our ability to demonstrate and maintain a competitive advantage with respect to our approach to the development and commercialization of medicines. Our objective is to develop and commercialize new small molecule medicines with superior efficacy, convenience, tolerability and/or safety. We expect that any medicines that we commercialize with or without our collaborative partners will compete with existing or future market-leading medicines.

Many of our current and potential competitors have substantially greater financial, technical and personnel resources than we have. In addition, many of these competitors have significantly greater commercial infrastructures than we have. Our ability to compete successfully will depend largely on our ability to leverage our experience in drug development and commercialization to:

- develop medicines that are superior to other products in the market;
- attract and retain qualified personnel;
- obtain and enforce patent and/or other proprietary protection for our medicines and technologies;
- conduct effective clinical trials and obtain required regulatory approvals;
- develop and effectively implement commercialization strategies, with or without collaborative partners; and
- successfully collaborate with pharmaceutical companies in the development and commercialization of new medicines.

Pharmaceutical companies, including companies with which we collaborate, may invest heavily to quickly discover and develop or in-license novel compounds that could make our product or product candidate obsolete. Accordingly, other companies may succeed in obtaining patent protection, conducting clinical trials, receiving FDA or equivalent regulatory approval outside the US or discovering, developing and commercializing medicines before we do. Other companies are engaged in the discovery of medicines that would compete with the product candidate that we are developing or our existing product.

Any new medicine that competes with a generic or proprietary market leading medicine must demonstrate compelling advantages in efficacy, convenience, tolerability and/or safety in order to overcome severe price competition and be commercially successful. For example, YUPELRI competes predominately with short acting nebulized bronchodilators that are dosed three to four times per day. Verona Pharma plc's ensifentrine, a selective inhaled dual inhibitor of PDE3 and PDE4, was launched in the US in June 2024 as a maintenance treatment for adults with COPD and Sanofi and Regeneron Pharmaceutical, Inc.'s IL-4/IL-13 monoclonal antibody (mAb) Dupixent® (dupilumab) recently received approval in the US for COPD for maintenance treatment for patients with moderate-to-severe COPD, who are uncontrolled with current SOC triple therapy (LAMA + LABA + ICS) and have evidence of Type 2 inflammation and frequent exacerbation history. If successfully developed and approved, ampreloxetine would enter a market where generic droxidopa is currently the sole product approved for nOH patients and midodrine is approved for OH. If we are not able to compete effectively against our current and future competitors, our business will not grow, our financial condition and operations will suffer, and the price of our securities could fall.

There is a single source of supply for our product candidate and for YUPELRI, and our business will be harmed if any of these single-source manufacturers are not able to satisfy demand and alternative sources are not available.

We depend on a number of third-party Active Pharmaceutical Ingredient ("API") and drug product manufacturers for clinical study purposes, and we depend on third-party suppliers for warehousing and storage of our existing API and drug product. We may not have long-term agreements with these third-parties and our agreements with these parties may be terminable at will by either party at any time. In addition, there is a single supplier of YUPELRI API, a single supplier of YUPELRI drug product and YUPELRI is warehoused in a single facility. If, for any reason, any of these third-party manufacturers are unable or unwilling to perform, or if their performance does not meet regulatory requirements, alternative manufacturers may not be available or may not be available on acceptable terms. For example, while we have not been directly or indirectly materially impacted, manufacturers, warehousing suppliers, and shipping suppliers are periodically impacted by natural disasters, accidents, labor disputes, labor shortages, regulatory actions, public health emergencies and geopolitical factors. Any inability to acquire sufficient quantities of API and drug product in a timely manner from these third-parties could delay clinical studies or prevent us from developing our product candidates in a cost-effective manner or on a timely basis or adversely impact YUPELRI sales. In addition, manufacturers of our API and drug product are subject to the FDA's current Good Manufacturing Practice ("cGMP")

regulations and similar foreign standards and we do not have control over compliance with these regulations by our manufacturers.

Our manufacturing strategy presents the following additional risks:

- because of the complex nature of many of our compounds, our manufacturers may not be able to successfully manufacture our APIs and/or drug products in a cost-effective and/or timely manner and changing manufacturers for our APIs or drug products could involve lengthy technology transfer, validation and regulatory qualification activities for the new manufacturer;
- the processes required to manufacture certain of our APIs and drug products are specialized and available only from a limited number of third-party manufacturers;
- the availability of specialized materials needed to manufacture our APIs and drug products or YUPELRI;
- because some of the third-party manufacturers are located in numerous locations outside of the US, and we are conducting global clinical trials there may be difficulties in shipping and importing and exporting our APIs and drug products or their components globally.

We are subject to extensive and ongoing regulation, oversight and other requirements by the FDA and failure to comply with these regulations and requirements may subject us to penalties that may adversely affect our financial condition or our ability to commercialize any approved products.

Prescription drug advertising and promotion are closely scrutinized by the FDA, including substantiation of promotional claims, disclosure of risks and safety information, and the use of themes and imagery in advertising and promotional materials. As with all companies selling and marketing products regulated by the FDA in the US, we are prohibited from promoting any uses of an approved product, such as YUPELRI, that are outside the scope of those uses that have been expressly approved by the FDA as safe and effective on the product's label.

The manufacturing, labeling, packaging, adverse event reporting, advertising, promotion, and recordkeeping for an approved product remain subject to extensive and ongoing regulatory requirements. If we become aware of previously unknown problems with an approved product in the US or overseas or at a contract manufacturer's facilities, a regulatory authority may impose restrictions on the product, the contract manufacturers or on us, including requiring us to reformulate the product, conduct additional clinical studies, change the labeling of the product, withdraw the product from the market or require the contract manufacturer to implement changes to its facilities.

We are also subject to regulation by regional, national, state, and local agencies, including the Department of Justice, the Federal Trade Commission, the Office of Inspector General of the US Department of Health and Human Services ("OIG") and other regulatory bodies with respect to any approved product, such as YUPELRI, as well as governmental authorities in those foreign countries in which any product is approved for commercialization. The Federal Food, Drug, and Cosmetic Act, the Public Health Service Act and other federal and state statutes and regulations govern to varying degrees the research, development, manufacturing, and commercial activities relating to prescription pharmaceutical products, including non-clinical and clinical testing, approval, production, labeling, sale, distribution, import, export, post-market surveillance, advertising, dissemination of information and promotion. If we or any third-parties that provide these services for us are unable to comply, we may be subject to regulatory or civil actions or penalties that could significantly and adversely affect our business.

Regulatory approval for our product candidates, if any, may include similar or other limitations on the indicated uses for which we can market our medicines or the patient population that may utilize our medicines, which may limit the market for our medicines or put us at a competitive disadvantage relative to alternative therapies. Failure to satisfy required post-approval requirements and/or commitments may have implications for a product's approval and may carry civil monetary penalties.

Any failure to maintain regulatory approval will materially limit the ability to commercialize a product or any future product candidates and if we fail to comply with FDA regulations and requirements, the FDA could potentially

take a number of enforcement actions against us, including the issuance of untitled letters, warning letters, preventing the introduction or delivery of the product into interstate commerce in the US, misbranding charges, product seizures, injunctions, and civil monetary penalties, which would materially and adversely affect our business and financial condition and may cause the price of our securities to fall.

The risks identified in this risk factor relating to regulatory actions and oversight by agencies in the US and throughout the world also apply to the commercialization of any partnered products by our collaboration partners and those commercializing products with respect to which we have an economic interest or right to receive royalties, including GSK, and such regulatory actions and oversight may limit those parties' ability to commercialize such products, which could materially and adversely affect our business and financial condition, and which may cause the price of our securities to fall.

We and/or our collaboration partners and those commercializing products with respect to which we have an economic interest or right to receive royalties may face competition from companies seeking to market generic versions of any approved products in which we have an interest, such as YUPELRI.

Under the Drug Price Competition and Patent Term Restoration Act of 1984, a company may submit an abbreviated new drug application ("ANDA") under section 505(j) of the Federal Food, Drug, and Cosmetic Act to market a generic version of an approved drug. Because a generic applicant does not conduct its own clinical studies, but instead relies on the FDA's finding of safety and effectiveness for the approved drug, it is able to introduce a competing product into the market at a cost significantly below that of the original drug. Although we have multiple patents protecting YUPELRI with expiration dates ranging from 2025 to 2039 that are listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book, generic applicants have submitted, and could potentially submit additional, "paragraph IV certifications" to FDA stating that such patents are invalid or will not be infringed by the applicant's product. For example, on January 10, 2023, the FDA included seven ANDAs that referred to YUPELRI (revefenacin) inhalation solution and contained a paragraph IV certification on its Paragraph IV Certifications List and, in May 2024, we received notice from a subsequent filer that it had filed with the FDA an ANDA for a generic version of YUPELRI and included a paragraph IV certification with respect to certain of our patents listed in FDA's Orange Book for YUPELRI. As of February 28, 2025, we have settled litigation with some of the generic applicants, and pursuant to individual agreements, we granted these companies a royalty-free, non-exclusive, non-sublicensable, non-transferable license to manufacture and market their respective generic versions of YUPELRI inhalation solution in the US on or after the licensed launch date of April 23, 2039, subject to certain exceptions as is customary in these type of agreements. Based on publicly available information, we are not aware of any other paragraph IV notifications with respect to other products in which we have an economic interest or right to receive royalties. Our collaboration partner, Viatris, is responsible for enforcing our Orange Book patents relating to YUPELRI, in consultation with us, and our views may differ from theirs with respect to process or strategy, and we have a reduced ability to control the outcome of the litigation. If any competitors successfully challenge the patents related to these products, including YUPELRI, we and/or our collaboration partners and those commercializing products with respect to which we have an economic interest or right to receive royalties would face substantial competition. If we are not able to compete effectively against such future competition, our business will not grow, our financial condition and operations will suffer, and the price of our securities could fall.

For additional discussion of the risk of generic competition to YUPELRI, please see the risk factor below entitled "*If our efforts to protect the proprietary nature of the intellectual property related to our technologies are not adequate, we may not be able to compete effectively in our current or future markets*" and "*Litigation to protect or defend our intellectual property or third-party claims of intellectual property infringement will require us to divert resources and may prevent or delay our drug development and commercialization efforts*."

If we are unable to enter into future collaboration arrangements or if any such collaborations with third-parties are unsuccessful, we may be unable to fully develop and commercialize certain product candidates and our business will be adversely affected.

We have a collaboration with Viatris for the development and commercialization of a nebulized formulation of revefenacin, which is a LAMA compound (including YUPELRI). Additional collaborations, if any, may be needed to progress additional programs and to commercialize the product candidates in our programs if approved by the necessary regulatory authorities. We evaluate commercial strategy on a product-by-product basis either to engage pharmaceutical

or other healthcare companies with an existing sales and marketing organization and distribution system to market, sell and distribute our products or to commercialize a product ourselves. However, we may not be able to establish these sales and distribution relationships on acceptable terms, or at all, or may encounter difficulties in commercializing a product ourselves. For any product candidate that receives regulatory approval in the future and is not covered by our current collaboration agreements, we will need a partner in order to commercialize such products unless we establish independent sales, marketing and distribution capabilities with appropriate technical expertise and supporting infrastructure.

Collaborations with third-parties regarding our programs may require us to relinquish material rights, including revenue from commercialization of our medicines, or to assume material ongoing development obligations that we would have to fund. These collaboration arrangements are complex and time-consuming to negotiate, and if we are unable to reach agreements with third-party collaborators, we may fail to meet our business objectives, and our financial condition may be adversely affected. We face significant competition in seeking third-party collaborators. We may be unable to find third-parties to pursue product collaborations on a timely basis or on acceptable terms.

Furthermore, once we enter into a collaboration, our collaboration partners are frequently important for the success of the product or product candidate. For example, Viatris' role in the commercialization of YUPELRI is important to the overall success of product. In addition, since we do not currently intend to progress our skin-selective pan-JAK inhibitor program internally, Pfizer was important to such program's development. However, for any collaboration, we may not be able to control the amount of time and resources that our partners devote to our products or product candidates and our partners may choose to prioritize alternative programs or otherwise be unsuccessful in their efforts with respect to our products or product candidates. In addition, effective collaboration with a partner requires coordination to achieve complex and detail-intensive goals between entities that potentially have different priorities, capabilities and processes and successful navigation of the challenges such coordination entails. For example, Viatris has a substantial existing product portfolio largely comprising generic products, other considerations and incentives that influence its resource allocation, and background, experiences, priorities, and internal organizational processes that differ from our own. As a result of these differing backgrounds, interests, and processes, Viatris may take actions that it believes are in its best interest, but which might not be in the best interests of either us or our other shareholders. Our inability to successfully collaborate with third-parties would increase our development costs and may cause us to choose not to continue development of certain product candidates, would limit the likelihood of successful commercialization of some of our product candidates, may cause us not to continue commercialization of our authorized products and could cause the price of our securities to fall.

We depend on third-parties in the conduct of our non-clinical and clinical studies for our product candidates.

We depend on independent clinical investigators, contract research and manufacturing organizations and other third-party service providers in the conduct of our non-clinical and clinical studies for our product candidates. We rely heavily on these parties for execution of our non-clinical and clinical studies, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that our clinical studies are conducted in accordance with good clinical, laboratory and manufacturing practices ("GXPs") and other standards as required by the FDA and foreign regulatory authorities, and the applicable protocol. Failure by these parties to comply with applicable regulations and practices in conducting studies of our product candidates can result in a delay in our development programs or non-approval of our product candidates by regulatory authorities.

The FDA, and equivalent authorities in other countries, enforce GXPs and other regulations through periodic inspections of trial sponsors, clinical research organizations ("CROs"), principal investigators and trial sites. If we or any of the third-parties on which we have relied to conduct our clinical studies are determined to have failed to comply with GXPs (or other equivalent regulations outside the US), the study protocol or applicable regulations, the clinical data generated in our studies may be deemed unreliable. This could result in non-approval of our product candidates by the FDA, or equivalent authorities in other countries, or we, the FDA, or equivalent authorities in other countries may decide to conduct additional audits or require additional clinical studies, which would delay our development programs, could result in significant additional costs and cause the price of our securities to fall.

If there are any adverse developments or perceived adverse developments with respect to TRELEGY, we may not receive Milestone Payments or the revenue we expect from the Outer Years Royalty, which would harm our business and could cause the price of our securities to fall.

Through the milestone payments we may receive from Royalty Pharma if certain TRELEGY global net sales thresholds are met following our sale of our economic interest in TRELEGY (the "Milestone Payments") and pursuant to our right to receive from Royalty Pharma 85% of the royalty payments on the Assigned Collaboration Products (as defined in the Purchase Agreement) payable (a) for sales or other activities occurring on and after January 1, 2031 related to the Assigned Collaboration Products in the US, and (b) for sales or other activities occurring on and after July 1, 2029 related to the Assigned Collaboration Products outside of the US (the "Outer Years Royalty" and, together with the Milestone Payments, the "Ongoing Economic Interest"), we may participate in the mid- and long-term economically in royalty payments from GSK with respect to the TRELEGY. However, we cannot assure you as to the amount, if any, we might receive. We have no access to non-public information regarding the development progress of, or plans for TRELEGY, and we have no current authority to enforce rights under the GSK Agreements assigned to TRC. However, if there are any adverse developments or perceived adverse developments with respect to TRELEGY, we may not realize the value we currently anticipate from the Ongoing Economic Interest, which would harm our business and may cause the price of our securities to fall. Examples of such adverse developments include, but are not limited to:

- disappointing or lower than expected sales of TRELEGY;
- the emergence of new closed triple or other alternative therapies or any developments regarding competitive therapies, including comparative price or efficacy of competitive therapies;
- disputes between any of Royalty Pharma, GSK, Innoviva and us;
- GSK deciding to modify, delay or halt the TRELEGY program;
- any safety, efficacy or other concerns regarding the TRELEGY program; or
- any particular FDA requirements or changes in FDA policy or guidance regarding the TRELEGY program or any particular regulatory requirements in other jurisdictions or changes in the policies or guidance adopted by foreign regulatory authorities.

We do not control the commercialization of TRELEGY; accordingly, our receipt of Milestone Payments and receipt of the value we currently anticipate from the Outer Years Royalty will depend on, among other factors, GSK's ability to further commercialize TRELEGY.

Our Ongoing Economic Interest in TRELEGY consists of the potential Milestone Payments and our right to receive from Royalty Pharma the Outer Years Royalty, both of which are ultimately based on the amount of sales of this product by GSK. Any benefit we may receive from the Ongoing Economic Interest will depend on GSK's ability to commercialize the product, and the future payments, if any, made by GSK to Royalty Pharma.

Accordingly, our Ongoing Economic Interest involves a number of risks and uncertainties, including:

- GSK's ability to have an adequate supply of TRELEGY product;
- ongoing compliance by GSK or its suppliers with the FDA's current Good Manufacturing Practice;
- compliance with other applicable FDA and other regulatory requirements in the US or other foreign jurisdictions, including those described elsewhere in this report;
- competition, whether from current competitors or new products developed by others in the future;
- claims relating to intellectual property;
- any future disruptions in GSK's business which would affect its ability to commercialize TRELEGY;

- the ability of TRELEGY to achieve wider acceptance among physicians, patients, third-party payors, or the medical community in general;
- global economic conditions; and
- any of the other risks relating to commercialization of TRELEGY.

These risks and uncertainties could materially impact the amount and timing of future Milestone Payments and Outer Years Royalty, which could have a material adverse effect on our future revenues, other financial results and our financial position and cause the price of our securities to fall.

If we lose key management, sales, clinical development or scientific personnel, or if we fail to attract and retain key employees, our ability to discover and develop our product candidates and commercialize our products will be impaired.

We are highly dependent on principal members of our management team and commercial and scientific staff, and in particular, our Chief Executive Officer, Rick E Winningham, to operate our business. Mr. Winningham has significant pharmaceutical industry experience. The loss of Mr. Winningham's services could impair our ability to discover, develop and commercialize new medicines.

If we fail to retain our qualified personnel or replace them when they leave, we may be unable to continue our development and commercialization activities, which may cause the price of our securities to fall. The corporate restructuring announced in September 2021 and completed in the third quarter of 2022, and the additional headcount reductions announced in February 2023, may make retention of our current personnel both more important and more challenging.

In addition, our US operating subsidiary's facility and most of its employees are located in northern California, headquarters to many other biotechnology and biopharmaceutical companies and many academic and research institutions. As a result, competition for certain skilled personnel in our market is intense. None of our employees have employment commitments for any fixed period of time and they all may leave our employment at will. If we fail to retain our qualified personnel or replace them when they leave, we may be unable to continue our development and commercialization activities, and the price of our securities could fall.

Our business and operations would suffer in the event of significant disruptions of information technology systems or security breaches.

We, our vendors, and third-parties that are important to how we operate and monitor our business rely extensively on computer systems to maintain information and manage our finances and business. In the ordinary course of business, we collect, store, and transmit large amounts of confidential information (including but not limited to trade secrets or other intellectual property, proprietary business information and personal information) and it is critical that we maintain the confidentiality and integrity of such confidential information. Although we have security measures in place, our internal information technology systems and those of our CROs, other third-parties that are important to how we operate and monitor our business, and other service providers, including cloud-based and hosted applications, data and services, may be vulnerable to service interruptions and security breaches from inadvertent or intentional actions by our employees, service providers and/or business partners, from cyber-attacks by malicious third-parties, including but not limited to those involving malware and ransomware, which can disrupt operations significantly, and/or from, natural disasters, terrorism, war and telecommunication and electrical failures. Cyber-attacks are increasing in their frequency, sophistication, and intensity, and have become increasingly difficult to detect. Significant disruptions of information technology systems or security breaches could adversely affect our business operations and result in financial, legal, business, and reputational harm to us, including significant liability and/or significant disruption to our business. For example, in February 2024, UnitedHealth's Change Healthcare Unit, a large US insurance claim and co-pay card processing clearinghouse, experienced a ransomware attack that caused significant disruptions to healthcare provider and pharmacy operations. Change Healthcare does not provide services to us, however, disruptions to co-pay card support, insurance billing and Medicaid rebate processing potentially led to lost sales and, in response to disruptions from this breach, we and our partner Viatris took steps to help patients access their medications. Although services have been

rerouted, and in some cases restored, similar disruptions may occur in the future stemming from the interconnectedness of the US healthcare ecosystem and industry reliance on centralized claims processing systems and networks, and such future disruptions may have a material adverse effect on our business or results of operations. In addition, Viatris distributes YUPELRI in the US through durable medical equipment suppliers, specialty pharmacies and pharmaceutical wholesalers, and a security breach that impairs the distribution operations or retail pharmacies could materially and adversely impair our ability to deliver YUPELRI to healthcare providers and patients and therefore result in reduced revenue.

If a disruption of information technology systems or security breach results in a loss of or damage to our data or regulatory applications, unauthorized access, use, or disclosure of, or the prevention of access to, confidential information, or other harm to our business, we could incur liability and reputational harm, we could be required to comply with federal and/or state breach notification laws and foreign law equivalents, we may incur legal expenses to protect our confidential information, the further development of our product candidates could be delayed and the price of our securities could fall. For example, the loss of clinical trial data from completed or ongoing clinical trials of our product candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. As another example, we may incur penalties imposed by the competent authorities in the EU Member States in case of breach of the EU rules governing the collection and processing of personal data, including unauthorized access to or disclosure of personal data. In addition, we may suffer damages as a result of civil claims, including potential class action claims, in response to security breaches. Although we have security and fraud prevention measures in place, we have been subject to immaterial payment fraud activity. In 2017, we filed a lawsuit (which has since been resolved) against a former employee for misappropriation of our confidential, proprietary and trade secret information. Moreover, there can be no assurance that our cybersecurity risk management program and processes, including our policies, controls, or procedures, will be fully implemented, complied with or effective in protecting our information technology systems and sensitive data. These same risks also apply to our partners and vendors, who similarly hold sensitive and critical information related to our business in computer systems as well as any other third-parties in our industry whose operations may indirectly affect our business. Such third-parties are similarly potentially vulnerable to service interruptions and security breaches.

Global economic, political, and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Worldwide economic conditions remain uncertain due to current global economic challenges, war and hostilities in Ukraine and the Middle East, health emergencies, inflation, priorities of the US presidential administration and related changes in laws, regulations and policies, instability in the US banking sector and other disruptions to global and regional economies and markets.

Further, development of our product candidates and/or regulatory approval may be delayed for other political events beyond our control. The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, shifting policy priorities as a result of changes in the US presidential administration and political appointees tasked to oversee the agency, and statutory, regulatory, and policy changes. For example, a US federal government budget cuts, shutdown or budget sequestration, such as ones that occurred during 2013, 2018, and 2019, or actions by the current US presidential administration in 2025 to limit federal agency budgets and/or personnel, may result in significant reductions to the FDA's budget, employees, and operations, which may lead to slower response times and longer review periods, potentially affecting our ability to progress development of our product candidates or obtain regulatory approval for our product candidates. Further, future government shutdowns and/or cuts to federal budgets or personnel, including as a result of the US failing to raise the debt ceiling, could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

Our operations also depend upon favorable trade relations between the US and those foreign countries, including China, in which our materials suppliers have operations. A protectionist trade environment in either the US or those foreign countries in which we do business, such as a change in the current tariff structures, including any tariffs imposed by the US presidential administration and any reciprocal tariffs in response thereto, export compliance or other trade policies, may materially and adversely affect our operations. The transition to a new US presidential

administration, including the potential use and effects of tariffs to address the administration's policy goals, could materially impact the macroeconomic framework in which we operate.

External factors, such as potential terrorist attacks, acts of war, geopolitical and social turmoil, including the ongoing hostilities between Russia and Ukraine and those between Israel and Hamas or Iran, similar events in many parts of the world or the worsening of such factors, could also prevent or hinder our ability to do business, increase our costs and negatively affect our stock price. These geopolitical, social, and economic conditions could harm our business.

Our US operating subsidiary's facility is located near known earthquake fault zones, and the occurrence of an earthquake, extremist attack or other catastrophic disaster could cause damage to our facilities and equipment, which could require us to cease or curtail operations.

Our US operating subsidiary's facility is located in the San Francisco Bay Area near known earthquake fault zones and therefore will be vulnerable to damage from earthquakes. In October 1989, a major earthquake struck this area and caused significant property damage and a number of fatalities. We are also vulnerable to damage from other types of disasters, including power loss, attacks from extremist organizations, fire, floods, communications failures, and similar events. If any disaster were to occur, our ability to operate our business could be seriously impaired. In addition, the unique nature of our drug development activities and of much of our equipment could make it difficult and costly for us to recover from this type of disaster. We may not have adequate insurance to cover our losses resulting from disasters or other similar significant business interruptions and we do not plan to purchase additional insurance to cover such losses due to the cost of obtaining such coverage. Any significant losses that are not recoverable under our insurance policies could seriously impair our business and financial condition, which could cause the price of our securities to fall.

If sufficient capital is not available, we may have to further curtail operations or we could be forced to share our rights to commercialize our product candidates with third-parties on terms that may not be favorable to us.

Based on our current operating plans and financial forecasts, we believe that our existing cash, cash equivalents and marketable securities will be sufficient to meet our anticipated operating needs for at least the next twelve months. However, our current operating plans or financial forecasts occasionally change. If our current operating plans or financial forecasts change, we may require or seek additional funding in the form of public or private equity or equity-linked offerings, debt financings or additional collaborations and licensing arrangements. In addition, as of December 31, 2024, we had cash, cash equivalents and marketable securities of approximately $88.4 million.

Our future capital needs depend on many factors, including:

- support and investments in YUPELRI, including funding our commercialization strategies and post marketing clinical studies;
- the scope, duration, expenditures, and technical obstacles associated with our ampreloxetine program, including preparing for potential product approvals of ampreloxetine and its potential commercialization;
- the occurrence of events triggering Royalty Pharma's obligations to make Milestone Payments to us;
- the outcome of potential licensing or partnering transactions, if any;
- responding to competitive pressures and competing technological developments;
- the extent of our proprietary patent position in any approved products and our product candidates;
- our facilities expenses, which will vary depending on the time and terms of any facility lease or sublease we may enter into, and other operating expenses;
- the scope and extent of the sales and marketing efforts, including our independent sales and marketing organization and medical affairs team;

- litigation, potential litigation and other contingencies; and

- the regulatory approval process for our product candidates.

If we require additional funding, we may not be able to obtain additional financing on terms favorable to us, if at all. General market conditions may make it difficult for us to seek financing from the capital markets. We may be required to relinquish rights to our technologies, product candidates or territories, or grant licenses on terms that are not favorable to us, in order to raise additional funds through collaborations or licensing arrangements. We may also have to sequence studies as opposed to conducting them concomitantly in order to conserve resources, or, as we announced in September 2021 and in February 2023, we may need to delay, reduce, or eliminate one or more of our programs and reduce overall overhead expenses. In addition, we may have to make additional reductions in our workforce and may be prevented from continuing our development and commercialization efforts and exploiting other corporate opportunities. This would likely harm our business, prospects and financial condition, and cause the price of our securities to fall.

We may seek to obtain future financing through the issuance of debt or equity, which may have an adverse effect on our shareholders or may otherwise adversely affect our business.

We may in the future need to raise additional funds to continue to progress our business. If we raise funds through the issuance of additional debt, including convertible debt or debt secured by some or all of our assets, or equity, any debt securities or preferred shares issued will have rights, preferences, and privileges senior to those of holders of our ordinary shares in the event of liquidation. We do not have any outstanding long-term debt, but if additional debt is issued or we otherwise borrow additional funds in the future, there is a possibility that once all senior claims are settled, there may be no assets remaining to pay out to the holders of ordinary shares. In addition, if we raise funds through the issuance of additional equity, whether through private placements or public offerings, such an issuance would dilute ownership of our current shareholders that do not participate in the issuance. If we are unable to obtain any needed additional funding, we may be required to reduce the scope of, delay, or eliminate some or all of, our planned development and commercialization activities or to license to third-parties the rights to develop and/or commercialize products or technologies that we would otherwise seek to develop and/or commercialize ourselves or on terms that are less attractive than they might otherwise be, any of which could materially harm our business.

Furthermore, the terms of any debt securities we may issue in the future may impose restrictions on our operations, which may include limiting our ability to incur additional indebtedness, pay dividends on or repurchase our share capital, or make certain acquisitions or investments. In addition, we may be subject to covenants requiring us to satisfy certain financial tests and ratios, and our ability to satisfy such covenants may be affected by events outside of our control.

We may be treated as a US corporation for US federal income tax purposes.

For US federal income tax purposes, a corporation generally is considered tax resident in the place of its incorporation. Theravance Biopharma is incorporated under Cayman Islands law and established tax residency in Ireland effective July 1, 2015. Therefore, it should be a non-US corporation under this general rule. However, Section 7874 of the Internal Revenue Code of 1986, as amended (the "Code"), contains rules that may result in a foreign corporation being treated as a US corporation for US federal income tax purposes. The application of these rules is complex and there is little guidance regarding certain aspects of their application.

Under Section 7874 of the Code, a corporation created or organized outside the US will be treated as a US corporation for US federal tax purposes if (i) the foreign corporation directly or indirectly acquires substantially all of the properties held directly or indirectly by a US corporation; (ii) the former shareholders of the acquired US corporation hold at least 80% of the vote or value of the shares of the foreign acquiring corporation by reason of holding stock in the US acquired corporation; and (iii) the foreign corporation's "expanded affiliated group" does not have "substantial business activities" in the foreign corporation's country of incorporation relative to its expanded affiliated group's worldwide activities. For this purpose, "expanded affiliated group" generally means the foreign corporation and all subsidiaries in which the foreign corporation, directly or indirectly, owns more than 50% of the stock by vote and value, and "substantial business activities" generally means at least 25% of employees (by number and compensation), assets and gross income of our expanded affiliated group are based, located, and derived, respectively, in the country of incorporation.

We do not expect to be treated as a US corporation under Section 7874 of the Code, because we do not believe that the assets contributed to us by Innoviva constituted "substantially all" of the properties of Innoviva (as determined on both a gross and net fair market value basis). However, the Internal Revenue Service may disagree with our conclusion on this point and assert that, in its view, the assets contributed to us by Innoviva did constitute "substantially all" of the properties of Innoviva. In addition, there could be legislative proposals to expand the scope of US corporate tax residence and there could be changes to Section 7874 of the Code or the Treasury Regulations promulgated thereunder that could apply retroactively and could result in Theravance Biopharma being treated as a US corporation.

If it were determined that we should be treated as a US corporation for US federal income tax purposes, we could be liable for substantial additional US federal income tax on our post-Spin-Off taxable income. In addition, though we have no current plans to pay any dividends, payments of any dividends to non-US holders may be subject to US withholding tax.

Future tax reform, including changes in tax rates and imposition of new taxes, could impact our results of operations and financial condition.

We are incorporated in the Cayman Islands, maintain subsidiaries in the Cayman Islands (until December 2020), the US, and Ireland, and effective July 1, 2015, we migrated our tax residency from the Cayman Islands to Ireland. We are subject to new, evolving, or revised tax laws and regulations in such jurisdictions, and the enactment of or increases in taxes, or other changes in the application of existing taxes, in such jurisdictions may have an adverse effect on our business or on our results of operations. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our future effective tax rate could be affected by changes in our mix of earnings in countries with differing statutory tax rates, changes in valuation of our deferred tax assets and liabilities, or changes in tax laws or their interpretation, including possible US tax reform and contemplated changes in other countries of long-standing tax principles. These and other similar changes, if finalized and adopted, could have a material impact on our income tax expense and deferred tax balances.

Taxing authorities may challenge our structure and transfer pricing arrangements.

We are incorporated in the Cayman Islands, maintain subsidiaries in the Cayman Islands (until December 2020), the US, and Ireland, and effective July 1, 2015, we migrated our tax residency from the Cayman Islands to Ireland. Due to economic and political conditions, various countries are actively considering changes to existing tax laws. We cannot predict the form or timing of potential legislative changes that could have a material adverse impact on our results of operations. Ireland has implemented further tax law changes through the Finance Act 2021 to comply with the European Union Anti-Tax Avoidance Directives. Changes to date, including reverse-hybrid mismatch and interest limitation rules, are not expected to have a material impact on our tax position.

In April 2020, we became aware of a withholding tax regulation that could be interpreted to apply to certain of our previous intra-group transactions. Additional draft guidance on this withholding tax regime was released in late 2020 and early 2021, and based on our analysis of this guidance, we do not believe the exposure to be material. We continue to monitor the evolving legislation relating to this matter and will consider its impact on our consolidated financial statements.

In addition, significant judgment is required in determining our worldwide provision for income taxes. Various factors may have favorable or unfavorable effects on our income tax rate including, but not limited to the performance of certain functions and ownership of certain assets in tax-efficient jurisdictions such as the Cayman Islands and Ireland, together with intra-group transfer pricing agreements. Taxing authorities may challenge our structure and transfer pricing arrangements through an audit or lawsuit. Responding to or defending such a challenge could be expensive and consume time and other resources, and divert management's time and focus from operating our business. We cannot predict whether taxing authorities will conduct an audit or file a lawsuit challenging this structure, the cost involved in responding to any such audit or lawsuit, or the outcome. We may be required to pay taxes for prior periods, interest, fines or penalties, and may be obligated to pay increased taxes in the future which could result in reduced cash flows and have a material adverse effect on our business, financial condition and growth prospects.

We were a passive foreign investment company, or "PFIC," for 2014, but we were not a PFIC from 2015 through 2024, and we do not expect to be a PFIC for the foreseeable future.

For US federal income tax purposes, we generally would be classified as a PFIC for any taxable year if either (i) 75% or more of our gross income (including gross income of certain 25% or more owned corporate subsidiaries) is "passive income" (as defined for such purposes) or (ii) the average percentage of our assets (including the assets of certain 25% or more owned corporate subsidiaries) that produce passive income or that are held for the production of passive income is at least 50%. In addition, whether our company will be a PFIC for any taxable year depends on our assets and income over the course of each such taxable year and, as a result, cannot be predicted with certainty until after the end of the year.

Based upon our assets and income during the course of 2014, we believe that our company and one of our company's wholly-owned subsidiaries, Theravance Biopharma R&D, Inc. was a PFIC for 2014. Based upon our assets and income from 2015 through 2024, we do not believe that our company is a PFIC since 2015. Based on existing tax law, we do not expect to be a PFIC for the foreseeable future based on our current business plans and current business model. For any taxable year (or portion thereof) in which our company is a PFIC that is included in the holding period of a US holder, the US holder is generally subject to additional US federal income taxes plus an interest charge with respect to certain distributions from Theravance Biopharma or gain recognized on a sale of Theravance Biopharma shares. Similar rules would apply with respect to distributions from or gain recognized on an indirect sale of Theravance Biopharma Ireland Limited. US holders of our ordinary shares may have filed an election with respect to company shares held at any time during 2014 to be treated as owning an interest in a "qualified electing fund" ("QEF") or to "mark to market" their ordinary shares to avoid the otherwise applicable interest charge consequences of PFIC treatment with respect to our ordinary shares. A foreign corporation will not be treated as a QEF for any taxable year in which such foreign corporation is not treated as a PFIC. QEF and mark to market elections generally apply to the taxable year for which the election is made and all subsequent taxable years unless the election is revoked with consent of the Secretary of Treasury. US holders of our ordinary shares should consult their tax advisers regarding the tax reporting implications with respect to any QEF and mark to market elections made with respect to our company and with respect to their indirect interests in Theravance Biopharma R&D, Inc.

If we are unable to maintain effective internal controls, our business, financial position, and results of operations could be adversely affected.

If we are unable to maintain effective internal controls, our business, financial position, and results of operations could be adversely affected. We are subject to the reporting and other obligations under the Exchange Act, including the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, which require annual management assessments of the effectiveness of our internal control over financial reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the US. Any failure to achieve and maintain effective internal controls could have an adverse effect on our business, financial position, and results of operations. These reporting and other obligations place significant demands on our management and administrative and operational resources, including accounting resources.

RISKS RELATED TO LEGAL AND REGULATORY UNCERTAINTY

If our efforts to protect the proprietary nature of the intellectual property related to our technologies are not adequate, we may not be able to compete effectively in our current or future markets.

We rely upon a combination of patents, patent applications, trade secret protection and confidentiality agreements to protect the intellectual property related to our technologies. Any involuntary disclosure to or misappropriation by third-parties of this proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, thus eroding our competitive position in our market. The status of patents in the biotechnology and pharmaceutical field involves complex legal and scientific questions and is very uncertain. As of December 31, 2024, we owned a total of 177 issued US patents and 1,070 granted foreign patents, as well as additional pending US and foreign patent applications. Our patent applications may be challenged or fail to result in issued patents and our existing or future patents may be invalidated or be too narrow to prevent third-parties from developing or designing around these patents, including the patents that relate to YUPELRI. If the sufficiency of the breadth or strength of protection provided by our patents with respect to a product candidate is threatened, it could dissuade companies from collaborating with us to develop product candidates and threaten our ability to commercialize products. Further, if we encounter delays in our clinical trials or in obtaining regulatory approval of our product candidates, the effective patent lives of the related product candidates could be reduced.

In addition, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable, for processes for which patents are difficult to enforce and for any other elements of our drug discovery and development processes that involve proprietary know-how, information and technology that is not covered by patent applications. Although we require our employees, consultants, advisors and any third-parties who have access to our proprietary know-how, information and technology to enter into confidentiality agreements, we cannot be certain that this know-how, information and technology will not be misappropriated, disclosed or used for unauthorized purposes or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Further, the laws of some foreign countries do not protect proprietary rights to the same extent as the laws of the US. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the US and abroad. If we are unable to prevent material disclosure of the intellectual property related to our technologies to third-parties, we will not be able to establish or, if established, maintain a competitive advantage in our market, which could materially adversely affect our business, financial condition, and results of operations, which could cause the price of our securities to fall.

Litigation to protect or defend our intellectual property or third-party claims of intellectual property infringement will require us to divert resources and may prevent or delay our drug development and commercialization efforts.

Our commercial success depends in part on us and our partners not infringing the patents and proprietary rights of third-parties. Third-parties may assert that we or our partners are using their proprietary rights without authorization. There are third-party patents that may cover materials or methods for treatment related to our product candidates. At present, we are not aware of any patent infringement claims that would adversely and materially affect our ability to develop our product candidates, but nevertheless the possibility of third-party allegations cannot be ruled out. In addition, third-parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Furthermore, parties making claims against us or our partners may obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize one or more of our product candidates. Defense against these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business.

In the event of a successful claim of infringement against us, we may have to pay substantial damages, obtain one or more licenses from third-parties or pay royalties. In addition, even in the absence of litigation, we may need to obtain licenses from third-parties to allow commercialization of our product candidates, and we have done so from time to time. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize one or more of our product candidates, which could harm our business significantly.

In addition, we have initiated, and in the future we could again be required to initiate, litigation to enforce our proprietary rights against infringement by third-parties, prevent the unauthorized use or disclosure of our trade secrets and confidential information, or defend the validity of our patents. For example, in 2017, we filed a lawsuit against a former employee for misappropriation of certain of our confidential, proprietary and trade secret information. While this litigation has since been resolved, prosecution of claims to enforce or defend our rights against others involve substantial litigation expenses and divert substantial employee resources from our business but may not result in adequate remedy to us or sufficiently mitigate the harm to our business caused by any intellectual property infringement, unauthorized access, use or disclosure of trade secrets. For example, in February 2023, we filed patent infringement lawsuits against seven companies and certain of their affiliates seeking to market a generic version of YUPELRI, and in December 2023, we amended the lawsuit to include several non-Orange Book listed patents. Additional lawsuits were filed later in 2023 and into 2024 based on newly-issued patents. A further lawsuit was filed during 2024 in response to a subsequent company seeking to market a generic version of YUPELRI. If these companies are found not to infringe one or more of our patents or the litigation results in one or more of our patents being invalidated, the generic companies may be able to launch their products prior to the expiration of the patents, which range from 2026 to 2039. Another Orange Book listed patent expiring in October 2028 remains unchallenged, meaning no generic could launch before this date. Our collaboration partner, Viatris, is responsible for enforcing our Orange Book patents relating to YUPELRI, in consultation with us, and their views on the ongoing litigation, process or strategy may differ from ours, and we have a reduced ability to control the outcome of the litigation. For additional discussion of risks related to partnering programs, please see the risk factor entitled "*If we are unable to enter into future collaboration arrangements or if any such collaborations with third-parties are unsuccessful, we may be unable to fully develop and commercialize certain product candidates and our business will be adversely affected*." If we fail to effectively enforce our proprietary rights against others, our business will be harmed, and the price of our securities could fall.

If the efforts of our partners or future partners to protect the proprietary nature of the intellectual property related to collaboration assets are not adequate, the future commercialization of any medicines resulting from collaborations could be negatively impacted, which would materially harm our business and could cause the price of our securities to fall.

The risks identified in the two preceding risk factors may also apply to the intellectual property protection efforts of our partners or future partners and to GSK with respect to TRELEGY in which we maintain the Ongoing Economic Interest. To the extent the intellectual property protection of any partnered assets is successfully challenged or encounters problems with the US Patent and Trademark Office or other comparable agencies throughout the world, the future commercialization of these potential medicines could no longer be economically feasible. Any challenge to the intellectual property protection of a late-stage development or commercial-stage asset, particularly those of TRELEGY, could harm our business and cause the price of our securities to fall.

Product liability and other lawsuits could divert our resources, result in substantial liabilities and reduce the commercial potential of our medicines.

The risk that we may be sued on product liability claims is inherent in the development and commercialization of pharmaceutical products. Side effects of, or manufacturing defects in, products that we or our partners develop or commercialize could result in the deterioration of a patient's condition, injury or even death. Once a product is approved for sale and commercialized, the likelihood of product liability lawsuits tends to increase. Claims may be brought by individuals seeking relief for themselves or by individuals or groups seeking to represent a class, asserting injuries based both on potential adverse effects described in the label as well as adverse events not yet observed. We also face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials. In addition, changes in laws outside the US are expanding our potential liability for injuries that occur during clinical trials. Product liability claims could harm our reputation, regardless of the merit or ultimate success of the claim, which may adversely affect our and our partners' ability to commercialize our products and cause the price of our securities to fall. These lawsuits may divert our management from pursuing our business strategy and may be costly to defend. In addition, if we are held liable in any of these lawsuits, we may incur substantial liabilities and may be forced to limit or forgo further commercialization of the applicable products.

Although we maintain general liability and product liability insurance, this insurance may not fully cover potential liabilities, and we cannot be sure that our insurer will not disclaim coverage as to a future claim. In addition,

inability to obtain or maintain sufficient insurance coverage at an acceptable cost or to otherwise protect against potential product liability claims could prevent or inhibit the commercial production and sale of our products, which could adversely affect our business.

We may also be required to prosecute or defend general commercial, intellectual property, securities and other lawsuits. Litigation typically involves substantial expenses and diverts substantial employee resources from our business. The cost of defending any product liability litigation or engaging in any other legal proceeding, even if resolved in our favor, could be substantial and uncertainties resulting from the initiation and continuation of the litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace and achieve our business goals.

If we fail to comply with data protection laws and regulations, we could be subject to government enforcement actions (which could include civil or criminal penalties), private litigation and/or adverse publicity, which could negatively affect our operating results and business.

We are subject to data protection laws and regulations (i.e., laws and regulations that address privacy and data security). In the US, numerous federal and state laws, and regulations, including state data breach notification laws, state health information and/or genetic privacy laws, and federal and state consumer protection laws (e.g., Section 5 of the FTC Act and the Health Breach Notification Rule), govern the collection, use, disclosure, and protection of health related and other personal information. In California, the California Consumer Privacy Act, as amended by the California Privacy Rights Act, ("CCPA") establishes certain requirements for data use and sharing transparency, and provides California consumers certain rights concerning the use, disclosure, and retention of their personal data. Virginia, Colorado, Utah, Indiana, Iowa, Tennessee, Montana, Texas, and Connecticut have enacted privacy laws similar to the CCPA that impose new obligations or limitations in areas affecting our business. Health-specific consumer privacy laws were also passed in multiple states, including Washington and Nevada. These laws and regulations are evolving and subject to interpretation and may impose limitations on our activities or otherwise adversely affect our business. The obligations to comply with the CCPA and evolving legislation involve, among other things, updates to our notices and the development of new processes internally and with our partners. We may be subject to fines, penalties, or private actions in the event of non-compliance with such laws.

In addition, we may obtain health information from third-parties (e.g., healthcare providers who prescribe our products) that are subject to privacy and security requirements under the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, (collectively, "HIPAA"). HIPAA imposes privacy and security obligations on covered entity health care providers, health plans, and health care clearinghouses, as well as their "business associates"—certain persons or entities that create, receive, maintain, or transmit protected health information in connection with providing a specified service or performing a function on behalf of a covered entity. Although we are not directly subject to HIPAA, we could be subject to criminal penalties if we knowingly receive individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA.

Further at the federal level, the Federal Trade Commission ("FTC") also sets expectations for failing to take appropriate steps to keep consumers' personal information secure, or failing to provide a level of security commensurate to promises made to individual about the security of their personal information (such as in a privacy notice) may constitute unfair or deceptive acts or practices in violation of Section 5(a) of the Federal Trade Commission Act ("FTC Act"). The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Individually identifiable health information is considered sensitive data that merits stronger safeguards. With respect to privacy, the FTC also sets expectations that companies honor the privacy promises made to individuals about how the company handles consumers' personal information; any failure to honor promises, such as the statements made in a privacy policy or on a website, may also constitute unfair or deceptive acts or practices in violation of the FTC Act. While we do not intend to engage in unfair or deceptive acts or practices, the FTC has the power to enforce promises as it interprets them, and events that we cannot fully control, such as data breaches, may be result in FTC enforcement. Enforcement by the FTC under the FTC Act can result in civil penalties or enforcement actions. The FTC also has the power to enforce the Health Breach Notification Rule, which imposes

notification obligations on companies for breaches of certain health information contained in personal health records. The FTC has brought enforcement actions under both Section 5 of the FTC Act and the Health Breach Notification Rule.

EU Member States and other jurisdictions where we operate, such as Switzerland and the UK, have adopted data protection laws and regulations, which impose significant compliance obligations. For example, the General Data Protection Regulation including the local implementation legislation in EU member states and the UK (collectively "GDPR"), imposes strict obligations and restrictions on the ability to collect, analyze, use, store, disclose. transfer or otherwise process personal data, including health data from clinical trials subjects and adverse event reporting. Switzerland has adopted laws that impose restrictions and obligations similar to the GDPR. The GDPR and Switzerland's data protection laws impose a broad range of requirements and obligations relating to the processing and protection of personal data, including obligations to having legal bases for processing personal data (which may result in some instances in obtaining the consent of the individuals to whom the personal data relate), providing detailed information about the processing activities to the individuals, ensuring that personal data is deleted or anonymized after they are no longer needed for the purposes for which they are collected, ensuring that personal data are adequately protected, ensuring that security incidents are detected, handled and reported to individuals and competent authorities where required, and allowing individuals to exercise their privacy rights. Other obligations relate to restrictions on sharing of personal data with third-parties and transferring personal data out of the European Economic Area ("EEA"), Switzerland, or the UK to third countries including the US, having contracting arrangements in place where required (such as with clinical trial sites and vendors), appointing data protection officers, conducting data protection impact assessments, responding to privacy rights requests and keeping records of processing activities. Data protection authorities from the different EU Member States and the EEA may interpret the GDPR and applicable related national laws differently which could effectively result in requirements additional to those currently understood to apply under the GDPR. Further, the UK Government may amend/update UK data protection law, which may result in changes being required to our business operations and potentially incur commercial cost. In addition, guidance on implementation and compliance practices may be updated or otherwise revised, which adds to the complexity of processing personal data in the EEA and the UK. When processing personal data of subjects in the EU, we have to comply with applicable data protection and electronic communications laws. In particular, as we rely on service providers processing personal data of data subjects in the EU, we have to enter into suitable contract terms with such providers and receive sufficient guarantees that such providers meet the requirements of the applicable data protection laws, particularly the GDPR which imposes specific and relevant obligations. Enforcement by EU and UK regulators is active, and failure to comply with the GDPR or applicable Member State law may result in substantial fines. The GDPR increases substantially the penalties to which we could be subject in the event of any non-compliance, including fines of up to 10,000,000 Euros or up to 2% of our total worldwide annual turnover for certain comparatively minor offenses, or up to 20,000,000 Euros or up to 4% of our total worldwide annual turnover for more serious offenses. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with data protection authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR.

With regard to transfer of personal data, the GDPR restricts the ability of companies to transfer personal data from the EU to the US and other countries, which may incur compliance costs for implementing lawful transfer mechanisms, conducting data transfer impact assessments, and implementing additional measures where necessary to ensure that personal data transferred are adequately protected in a manner essentially equivalent to the EU. The GDPR provides different transfer mechanisms we can use to lawfully transfer personal data from the EU to countries outside the EU. An example is relying on the EU Standard Contractual Clauses and the EU - US Data Privacy Framework. The suitability of Standard Contractual Clauses for data transfer in some scenarios has recently been the subject of legal challenge, and while the US and the EU reached agreement on the EU - US Data Privacy Framework, there are legal challenges to that data transfer mechanism as well. Compliance with EU data transfer obligations can be costly and time-consuming. Data importers must also expend resources in analyzing their ability to comply with transfer obligations, including implementing new safeguards and controls to further protect personal data. If we or our vendors fail to comply with applicable data privacy laws concerning, or if the legal mechanisms we or our vendors rely upon to allow, the transfer of personal data from the EEA or Switzerland to the US (or other countries not considered by the European Commission to provide an adequate level of data protection) are not considered adequate, we could be subject to government enforcement actions, including an order to stop transferring the personal data outside of the EEA and significant penalties against us. Moreover, our business could be adversely impacted if our ability to transfer personal data out of the EEA, the UK or Switzerland to the US is restricted, which could adversely impact our operating results.

Failure to comply with data protection laws and regulations could result in unfavorable outcomes, including increased compliance costs, delays or impediments in the development of new products, increased operating costs, diversion of management time and attention, government enforcement actions and create liability for us (which could include civil, administrative, and/or criminal penalties), private litigation and/or adverse publicity that could negatively affect our operating results and business.

These privacy and data protection laws and regulations increase our responsibility and liability in relation to personal data that we process and compliance has been and is expected to continue to be difficult, constantly evolving, costly and time-consuming. We may be required to expend significant capital and other resources to ensure ongoing compliance with applicable privacy and data protection laws, to protect against security incidents, or to alleviate issues caused by such incidents.

Changes in healthcare law and implementing regulations, including government restrictions on pricing and reimbursement, as well as healthcare policy and other healthcare payor and distributor cost-containment initiatives, may negatively impact us, our collaboration partners, or those commercializing products with respect to which we have an economic interest or right to receive royalties.

The efforts of the government, including as a result of shifting policy priorities of the US presidential administration, insurance companies, managed care organizations and other payors of health care costs, and distributors to contain or reduce costs that they or patients are charged may adversely affect us, our collaboration partners, or those commercializing products with respect to which we have an economic interest or right to receive royalties in regard to one or more of the following:

- the ability to set and collect a price believed to be reasonable for products;
- the ability to generate revenues and achieve profitability; and
- the availability of capital.

The pricing and reimbursement environment for products may change in the future and become more challenging due to, among other reasons, policies advanced by the presidential administration, federal agencies, new healthcare legislation passed by Congress or fiscal challenges faced by all levels of government health administration authorities. Among policy makers and payors in the US and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality, and expanding access to healthcare. In the US, the pharmaceutical industry has been a particular focus of these efforts and has been and may in the future be significantly affected by major regulatory or legislative initiatives, including those related to pricing of or reimbursement for prescription drugs. We expect we, our collaboration partners, or those commercializing products with respect to which we have an economic interest or right to receive royalties may experience pricing pressures in connection with the sale of drug products, due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, distributors and additional legislative enactments and administrative policies.

The Patient Protection and Affordable Care Act, as amended (the “Healthcare Reform Act”), contains a number of provisions that impact our business and operations, including those governing enrollment in federal healthcare programs, reimbursement changes, benefits for patients within a coverage gap in the Medicare Part D prescription drug program (commonly known as the “donut hole”; the coverage gap was eliminated effective 2025 under the Inflation Reduction Act of 2022 (the “IRA”) and was replaced with a new manufacturer discount program), rules regarding prescription drug benefits under the health insurance exchanges, changes to the Medicare Drug Rebate program, expansion of the Public Health Service Act’s 340B drug pricing program, fraud and abuse and enforcement. These changes have impacted previously existing government healthcare programs and have resulted in the development of new programs, including Medicare payment for performance initiatives and improvements to the physician quality reporting system and feedback program. However, the transition to a new US presidential administration could impact the policy priorities relating to healthcare programs and we are unable to precisely predict what actions the new administration will take.

Certain provisions of the Healthcare Reform Act have been subject to judicial challenges as well as efforts to modify them or to alter their interpretation or implementation and additional legislative changes to and regulatory changes under the Healthcare Reform Act remain possible, but the nature and extent of such potential additional changes are uncertain at this time. We expect that the Healthcare Reform Act, its implementation, efforts to modify, or invalidate the Healthcare Reform Act, or portions thereof, or its implementation, and other healthcare reform measures including those that may be adopted in the future, could have a material adverse effect on our industry generally and on the ability of us, our collaboration partners, or those commercializing products with respect to which we have an economic interest or right to receive royalties to maintain or increase sales of existing products or to successfully commercialize product candidates, if approved.

The Bipartisan Budget Act of 2018, among other things, amended the Healthcare Reform Act to increase the point-of-sale discounts that manufacturers must agree to offer under the Medicare Part D coverage discount program from 50% to 70% off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D, through January 1, 2024. Civil monetary penalties could have an been applied if a manufacturer fails to provide these discounts in the amount of 125% of the discount that was due (the coverage gap has been eliminated effective 2025 under the IRA).

The Budget Control Act of 2011, among other things, and in concert with subsequent legislation, has resulted in aggregate reductions to Medicare payments to providers of, on average, 2% per fiscal year through 2031(sequestration). Sequestration is currently set at 2% and will increase to 2.25% for the first half of fiscal year 2030, to 3% for the second half of fiscal year 2030, and to 4% for the remainder of the sequestration period that lasts through the first half of fiscal year 2031. As long as these cuts remain in effect, they could adversely impact payment for any products that are reimbursed under Medicare.

The IRA sunsets the coverage gap discount program starting in 2025 and replaces it with a new manufacturer discount program and establishes Part B and Part D inflation rebates. The IRA also creates a Drug Price Negotiation Program under which the prices for Medicare units of certain high Medicare spend drugs and biologics without generic or biosimilar competition will be capped by reference to, among other things, a specified non-federal average manufacturer price, with negotiated prices set to take effect starting in 2026. Failure to comply with requirements under the drug price negotiation program is subject to an excise tax and/or a civil monetary penalty. Whether any of our marketed products are selected for negotiation for a given year will depend on whether they are at least 7 years post-approval/licensure; whether they meet any of the exclusions from eligibility for selection for negotiation, such as the exclusion of certain orphan drugs; their expenditures under Medicare Part B or Part D during a statutorily specified period; and whether a generic of the product has been determined to have come to market. Ampreloxetine received an Orphan Drug Designation status from the FDA, which should mean it will not be selected for negotiation; however, our understanding of whether and when our products are likely to be subject to selection for negotiation could evolve as the Drug Price Negotiation Program is implemented. These or any other legislative change could impact the market conditions for our products. We further expect continued scrutiny on pricing from Congress, agencies, and other bodies with respect to drug pricing.

Individual states in the US have also increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement limitations, marketing cost disclosure and transparency measures, and, in some cases, measures designed to encourage importation from other countries and bulk purchasing. For example, California has enacted a prescription drug price transparency law requiring prescription drug manufacturers to provide advance notice and explanation for price increases of certain drugs with prices that exceed a specified threshold, and to report new prescription drugs introduced to the market at a wholesale acquisition cost exceeding the Medicare Part D specialty drug threshold. Additionally, some individual states have begun establishing Prescription Drug Affordability Boards (or similar entities) to review high-cost drugs and, in some cases, set upper payment limits.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for product or additional pricing pressures for our collaboration partners, or those commercializing products with respect to which we have an economic interest or right to receive royalties, which could impact our revenues.

If we failed to comply with our reporting and payment obligations under the Medicaid Drug Rebate program or other governmental pricing programs, we could be subject to additional reimbursement requirements, penalties, sanctions and fines, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Prior to the sale of VIBATIV to Cumberland Pharmaceuticals Inc. ("Cumberland") in November 2018, we had certain price reporting obligations to the Medicaid Drug Rebate program and other governmental pricing programs, and we had obligations to report average sales price under the Medicare program. Following the consummation of the transaction with Cumberland, our price reporting obligations related to VIBATIV have been transitioned to Cumberland, and price reporting obligations for YUPELRI reside with Viatris. We retain certain obligations with respect to record retention for these programs. These programs included the following:

- The Medicaid Drug Rebate program, under which a manufacturer is required to pay a rebate based on reported pricing data to each state Medicaid program for its covered outpatient drugs that are dispensed to Medicaid beneficiaries and paid for by a state Medicaid program as a condition of having federal funds made available to the states for the manufacturer's drugs under Medicaid and Medicare Part B.

- The 340B Program, in which manufacturers must participate in order for federal funds to be available for the manufacturer's drugs under Medicaid and Medicare Part B. The 340B program requires participating manufacturers to agree to charge no more than the 340B "ceiling price" for the manufacturer's covered outpatient drugs to certain entities, and that price is calculated based on the information reported under the Medicaid Drug Rebate program.

- Reporting of average sales price, which manufacturers report for certain categories of drugs that are paid under the Medicare Part B program to CMS on a quarterly basis and which CMS may use in determining payment rates for drugs under Medicare Part B.

A manufacturer that becomes aware that its Medicaid reporting for a prior quarter was incorrect, or has changed as a result of recalculation of the pricing data, is obligated to resubmit the corrected data for up to three years after those data originally were due. Such restatements and recalculations increase the costs for complying with the laws and regulations governing the Medicaid Drug Rebate program and could result in an overage or underage in our rebate liability for past quarters. Price recalculations also may affect the 340B ceiling price and the average sales price. Manufacturers may need to make additional restatements beyond the three-year period.

We may be liable for errors associated with our submission of pricing data for VIBATIV for historic periods, and we may retain some liability for price reporting by Cumberland for VIBATIV sold under our labeler code. In addition to retroactive rebates and the potential for 340B program refunds, if we are found to have knowingly submitted any false price information to the government, we may be liable for significant civil monetary penalties per item of false information. If we are found to have made a misrepresentation in the reporting of our average sales price, the Medicare statute provides for significant civil monetary penalties for each misrepresentation for each day in which the misrepresentation was applied. If we are found to have charged 340B covered entities more than the statutorily mandated ceiling price, we could be subject to significant civil monetary penalties and/or such failure also could be grounds for HRSA to terminate a manufacturer's agreement to participate in the 340B program, in which case covered outpatient drugs under our labeler code may no longer be eligible for federal payment under the Medicaid or Medicare Part B program. If we are found to have not submitted required price data on a timely basis, that could result in a significant civil monetary penalty per day for each day the information is late beyond the due date.

In order to be eligible to have its products paid for with federal funds under the Medicaid and Medicare Part B programs and purchased by the Department of Veterans Affairs ("VA"), Department of Defense ("DoD"), Public Health Service, and Coast Guard (the "Big Four agencies") and certain federal grantees, a manufacturer is required to list its innovator products on a VA Federal Supply Schedule ("FSS") contract and charge a price to the Big Four agencies that is no higher than the Federal Ceiling Price ("FCP"), which is a price calculated pursuant to a statutory formula. In addition, manufacturers must submit to the VA quarterly and annual "non-federal average manufacturer price" ("Non-FAMP") calculations for each NDC-11 of their innovator drugs. Under Section 703 of the National Defense

Authorization Act for FY 2008, the manufacturer is required to pay quarterly rebates to DoD on utilization of its innovator products that are dispensed through DoD's Tricare network pharmacies to Tricare beneficiaries.

Individual states in the US, as noted, have also passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including establishing Prescription Drug Affordability Boards (or similar entities) to review high-cost drugs and, in some cases, set upper payment limits and implementing marketing cost disclosure and transparency measures. Some states require the submission of reports related to pricing information, including based on the introduction of new prescription drugs, certain increases in wholesale acquisition cost of prescription drugs, marketing of prescription drugs within the state, and sales of prescription drugs in or into the state. Some states may pursue available enforcement measures, including imposition of civil monetary penalties, for a manufacturer's failure to report such information.

The coverage and reimbursement status of new or current products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for new or current products could limit our ability to market those products and decrease our ability to generate revenue.

Market acceptance and sales of any one or more of our product candidates will depend on reimbursement policies and may be affected by future healthcare reform measures in the US. Government authorities and third-party payers, such as private health insurers and health maintenance organizations, decide which drugs they will cover and establish payment levels. We cannot be certain that reimbursement will be available for any commercialized products. Also, we cannot be certain that reimbursement policies will not reduce the demand for, or the price paid for, our products. If reimbursement is not available or is available on a limited basis, we may not be able to successfully commercialize any product candidates that we develop.

The pricing, coverage and reimbursement of our product candidates, if commercialized, must be adequate to support our commercial infrastructure. Our per-patient prices must be sufficient to recover our development and manufacturing costs and potentially achieve profitability. However, sales of any pharmaceutical product depend, in part, on the extent to which such product will be covered by third-party payors, such as federal, state, and foreign government healthcare programs, commercial insurance and managed healthcare organizations, and the level of reimbursement for such product by third-party payors. Decisions regarding the extent of coverage and amount of reimbursement to be provided are made on a plan-by-plan basis. One third-party payor's decision to cover a product does not ensure that other payors will also provide coverage for the product. As a result, we do not have assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

In addition, third-party payors are increasingly reducing reimbursements for pharmaceutical products and services. The US government and state legislatures have continued implementing cost-containment programs, including price controls, restrictions on coverage and reimbursement, and requirements for substitution of generic products. Third-party payors are increasingly challenging the prices charged, examining the medical necessity, and reviewing the cost effectiveness of pharmaceutical products, in addition to questioning their safety and efficacy. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit or delay sales of any of our future products. A decision by a third-party payor not to cover a product could reduce physician ordering and patient demand for any of our future products.

Outside the US, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. For example, the EU provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product, or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. Medicinal products may also face competition from lower-priced products in foreign countries that have placed price controls on medicinal products and may also compete with imported foreign products. Furthermore, there is no assurance that a product will be considered medically reasonable and necessary for a specific indication, will be considered cost-effective by third-party payors, that an adequate level of

reimbursement will be established even if coverage is available, or that the third-party payors' reimbursement policies will not adversely affect the ability of manufacturers to sell products profitably.

Our relationships with customers and third-party payors are subject to applicable anti-kickback, fraud and abuse, transparency and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, exclusion, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians, distributors, and third-party payors play a primary role in the distribution, recommendation, and prescription of any pharmaceutical product for which we obtain marketing approval. Our arrangements with third-party payors and customers expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements through which we market, sell and distribute any products for which we have obtained or may obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- The US federal healthcare Anti-Kickback Statute prohibits any person from, among other things, knowingly and willfully offering, paying, soliciting, or receiving remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchasing, leasing, ordering or arranging for or recommending of any good or service for which payment may be made, in whole or in part, under federal and state healthcare programs such as Medicare and Medicaid. The term "remuneration" has been broadly interpreted to include anything of value. The Anti-Kickback Statute is subject to evolving interpretation and has been applied by government enforcement officials to a number of common business arrangements in the pharmaceutical industry. The government can establish a violation of the Anti-Kickback Statute without proving that a person or entity had actual knowledge of the statute or specific intent to violate it. There are a number of statutory exemptions and regulatory safe harbors protecting some common activities from prosecution; however, those exceptions and safe harbors are drawn narrowly. Failure to meet all of the requirements of a particular statutory exception or regulatory safe harbor does not make the conduct per se illegal under the Anti-Kickback Statute, but the legality of the arrangement will be evaluated on a case-by-case basis based on the totality of the facts and circumstances. We seek to comply with the available statutory exemptions and safe harbors whenever possible, but our practices may not in all cases meet all of the criteria for safe harbor protection from anti-kickback liability. Moreover, there are no safe harbors for many common practices, such as educational and research grants or patient or product assistance programs.

- The federal civil False Claims Act prohibits, among other things, knowingly presenting, or causing to be presented, claims for payment of government funds that are false or fraudulent, or knowingly making, or using or causing to be made or used, a false record or statement material to a false or fraudulent claim to avoid, decrease, or conceal an obligation to pay money to the federal government. Private individuals, commonly known as "whistleblowers," can bring civil False Claims Act *qui tam* actions, on behalf of the government and such individuals and may share in amounts paid by the entity to the government in recovery or settlement. In recent years, several pharmaceutical and other healthcare companies have faced enforcement actions under the federal False Claims Act for, among other things, allegedly submitting false or misleading pricing information to government health care programs and providing free product to customers with the expectation that the customers would bill federal programs for the product. Federal enforcement agencies also have showed increased interest in pharmaceutical companies' product and patient assistance programs and a number of investigations into these programs have resulted in significant civil and criminal settlements. Other companies have faced enforcement actions for causing false claims to be submitted because of the companies' marketing the product for unapproved, and thus non-reimbursable, uses. In addition, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. False Claims Act liability is significant in the healthcare industry because the statute provides for treble damages and significant mandatory penalties per false claim or statement for violations. Because of the potential for large monetary exposure, healthcare and pharmaceutical companies often resolve allegations for significant and material amounts to avoid the uncertainty of treble damages and per claim penalties that may be awarded in litigation proceedings. As part of these resolutions, Companies may enter into corporate integrity agreements with the government, which may impose substantial costs on

companies to ensure compliance. Criminal penalties, including imprisonment and criminal fines, are also possible for making or presenting a false, fictitious or fraudulent claim to the federal government.

- HIPAA, among other things, imposes criminal and civil liability for knowingly and willfully executing a scheme to defraud any healthcare benefit program, including private third-party payors, and also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information. HIPAA also prohibits knowingly and willfully falsifying, concealing, or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation, or making or using any false writing or document knowing the same to contain any materially false fictitious or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal healthcare Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation.

- The federal Physician Payment Sunshine Act, implemented as the Open Payments Program, requires certain manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the US Department of Health and Human Services, Centers for Medicare and Medicaid Services, information related to payments and other transfers of value, directly or indirectly, to physicians (defined to include doctors, dentists, optometrists, podiatrists, and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Applicable manufacturers are also required to report information regarding payments and transfers of value provided to physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, and certified nurse-midwives. A manufacturer's failure to submit timely, accurately, and completely the required information for all payments, transfers of value or ownership or investment interests may result in civil monetary penalties.

- Analogous state laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payors, including private insurers or patients. Several states also require pharmaceutical companies to report expenses relating to the marketing and promotion of pharmaceutical products in those states and to report gifts and payments to individual health care providers in those states. Some of these states also prohibit certain marketing-related activities, including the provision of gifts, meals, or other items to certain health care providers, and restrict the ability of manufacturers to offer co-pay support to patients for certain prescription drugs. Some states require the posting of information relating to clinical studies and their outcomes. Some states and cities require identification or licensing of sales representatives. In addition, several states require pharmaceutical companies to implement compliance programs or marketing codes.

- Similar restrictions are imposed on the promotion and marketing of medicinal products in the EU Member States and other countries, including restrictions prohibiting the promotion of a medicinal product prior to its approval and any prescription medicine to the general public. Laws (including those governing promotion, marketing and anti-kickback provisions), industry regulations and professional codes of conduct often are strictly enforced. Even in those countries where we may decide not to directly promote or market our products, inappropriate activity by our international distribution partners could have implications for us.

The shifting commercial compliance environment and the need to build and maintain robust and expandable systems to comply with different compliance or reporting requirements in multiple jurisdictions increase the possibility that we or our partners may fail to comply fully with one or more of these requirements. Efforts to ensure that our business arrangements with third-parties will comply with applicable healthcare laws and regulations may involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with applicable fraud and abuse or other healthcare laws and regulations or guidance. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, exclusion from government funded

healthcare programs, such as Medicare and Medicaid in the US and similar programs outside the US, contractual damages, diminished profits and future earnings, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our financial results. If any of the physicians or other providers or entities with whom we do or expect to do business are found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. Even if we are not determined to have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our financial condition and divert resources and the attention of our management from operating our business.

Our business and operations, including the use of hazardous and biological materials may result in liabilities with respect to environmental, health and safety matters.

Our drug development activities involve the controlled use of potentially hazardous substances, including chemical, biological, and radioactive materials. In addition, our operations produce hazardous waste products, including hazardous waste. Federal, state, and local laws and regulations govern the use, manufacture, management, storage, handling and disposal of hazardous materials and wastes. We may incur significant additional costs or liabilities to comply with, or for violations of, these and other applicable laws in the future. Also, even if we are in compliance with applicable laws, we cannot completely eliminate the risk of contamination or injury resulting from hazardous materials and we may incur liability as a result of any such contamination or injury. Further, in the event of a release of or exposure to hazardous materials, including at the sites we currently or formerly operate or at sites such as landfills where we send wastes for disposal, we could be held liable for cleanup costs or damages or subject to other costs or penalties and such liability could exceed our resources. We do not have any insurance for liabilities arising from hazardous materials or under environmental laws. Compliance with or liability under applicable environmental laws and regulations or with respect to hazardous materials may be expensive, and current or future environmental regulations may impair our development and production efforts, which could harm our business, which could cause the price of our securities to fall.

RISKS RELATING TO OUR ORDINARY SHARES

The market price for our shares has and may continue to fluctuate widely and may result in substantial losses for purchasers of our ordinary shares.

The market price for our shares has fluctuated and may continue to fluctuate and may result in substantial losses for purchasers of our ordinary shares. For example, in the year ended December 31, 2024, the last reported sales price of our ordinary shares on Nasdaq fluctuated between a low of $7.66 per share and a high of $11.59 per share. To the extent that low trading volumes for our ordinary shares continues, our stock price may fluctuate significantly more than the stock market as a whole or the stock prices of similar companies. Without a larger public float of actively traded shares, our ordinary shares are likely to be more sensitive to changes in sales volumes, market fluctuations and events or perceived events with respect to our business, than the shares of common stock of companies with broader public ownership, and as a result, the trading prices for our ordinary shares may be more volatile. Among other things, trading of a relatively small volume of ordinary shares may have a greater effect on the trading price than would be the case if our public float of actively traded shares were larger. In addition, as further described below under the risk factor entitled "*—Concentration of ownership will limit your ability to influence corporate matters,"* a number of shareholders hold large concentrations of our shares which, if sold to third-parties within a relatively short timeframe, could cause the price of our shares to drop significantly.

Market prices for securities of biotechnology and biopharmaceutical companies have been highly volatile, and we expect such volatility to continue for the foreseeable future, so that investment in our ordinary shares involves substantial risk. Additionally, the stock market from time to time has experienced significant price and volume fluctuations unrelated to the operating performance of particular companies.

The following are some of the factors that may have a significant effect on the market price of our ordinary shares:

- any adverse developments or results or perceived adverse developments or results with respect to YUPELRI, including without limitation, lower than expected sales of or revenues from YUPELRI,

difficulties or delays encountered with regard to the FDA or other regulatory authorities in this program or any indication from clinical or non-clinical studies that YUPELRI is not safe or efficacious;

- any adverse developments or results or perceived adverse developments or results with respect to TRELEGY, including our Ongoing Economic Interest;
- any adverse developments or results or perceived adverse developments or results with respect to our clinical development programs, including, without limitation, any delays in development in these programs, any halting of development in these programs, any difficulties or delays encountered with regard to the FDA or other regulatory authorities in these programs, or any indication from clinical or non-clinical studies that the compounds in such programs are not safe or efficacious;
- any announcements of developments with, or comments by, the FDA or other regulatory authorities with respect to products we or our partners have under development, are manufacturing or have commercialized;
- any adverse developments or disagreements or perceived adverse developments or disagreements with respect to our relationship with Royalty Pharma, or the relationship of Royalty Pharma and GSK;
- any adverse developments or perceived adverse developments with respect to our relationship with any of our research, development, or commercialization partners, including, without limitation, disagreements that may arise between us and any of those partners;
- any adverse developments or perceived adverse developments in our programs with respect to partnering efforts or otherwise;
- announcements of patent issuances or denials, technological innovations or new commercial products by us or our competitors;
- publicity regarding actual or potential study results or the outcome of regulatory review relating to products under development by us, our partners, or our competitors;
- regulatory developments in the US and foreign countries;
- announcements with respect to governmental or private insurer reimbursement policies;
- announcements of equity or debt financings;
- possible impairment charges on non-marketable equity securities;
- economic and other external factors beyond our control, such as health emergencies, tax regimes, foreign policy, and fluctuations in interest rates;
- loss of key personnel;
- likelihood of our ordinary shares to be more sensitive to changes in sales volume, market fluctuations and events or perceived events with respect to our business due to our small public float;
- low public market trading volumes for our ordinary shares;
- the sale of large concentrations of our shares to third-parties, which may be more likely to occur due to the concentration of ownership of our shares, such as what we experienced when our then-largest shareholder divested its holdings in 2019;

- developments or disputes as to patent or other proprietary rights;
- approval or introduction of competing products and technologies;
- results of clinical trials;
- failures or unexpected delays in timelines for our potential products in development, including the obtaining of regulatory approvals;
- delays in manufacturing adversely affecting clinical or commercial operations;
- fluctuations in our operating results;
- market reaction to announcements by other biotechnology or pharmaceutical companies;
- initiation, termination, or modification of agreements with our collaborators or disputes or disagreements with collaborators;
- litigation or the threat of litigation;
- public concern as to the safety of product candidates or medicines developed by us; and
- comments and expectations of results made by securities analysts or investors.

If any of these factors causes us to fail to meet the expectations of securities analysts or investors, or if adverse conditions prevail or are perceived to prevail with respect to our business, the price of the ordinary shares would likely drop significantly. For example, our stock price dropped significantly when we announced that izencitinib did not meet its primary endpoint in our Phase 2b/3 induction and maintenance study of izencitinib in ulcerative colitis. In addition, though none has been filed to our knowledge, a significant drop in the price of a company's securities often leads to the filing of securities class action litigation against the company. This type of litigation against us could result in substantial costs and a diversion of management's attention and resources.

Activist shareholders could negatively impact our business and cause disruptions.

We value constructive input from investors and regularly engage in dialogue with our shareholders regarding strategy and performance. While our board of directors and management team welcome their views and opinions with the goal of enhancing value for all shareholders, we may be subject to actions or proposals from activist shareholders that may not align with our business strategies or the best interests of all of our shareholders.

For example, in February 2023, Irenic Capital Management LP ("Irenic") released a public letter communicating its opinions regarding actions that it believes we should take and made public statements critical of our board of directors and management. In December 2023, we entered into a cooperation agreement with Irenic pursuant to which Irenic designated a member of our board of directors and we and Irenic extended this Agreement by one year in late 2024. Nevertheless, Irenic may continue to make and/or other activist shareholders may make such public communications in the future.

In the event of such shareholder activism – particularly with respect to matters which our board of directors, in exercising their fiduciary duties, disagree with or have determined not to pursue – our business could be adversely affected because responding to such actions by activist shareholders can be costly and time-consuming, disruptive to our operations and divert the attention of management, our board of directors and our employees, and our ability to execute our strategic plan could also be impaired as a result. Such an activist campaign could require us to incur substantial legal, public relations and other advisory fees and proxy solicitation expenses. Further, we may become subject to, or we may initiate, litigation as a result of proposals by activist shareholders or matters relating thereto, which could be a further distraction to our board of directors and management and could require us to incur significant additional costs. In addition, perceived uncertainties as to our future direction, strategy, or leadership created as a consequence of activist shareholders may result in the loss of potential business opportunities, harm our ability to attract new or retain existing investors, customers, directors, employees, collaborators or other partners, harm or impair our ability to accrue patients to clinical trials because of concerns the study may be disrupted, disrupt relationships with us, and the market price of our ordinary shares could also experience periods of increased volatility as a result.

Concentration of ownership will limit your ability to influence corporate matters.

Based solely on our review of publicly available filings, as of December 31, 2024, our three largest shareholders collectively owned 43.4% of our outstanding ordinary shares. These shareholders could control the outcome of actions taken by us that require shareholder approval, including a transaction in which shareholders might receive a premium over the prevailing market price for their shares.

Certain provisions in our constitutional and other documents may discourage our acquisition by a third-party, which could limit your opportunity to sell shares at a premium.

Our constitutional documents include provisions that could limit the ability of others to acquire control of us, modify our structure or cause us to engage in change-of-control transactions, including, among other things, provisions that:

- require supermajority shareholder voting to effect certain amendments to our amended and restated memorandum and articles of association;
- maintain a classified board of directors until our annual general meeting in 2026;
- restrict our shareholders from calling meetings or acting by written consent in lieu of a meeting;
- limit the ability of our shareholders to propose actions at duly convened meetings; and
- authorize our board of directors, without action by our shareholders, to issue preferred shares and additional ordinary shares.

In addition, in May 2018, our shareholders approved a resolution authorizing our board of directors to adopt a shareholder rights plan in the future intended to deter any person from acquiring more than 19.9% of our outstanding ordinary shares without the approval of our board of directors.

These provisions could have the effect of depriving you of an opportunity to sell your ordinary shares at a premium over prevailing market prices by discouraging third-parties from seeking to acquire control of us in a tender offer or similar transaction.

Our shareholders may face difficulties in protecting their interests because we are incorporated under Cayman Islands law.

Our corporate affairs are governed by our amended and restated memorandum and articles of association, by the Companies Law (2020 Revision) of the Cayman Islands and by the common law of the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under the laws of the Cayman Islands are different from those under statutes or judicial precedent in existence in jurisdictions in the US. Therefore, you may have more

difficulty in protecting your interests than would shareholders of a corporation incorporated in a jurisdiction in the US, due to the different nature of Cayman Islands law in this area.

Shareholders of Cayman Islands exempted companies such as our company have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders. Our directors have discretion under our amended and restated memorandum and articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Our Cayman Islands counsel, Maples and Calder, is not aware of any reported class action having been brought in a Cayman Islands court. Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions. In most cases, we will be the proper plaintiff in any claim based on a breach of duty owed to it, and a claim against (for example) our officers or directors usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against the company where the individual rights of that shareholder have been infringed or are about to be infringed.

There is uncertainty as to shareholders' ability to enforce certain foreign civil liabilities in the Cayman Islands.

We are incorporated as an exempted company limited by shares with limited liability under the laws of the Cayman Islands. A material portion of our assets are located outside of the US. As a result, it may be difficult for our shareholders to enforce judgments against us or judgments obtained in US courts predicated upon the civil liability provisions of the federal securities laws of the US or any state of the US.

We understand that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against Theravance Biopharma judgments of courts of the US predicated upon the civil liability provisions of the securities laws of the US or any State and (ii) in original actions brought in the Cayman Islands, to impose liabilities against Theravance Biopharma predicated upon the civil liability provisions of the securities laws of the US or any State, on the grounds that such provisions are penal in nature. However, in the case of laws that are not penal in nature, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the US, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands' judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court, including the Grand Court of the Cayman Islands, may stay proceedings if concurrent proceedings are being brought elsewhere, which would delay proceedings and make it more difficult for our shareholders to bring action against us.

If securities or industry analysts cease coverage of us or do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our ordinary shares and trading volume could decline.

The trading market for our ordinary shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, the trading price for our ordinary shares could be negatively affected. If one or more of the analysts who cover us downgrade our ordinary shares or publish inaccurate or unfavorable research about our business or if our results fail to meet the expectations of these analysts, the price of our ordinary shares would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our ordinary shares could decrease, which might cause our share price and trading volume to decline.

Capital appreciation, if any, of our ordinary shares may be your sole source of gain for the foreseeable future.

We have never declared or paid cash dividends on our capital shares. Starting in September 2022, we undertook a capital return program of $325.3 million which was completed in January 2024. There is no guarantee that we will implement another capital return program in the future. As a result, capital appreciation, if any, of our ordinary shares may be your sole source of gain for the foreseeable future.

We are a smaller reporting company, and any decision on our part to comply only with reduced reporting and disclosure requirements applicable to such companies could make our ordinary shares less attractive to investors.

As of June 30, 2024, we qualified as a "smaller reporting company," as defined in the Exchange Act. For as long as we continue to be a smaller reporting company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies that are not smaller reporting companies, including, but not limited to, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and only being required to provide two years of audited financial statements in annual reports. In addition, for so long as we remain a smaller reporting company and not classified as an "accelerated filer" or "large accelerated filer" pursuant to SEC rules, we will be exempt from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act.

We will remain a smaller reporting company so long as, as of June 30 of the preceding year, (i) the market value of our ordinary shares held by non-affiliates, or our public float, is less than $250.0 million or (ii) we have annual revenues less than $100.0 million and either we have no public float or our public float is less than $700.0 million.

If we continue to take advantage of some or all of the reduced disclosure requirements available to smaller reporting companies, investors may find our ordinary shares less attractive, which may result in a less active trading market for our common stock and greater stock price volatility.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We recognize the importance of maintaining the trust and confidence of our investors, patients, business partners, and employees. Our board of directors are actively involved in the oversight of our risk management program, and cybersecurity represents an important component of our overall approach to enterprise risk management ("ERM"). Our cybersecurity policies, standards, processes, and practices are fully integrated into our ERM program and are based on recognized frameworks established by the National Institute of Standards and Technology, the international organization for standardization. In general, we seek to address cybersecurity risks through a comprehensive cross-functional approach that is focused on preserving the confidentiality, security, and availability of the information that we collect and store by identifying, preventing, and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

Our cybersecurity program includes the following key elements:

- *Collaborative Approach*

  We have implemented a comprehensive cross-functional approach to identifying, preventing, and mitigating cybersecurity threats and incidents, while also implementing controls and procedures that provide for the prompt escalation of certain cybersecurity incidents so that decisions regarding the public disclosure and reporting of such incidents can be made by management in a timely manner.

- *Technical Safeguards*

  We deploy technical safeguards that are designed to protect our information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, anti-malware functionality, and access controls, which are evaluated and improved through vulnerability assessments and cybersecurity threat intelligence.

- *Incident Response and Recovery Planning*

  We have established and maintain comprehensive incident response and recovery plans that address our response to a cybersecurity incident, and such plans are tested and evaluated on a regular basis.

- *Third-Party Risk Management*

  We maintain a comprehensive risk-based approach to identifying and overseeing cybersecurity risks presented by third-parties, including vendors, service providers, and other external users of our systems, as well as the systems of third-parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems.

- *Education and Awareness*

  We provide regular mandatory training for employees regarding cybersecurity threats as a means to equip our employees with effective tools and education to address cybersecurity threats and to communicate our evolving information security policies, standards, processes, and practices.

Governance

One of the key functions of our board of directors is informed oversight of our ERM, including risks from cybersecurity threats. Our board of directors receive regular presentations and reports on our cybersecurity risks, which have pertained to a wide range of topics including recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends, and information security considerations arising with respect to our peers and third-parties. The board of directors also receive prompt and timely information regarding any cybersecurity incident that meets reporting thresholds, as well as ongoing updates regarding any such incident until it has been addressed and resolved.

On an annual basis, the board of directors discuss our approach to cybersecurity risk management with management which includes our Chief Information Officer (“CIO”). Our CIO has overall operational responsibility for our cybersecurity risk management. To facilitate the success of our cybersecurity risk management program, we have an Infrastructure, Operations & Security Team (“IOS Team”) that is tasked with the responsibility to design, implement, and manage systems, processes, and policies to defend against cybersecurity threats and to respond to cybersecurity incidents. Working collaboratively across our Company, the IOS Team implements and maintains a program designed to protect our information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with our incident response and recovery plans.

ITEM 2. PROPERTIES

Our principal physical properties in the US consist of approximately 162,000 square feet of office and laboratory space leased in two buildings in South San Francisco, California. Of this office and laboratory space, approximately 118,000 square feet was subleased to subtenants as of December 31, 2024. The South San Francisco lease expires in May 2030, and our subleases expire between September 2028 and May 2030. Our Irish subsidiary operates from approximately 700 square feet of leased office space in Dublin, Ireland, that expires in May 2026.

ITEM 3. LEGAL PROCEEDINGS

During January 2023, we received notice from Accord Healthcare, Inc.; Cipla USA, Inc. and Cipla Limited; Eugia Pharma Specialties Ltd.; Lupin Inc.; Mankind Pharma Ltd.; Orbicular Pharmaceutical Technologies Private Limited; and Teva Pharmaceuticals, Inc. (collectively, the "generic companies"), that they have each filed with the FDA an abbreviated new drug application ("ANDA"), for a generic version of YUPELRI. The notices from the generic companies each included a paragraph IV certification with respect to five of our patents listed in the FDA's Orange Book for YUPELRI on the date of our receipt of the notice. The asserted patents relate generally to polymorphic forms of and a method of treatment using YUPELRI. In February 2023, we filed patent infringement suits against the generic companies in federal district courts, including the United States District Court for the District of New Jersey, the U.S. District Court for the District of Delaware, and the U.S. District Court for the Middle District of North Carolina. The suits in Delaware and North Carolina have been dismissed, as all generic companies have agreed to venue in New Jersey. The complaint alleges that by filing the ANDAs, the generic companies have infringed five of our Orange Book listed patents. We are seeking a permanent injunction to prevent the generic companies from introducing a generic version of YUPELRI that would infringe our patents. As a result of this lawsuit, a stay of approval through May 2026 has been imposed by the FDA on the generic companies' ANDAs pending any adverse court decision. Additional patents covering YUPELRI, granted on July 4, 2023 and January 2, 2024, were subsequently listed in FDA's Orange Book. We filed additional patent infringement suits in the U.S. District Court for the District of New Jersey during August 2023 and January 2024. These suits have been consolidated with the above action. Further, the original complaint was amended during December 2023 to include certain patents not listed in the Orange Book.

In May 2024, we received notice from Qilu Pharmaceuticals Co., Ltd. ("subsequent ANDA filer"), that it had filed with the FDA an ANDA for a generic version of YUPELRI. The notice from the subsequent ANDA filer included a paragraph IV certification with respect to certain of our patents listed in FDA's Orange Book for YUPELRI. The asserted patents relate generally to polymorphic forms of and a method of treatment using YUPELRI. In June 2024, we filed a patent infringement suit against the subsequent ANDA filer in the U.S. District Court for the Eastern District of Pennsylvania. The complaint alleges that by filing the ANDA, the subsequent ANDA filer has infringed certain of our Orange Book listed patents.

As of February 28, 2025, we have settled all litigation with Accord Healthcare, Inc.; Lupin Pharmaceuticals, Inc.; Orbicular Pharmaceutical Technologies Private Limited; Qilu Pharmaceuticals Co., Ltd.; and Teva Pharmaceuticals, Inc. pursuant to individual agreements in which we granted these companies a royalty-free, non-exclusive, non-sublicensable, non-transferable license to manufacture and market their respective generic versions of YUPELRI inhalation solution in the U.S. on or after the licensed launch date of April 23, 2039, subject to certain exceptions as is customary in these type of agreements. As required by law, the settlements are subject to review by the U.S. Department of Justice and the Federal Trade Commission. The patent litigation against the three remaining generic companies, along with certain affiliates, remains pending.

A further method of treatment patent, with an expiration date of August 2039, was granted on July 30, 2024 and was listed in the Orange Book. We filed an additional patent infringement suit in the U.S. District Court for the District of New Jersey during August 2024 against the three remaining generic companies. This suit has been consolidated with the action described above.

Please also see *"Item 1. Business – Patents and Proprietary Rights -- Patent Term Restoration, Regulatory Exclusivities, and Hatch-Waxman Litigation"* for additional information. In addition, this litigation and the related risks are described in greater detail under the risk factor "*Litigation to protect or defend our intellectual property or third-party claims of intellectual property infringement will require us to divert resources and may prevent or delay our drug development and commercialization efforts*" of this Annual Report on Form 10-K.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our ordinary shares have traded on The Nasdaq Global Market under the symbol "TBPH" since June 3, 2014. As of February 26, 2025, there were 39 shareholders of record of our ordinary shares. As many of our ordinary shares are held by brokers and other institutions on behalf of shareholders, we are unable to estimate the total number of underlying shareholders represented by these shareholders of record.

Dividend Policy

We have never declared or paid cash dividends on our ordinary shares. We currently intend to retain future earnings to finance our ongoing operations. We have committed to return excess capital to shareholders. Our board of directors will determine the form of any future return of excess capital to shareholders.

Equity Compensation Plans

The following table provides certain information with respect to all of our equity compensation plans as of December 31, 2024:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))
Options	1,829,168	$ 15.53	4,426,322
Restricted share units	3,955,487	n/a	n/a
Employee share purchase plan (suspended as of December 31, 2024)	n/a	n/a	3,447,685
Equity compensation plans approved by security holders	5,784,655	$ 15.53	7,874,007
Options	67,740	$ 15.52	—
Equity compensation plans not approved by security holders	67,740	$ 15.52	—
Total	5,852,395	$ 15.53	7,874,007

During 2024, we had three equity compensation plans — our 2013 Equity Incentive Plan (the "2013 EIP"), as amended, our 2013 Employee Share Purchase Plan (the "2013 ESPP"), and our 2014 New Employee Equity Incentive Plan (the "2014 NEEIP"). At inception of the plans, we were authorized to issue 5,428,571 ordinary shares under the 2013 EIP and 857,142 ordinary shares under the 2013 ESPP, and 750,000 ordinary shares under the 2014 NEEIP.

The 2013 EIP provides for the issuance of share-based awards, including restricted shares, restricted share units, options, share appreciation rights ("SARs") and other equity-based awards, to our employees, officers, directors, and consultants. Options may be granted with an exercise price not less than the fair market value of the ordinary shares on the grant date. Under the terms of our 2013 EIP, options granted to employees generally have a maximum term of 10 years and vest over a four-year period from the date of grant; 25% vest at the end of one year, and 75% vest monthly over the remaining three years. We may grant options with different vesting terms from time to time. Unless an employee's termination of service is due to disability or death, upon termination of service, any unexercised vested options will generally be forfeited at the end of three months or the expiration of the option, whichever is earlier.

At the our Annual General Meeting of Shareholders on May 2, 2023, shareholders approved an amendment and restatement of the 2013 EIP to effect the following material changes to the existing plan (i) extend the term of the 2013 EIP by an additional ten years to February 14, 2033; (ii) eliminate the provision that provided for automatic annual

increases in the number of shares available for issuance under the 2013 EIP; (iii) reduce the number of shares reserved for issuance by 3,808,287 shares; (iv) eliminate our ability to reprice options and share appreciation rights without first obtaining shareholder approval; and (v) remove certain provisions no longer necessary since the repeal of the exemption from the annual deduction limitation imposed by Section 162(m) of the Internal Revenue Code for performance-based compensation.

Under the 2013 ESPP, our officers and employees may purchase ordinary shares through payroll deductions at a price equal to 85% of the lower of the fair market value of the ordinary share at the beginning of the offering period or at the end of each applicable purchase period. The 2013 ESPP generally provides for consecutive and overlapping offering periods of 24 months in duration, with each offering period generally composed of four consecutive six-month purchase periods. The purchase periods end on either May 15 or November 15. 2013 ESPP contributions are limited to a maximum of 15% of an employee's eligible compensation. Our 2013 ESPP also includes a feature that provides for the existing offering period to terminate and for participants in that offering period to automatically be enrolled in a new offering period when the fair market value of an ordinary share at the beginning of a subsequent offering period falls below the fair market value of an ordinary share on the first day of such offering period. Effective as of December 31, 2024, the 2013 ESPP has been suspended. All offering periods in progress were terminated, and no new offering periods will commence under the 2013 ESPP unless and until approved by our board of directors.

The 2014 NEEIP provided for the issuance of share-based awards, including restricted shares, restricted share units, non-qualified options and SARs, to our employees. Options were able to be granted with an exercise price not less than the fair market value of the ordinary shares on the grant date. Under the terms of our 2014 NEEIP, options granted to employees generally have a maximum term of 10 years and vest over a four-year period from the date of grant; 25% vest at the end of one year, and 75% vest monthly over the remaining three years. We were able to grant options with different vesting terms from time to time. Unless an employee's termination of service is due to disability or death, upon termination of service, any unexercised vested options will generally be forfeited at the end of three months or the expiration of the option, whichever is earlier. Pursuant to its terms, the 2014 NEEIP expired in October 2024 upon reaching the end of its 10-year term. As a result, no additional shares will be issued under the 2014 NEEIP, though awards previously granted under the 2014 NEEIP will remain outstanding in accordance with their term.

Additional information regarding share-based compensation is included in *"Item 8. Note 1. Organization and Summary of Significant Accounting Policies,"* and *"Item 8. Note 11. Share-Based Compensation,"* to the consolidated financial statements appearing in this Annual Report on Form 10-K.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Management's Discussion and Analysis ("MD&A") is intended to facilitate an understanding of our results of operations, as well as our liquidity and capital resources. Additionally, it describes accounting policies and estimates that management has deemed as "critical accounting policies and estimates." This MD&A should be read in conjunction with our consolidated financial statements and notes included in this Annual Report on Form 10-K. The information contained in this MD&A or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our plans and strategy for our business, our operating expenses, and future payments under our collaboration agreements, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Such statements are based upon current expectations that involve risks and uncertainties. You should review the section entitled *"Risk Factors"* in Item 1A of Part I above for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. See the section entitled *"Special Note regarding Forward-Looking Statements"* on page 3 for more information.

Management Overview

Theravance Biopharma, Inc. ("we," "our," "Theravance Biopharma" or the "Company") is a biopharmaceutical company primarily focused on the development and commercialization of medicines. Our focus is to create *medicines that make a difference*® in people's lives.

In pursuit of our purpose, we leverage decades of expertise, which has led to the development of the United States ("US") Food and Drug Administration (the "FDA") approved YUPELRI® (revefenacin) inhalation solution indicated for the maintenance treatment of patients with chronic obstructive pulmonary disease ("COPD"). Ampreloxetine, our late-stage investigational once-daily norepinephrine reuptake inhibitor in development for the treatment of symptomatic neurogenic orthostatic hypotension ("nOH") in patients with Multiple System Atrophy ("MSA") has the potential to be a first in class therapy effective in treating a constellation of cardinal symptoms in MSA patients.

Recent Significant Developments

YUPELRI Net Sales Growth

In 2024, YUPELRI experienced net sales growth and reached launch-to-date highs in annual net sales and brand profitability. Through the combined commercialization efforts with our partner Viatris Inc. ("Viatris"), total YUPELRI net sales increased by 8% to $238.6 million in 2024 compared to 2023. Hospital volumes, which we are directly responsible for, grew 41% in 2024 compared to 2023 and continued to be a meaningful contributor to YUPELRI's overall net sales growth for the year.

Continued Enrollment in Ampreloxetine Phase 3 Clinical Study

We continued to make steady progress with the open-label enrollment of our ampreloxetine Phase 3 clinical study (CYPRESS) in MSA patients with symptomatic nOH, using the Orthostatic Hypotension Symptom Assessment Scale ("OHSA") composite score as the primary endpoint. Current enrollment is in-line with expectations for completion in mid-2025, with data anticipated to be available approximately six months later.

Achievement of $50.0 Million TRELEGY® Royalty Milestone Payment for 2024

In February 2025, we received a $50.0 million maximum milestone payment from Royalty Pharma Investments associated with the achievement of certain minimum royalty payments related to 2024 TRELEGY global net sales. TRELEGY's 2024 global net sales of $3.46 billion would exceed the threshold required to achieve $50.0 million of milestones in 2025 (based on $3.41 billion of global net sales) with only 2% growth required to achieve $100.0 million of milestones in 2026 (based on $3.51 billion of global net sales).

Formation of Strategic Review Committee

In November 2024, the board of directors announced the formation of a Strategic Review Committee composed entirely of independent directors to assess all strategic alternatives to the Company, including those related to YUPELRI, ampreloxetine, and TRELEGY, with the objective of unlocking shareholder value. There can be no assurance that the Company's strategic review process will result in any transaction. We have not set a timetable for completion of this process, and we do not intend to disclose further developments unless and until we determine that such disclosure is appropriate or necessary.

See "*Item 1. Business*" starting on page 4 for a more complete discussion of our business.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with US Generally Accepted Accounting Principles ("GAAP"). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and other related disclosures. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the accounting policies and estimates discussed below are essential to understanding our operating results and financial condition, as these policies and estimates relate to the more significant areas involving management's judgments.

Future Royalty Payment Contingency

We treat contingent liabilities related to sale of future royalties as debt financings, amortized under the effective interest method over the estimated life of the related expected royalty stream. The contingent liabilities related to sale of future royalties and the debt amortization are based on current estimates of the amount and timing of future royalty payments, including the potential for any future funding milestones. We periodically reassess the amount and timing of estimated royalty payments based on internal sales projections and external information from market data sources, which are considered Level 3 inputs. To the extent our estimates of the amount and timing of future royalty payments are materially greater or less than previous estimates, we will prospectively adjust the amortization of the contingent liability and effective interest rate.

Impairment of Long-Lived Assets

We regularly review our long-lived assets, including operating lease assets, to determine whether indicators of impairment may exist. If indicators of impairment exist, we perform a test of recoverability by comparing the estimated undiscounted future cash flows expected to result from the use of the asset over its useful life to the carrying value of the long-lived asset. If the carrying value of the long-lived asset exceeds such estimated undiscounted cash flows, we would determine the fair value of the long-lived assets using the estimated discounted future cash flow approach. We will recognize an impairment loss for the amount in which the carrying value exceeds the estimated fair value of the long-lived asset. For year ended December 31, 2024, we recognized a non-cash impairment charge of $4.5 million related to our long-lived assets consisting of operating lease assets and leasehold improvements.

Results of Operations

The following tables set forth our results of operations and management's commentary for the 2024 period compared to the 2023 period.

Revenue

While Viatris Inc. ("Viatris") records the total net sales of YUPELRI within its own financial statements, our implied 35% YUPELRI revenue, as compared to the prior year period, was as follows:

	Year Ended December 31,		Change	
(In thousands)	2024	2023	$	%
YUPELRI net sales (100% recorded by Viatris)	$ 238,626	$ 220,962	$ 17,664	8 %
YUPELRI net sales (Theravance Biopharma implied 35%)	83,519	77,337	6,182	8

Our recognized revenue, as compared to the prior year period, was as follows:

	Year Ended December 31,		Change	
(In thousands)	2024	2023	$	%
Viatris collaboration agreement	$ 64,381	$ 57,201	$ 7,180	13 %
Viatris royalties (Non-US)	—	7	(7)	NM
Collaboration revenue	—	216	(216)	NM
Total revenues	$ 64,381	$ 57,424	$ 6,957	12 %

NM: Not Meaningful

We are entitled to a share of US profits and losses (65% to Viatris; 35% to Theravance Biopharma) received in connection with YUPELRI net sales. In accordance with the applicable accounting guidance, amounts receivable from Viatris in connection with the commercialization of YUPELRI are recorded within the consolidated statements of operations as revenue from "Viatris collaboration agreement". Any reimbursement from Viatris attributed to the 65% cost-sharing of our R&D expenses is characterized as a reduction of R&D expense, as we do not consider performing R&D services for reimbursement to be a part of our ordinary operations.

In 2024 and 2023, we recognized $64.4 million and $57.2 million, respectively, in revenue from the Viatris collaboration agreement, which represented an increase of 13%. The increase was primarily driven by (i) an increase in net sales as YUPELRI continued to increase its share of the long-acting nebulized COPD market in both the hospital and outpatient settings and (ii) lower costs incurred by Viatris. YUPELRI continued to be profitable for us on a brand basis, and total YUPELRI net sales recorded by Viatris reached another all-time high for 2024 and for the most recent fourth quarter of $238.6 million and $66.7 million, respectively.

Research and Development

Our R&D expenses consist primarily of employee-related costs, external costs, and various allocable expenses. We budget total R&D expenses on an internal department level basis, and we manage and report our R&D activities across the following four cost categories:

1) Employee-related costs, which include salaries, wages, and benefits;

2) Share-based compensation, which includes expenses associated with our equity plans;

3) External-related costs, which include clinical trial related expenses, other contract research fees, consulting fees, and contract manufacturing fees; and

4) Facilities and other, which include depreciation and other allocated expenses, such as general and administrative support functions, office rent, and insurance.

The following table summarizes our R&D expenses incurred, net of any reimbursements from collaboration partners, as compared to the prior year period:

(In thousands)	Year Ended December 31, 2024	2023	Change $	%
Employee-related	$ 12,212	$ 12,699	$ (487)	(4)%
Share-based compensation	5,104	8,048	(2,944)	(37)
External-related	17,112	14,473	2,639	18
Facilities, depreciation, and other allocated expenses	3,215	5,401	(2,186)	(40)
Total research & development	$ 37,643	$ 40,621	$ (2,978)	(7)%

Total R&D expenses decreased by $3.0 million in 2024, or 7%, compared to 2023. The decrease was primarily driven by a reduction in share-based compensation of $2.9 million and facilities & other expenses of $2.2 million. These reductions were primarily attributed to (i) our previously announced 2023 strategic actions which included the discontinuation of investment in our research activities resulting in employee departures and (ii) allocated company-wide cost savings initiatives.

The R&D expense decreases discussed above were partially offset by a $2.6 million increase in external-related expenses. The increase in external-related expenses was primarily driven by the continued progression of the ampreloxetine Phase 3 clinical study (CYPRESS) for MSA patients with symptomatic nOH and was partially offset by decreases in expenses related to the previously announced close-out of our research programs.

Under certain of our collaborative arrangements, we receive partial reimbursement of external costs, which have been reflected as a reduction of R&D expenses of $0.4 million and $5.7 million for 2024 and 2023, respectively.

Selling, General and Administrative

Selling, general and administrative ("SG&A") expenses consist primarily of salaries and benefits, facilities and overhead costs, and other costs related to areas such as legal, finance, information technology, sales and marketing, and medical affairs.

SG&A expenses, as compared to the prior year period, were as follows:

(In thousands)	Year Ended December 31, 2024	2023	Change $	%
Selling, general and administrative	$ 69,174	$ 70,095	$ (921)	(1)%

Total SG&A expenses were $69.2 million in 2024. Excluding share-based compensation expense ("SBC"), total SG&A expenses were $52.9 million and were comprised of $27.2 million of general and administrative ("G&A") expenses and $25.7 million of selling, marketing & medical affairs ("SM&M") expenses. Total SG&A expenses (excluding SBC) was $53.1 million for the prior year period and were comprised of $31.9 million of G&A expenses and $21.2 million of SM&M expenses. The $4.7 million decrease in G&A expenses (excluding SBC) compared to the prior year period represented a 15% reduction and was primarily due to company-wide cost savings initiatives. SM&M expenses (excluding SBC) increased by $4.5 million in 2024 compared to the prior year period and was primarily due pre-launch medical affairs and commercialization expenses associated with ampreloxetine and an increase in employee-related expenses.

Total SBC related to SG&A expenses was $16.3 million in 2024 compared to $17.0 million in the prior year.

Impairment of Long-Lived Assets

Impairment of long-lived assets, as compared to the prior year period, was as follows:

(In thousands)	Year Ended December 31, 2024	2023	Change $	%
Impairment of long-lived assets (non-cash)	$ 4,513	$ —	$ 4,513	NM %

NM: Not Meaningful

In 2024, we recognized non-cash impairment charges of $4.5 million to impair the carrying value of our operating lease assets associated with our laboratory space and related leasehold improvements located in South San Francisco, California. The laboratory space had been on the sublease market since March 2023. There were no impairment charges related to our long-lived assets in the prior year period.

Restructuring and Related Expenses

Restructuring and related expenses, as compared to the prior year period, were as follows:

(In thousands)	Year Ended December 31, 2024	2023	Change $	%
Restructuring and related expenses	$ —	$ 2,386	$ (2,386)	NM %
Share-based compensation expense (non-cash)	—	357	(357)	NM
Total restructuring and related expenses	$ —	$ 2,743	$ (2,743)	NM %

NM: Not Meaningful

There were no restructuring and related expenses recognized in 2024. The restructuring and related expenses of $2.7 million in 2023 were driven by our 2023 strategic actions that included the discontinuation of our research activities, resulting in a 17% reduction in headcount in March 2023. The restructuring and related expenses were primarily related to one-time severance payments, employee-related separation costs, and the loss on sale of property and equipment. Cash-related expenses and non-cash related expenses associated with the 2023 strategic actions were $1.2 million and $1.5 million in 2023, respectively.

Interest Expense

Interest expense, as compared to the prior year period, was as follows:

(In thousands)	Year Ended December 31, 2024	2023	Change $	%
Ampreloxetine royalty contingency (non-cash)	$ (2,546)	$ (2,350)	$ (196)	8 %

Interest expense in 2024 and 2023 represented non-cash interest expense associated with $25.0 million received from Royalty Pharma Investments (“Royalty Pharma”) in July 2022 to partially fund our CYPRESS study. The increase in interest expense was primarily due to the compounding of non-cash interest due to Royalty Pharma. We do not anticipate having any cash interest expense in the foreseeable future.

Interest Income and Other Income, net

Interest and other income, net, as compared to the prior year period, was as follows:

(In thousands)	Year Ended December 31, 2024	2023	Change $	%
Interest and other income, net	$ 4,881	$ 9,116	$ (4,235)	(46)%

Interest and other income, net, decreased by $4.2 million in 2024 compared to 2023. The decrease was primarily due to a reduction in interest income earned on our cash, cash equivalents, and marketable securities driven by

a significant reduction in such balances over the past year. Our cash, cash equivalents, and marketable securities balances were lower in 2024, compared to the prior year, due to the completion of our previously announced $325.3 million capital return program that began in September 2022 and was completed in early January 2024.

Provision for Income Tax Expense

The provision for income tax expense, as compared to the prior year period, was as follows:

	Year Ended December 31,		Change	
(In thousands)	2024	2023	$	%
Provision for income tax expense	$ (11,804)	$ (5,924)	$ (5,880)	99 %

In 2024, we recognized income tax expense of $11.8 million compared to $5.9 million in 2023. Our income tax for 2024 was primarily attributed to our uncertain tax positions, including interest on historical positions which we began to accrue in the fourth quarter of 2023, and offset by the realization of tax credits.

Liquidity and Capital Resources

As of December 31, 2024, we had approximately $88.4 million in cash, cash equivalents, and investments in marketable securities (excluding restricted cash) and no long-term debt.

In January 2024, we completed our capital return program by repurchasing $0.4 million of our shares. Since the inception of the capital return program in September 2022 through its completion in January 2024, we successfully returned $325.3 million to our shareholders.

In February 2025, we received a $50.0 million milestone from Royalty Pharma Investments (“Royalty Pharma”), which was the maximum we could have received. This milestone was associated with certain royalty thresholds that were achieved by Royalty Pharma related to 2024 TRELEGY global net sales.

Our strategic business plan is subject to significant uncertainties and risks as a result of, among other factors, clinical program outcomes, expenses being higher than anticipated, the sales levels of YUPERLI, whether, when and on what terms we are able to enter into new collaboration arrangements, and the need to satisfy contingent liabilities, including tax, litigation matters and indemnification obligations.

Adequacy of cash resources to meet future needs

We expect our cash, cash equivalents and marketable securities will be sufficient to fund our operations for at least the next twelve months from the issuance date of our consolidated financial statements based on current operating plans and financial forecasts.

Cash Flows

Cash flows, as compared to the prior year period, were as follows:

	Year Ended December 31,		
(In thousands)	2024	2023	Change
Net cash used in operating activities	$ (11,535)	$ (26,997)	$ 15,462
Net cash provided by (used in) investing activities	12,284	(32,697)	44,981
Net cash used in financing activities	(2,497)	(198,933)	196,436

Net cash flows used in operating activities

Net cash used in operating activities was $11.5 million in 2024, consisting of a net loss of $56.4 million, a net increase in cash resulting from adjustments for non-cash and other reconciling items (e.g., share-based compensation expense) of $24.5 million, and a net increase in cash resulting from changes in operating assets and liabilities of $20.4 million.

Net cash used in operating activities was $27.0 million in 2023, consisting of a net loss of $55.2 million, a net increase in cash resulting from adjustments for non-cash and other reconciling items (e.g., share-based compensation expense) of $36.5 million, and a net decrease in cash resulting from changes in operating assets and liabilities of $8.3 million.

Net cash flows provided by (used in) investing activities

Net cash provided by investing activities was $12.3 million in 2024, consisting primarily of cash inflows from the net purchase and maturities of marketable securities of $14.9 million.

Net cash used in investing activities was $32.7 million in 2023, consisting primarily of cash outflows from the net purchase and maturities of marketable securities of $31.7 million and cash outflows from the net purchase and sale of property and equipment of $1.0 million.

Net cash flows used in financing activities

Net cash used in financing activities was $2.5 million in 2024, consisting primarily of $0.4 million of cash outflows related to the repurchase of ordinary shares as part of completion of our capital return program, $0.5 million of cash inflows related to the sale of shares through our employee share purchase program ("ESPP") and $2.7 million of cash outflows related to the repurchase of shares to satisfy tax withholding obligations.

Net cash used in financing activities was $198.9 million in 2023, consisting primarily of $197.1 million of cash outflows related to the repurchase of ordinary shares as part of our capital return program.

Contractual Obligations

The table below represents our contractual obligations, including agreements that, while cancelable as of December 31, 2024, we are likely to continue. Some of the amounts are based on management's estimates and assumptions regarding these obligations, including their duration. As our estimates and assumptions are inherently subjective, the amount of the obligations that we will pay in future periods may differ from the amounts reflected in the table.

		Years			
(In thousands)	Total	Within 1	1 to 3	3 to 5	After 5
Facility operating leases	$ 62,890	$ 11,218	$ 23,096	$ 23,578	$ 4,998
Purchase obligations [1]	30,559	20,919	9,640	—	—
Total	$ 93,449	$ 32,137	$ 32,736	$ 23,578	$ 4,998

(1) This amount does not represent any minimum contract termination liabilities related to our open purchase obligations.

Commitments and Contingencies

We indemnify our officers and directors for certain events or occurrences, subject to certain limits. We maintain insurance policies that may limit our exposure, and therefore, we believe the fair value of these indemnification agreements is minimal. Accordingly, we have not recognized any liabilities relating to these agreements as of December 31, 2024. However, no assurances can be given regarding the amounts that may ultimately be covered by the insurers, and we may incur substantial liabilities because of these indemnification obligations.

Recent Accounting Pronouncements

The information required by this item is included in *"Item 8. Note 1. Organization and Summary of Significant Accounting Policies,"* in our consolidated financial statements included in this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a "smaller reporting company," as defined by Item 10 of Regulation S-K, we are not required to provide this information.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required to be filed pursuant to this Item 8 are appended to this Annual Report on Form 10-K. An index of those financial statements can be found in *"Item 15. Exhibits and Financial Statement Schedules,"* of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

We conducted an evaluation required by paragraph (d) of Rule 13a-15 of the Exchange Act as of December 31, 2024, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Rule 13a-15(e) of the Exchange Act), which are controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. In connection with the preparation of this Annual Report, our management, including our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2024 based on criteria established in *Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission* (2013 framework) (the "COSO criteria"). Based on its assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

As a "smaller reporting company" and "non-accelerated filer" as defined under the rules and regulations of the SEC, we are not required to include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting.

Limitations on the Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Theravance Biopharma have been detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 of the Exchange Act, which occurred during the fourth quarter of the year ended December 31, 2024 which has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal control over financial reporting despite the fact that many of our employees are working remotely.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

For the information required by this Item, see “Questions and Answers About Procedural Matters”, “Election of Directors”, “Nominees”, “Audit Committee”, “Meetings of the Board of Directors”, “Code of Conduct”, “Executive Officers” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement to be filed with the SEC, which sections are incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

For the information required by this Item, see “Director Compensation”, “Executive Compensation” and “Compensation Committee Interlocks and Insider Participation” in the Proxy Statement to be filed with the SEC, which sections are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

For the information required by this Item, see “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” in the Proxy Statement to be filed with the SEC, which sections are incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

For the information required by this Item, see “Director Independence” and “Policies and Procedures for Related Party Transactions” in the Proxy Statement to be filed with the SEC, which sections are incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

For the information required by this Item, see “Ratification of the Appointment of Independent Registered Public Accounting Firm” and “Pre-Approval of Audit and Non-Audit Services” in the Proxy Statement to be filed with the SEC, which sections are incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Financial Statements:

The following financial statements and schedules of the Registrant have been appended to this Annual Report on Form 10-K:

2. Financial Statement Schedules:

All schedules have been omitted because of the absence of conditions under which they are required or because the required information, where material, is shown in the financial statements, financial notes or supplementary financial information.

(b) Exhibits required by Item 601 of Regulation S-K

The information required by this Item is set forth on the exhibit index that precedes the signature page of this report.

Exhibit Index

Exhibit Number	Description	Incorporated by Reference	
		Form	Filing Date/Period End Date
2.1	Separation and Distribution Agreement by and between Theravance Biopharma, Inc. and Innoviva, Inc., dated June 1, 2014	8-K	June 3, 2014
2.2**	Equity Purchase and Funding Agreement, dated as of July 13, 2022, by and between Theravance Biopharma, Inc. and Royalty Pharma Investments 2019 ICAV	8-K	July 14, 2022
3.1	Amended and Restated Memorandum and Articles of Association	8-K	May 3, 2023
4.1	Specimen Share Certificate	10-12B	April 30, 2014
4.2	Registration Rights Agreement, dated March 3, 2014	10-12B	April 8, 2014
4.3	Shelf Rights Plan Resolution	DEF 14A	March 21, 2018
4.4	Sales Agreement between Theravance Biopharma, Inc. and Cowen and Company, LLC dated December 3, 2019	S-3	December 3, 2019
4.5	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	10-K	December 31, 2019
4.6	Registration Rights Agreement among Theravance Biopharma, Inc., GSK Finance (No.3) plc and GlaxoSmithKline plc dated June 22, 2020	8-K	June 25, 2020
4.7	Waiver and Assignment of Registration Rights and Voting Agreement among GSK Finance (No.3) plc, Glaxo Group Limited and Theravance Biopharma, Inc. dated as of June 22, 2020	8-K	June 25, 2020
10.1	Transition Services Agreement by and between Theravance Biopharma, Inc. and Innoviva, Inc., dated June 2, 2014	8-K	June 3, 2014
10.2	Tax Matters Agreement by and between Theravance Biopharma, Inc. and Innoviva, Inc., dated June 2, 2014	8-K	June 3, 2014
10.3	Employee Matters Agreement by and between Theravance Biopharma, Inc. and Innoviva, Inc., dated June 1, 2014	8-K	June 3, 2014
10.4+	Amended and Restated 2013 Equity Incentive Plan	8-K	May 3, 2023
10.5+	UK Addendum to the 2013 Equity Incentive Plan	10-Q	August 14, 2014
10.6+	2014 New Employee Equity Incentive Plan	S-8	November 14, 2014
10.7+	2013 Employee Share Purchase Plan, as amended	S-8	Aug. 18, 2014
10.8+	Forms of award agreements under the 2013 Equity Incentive Plan and 2014 New Employee Equity Incentive Plan	10-Q	May 10, 2016
10.9+	Forms of Equity Award Amendment	10-12B	May 7, 2014
10.10+	Form of Acknowledgment for Irish Non-Employee Directors	10-K	March 11, 2016
10.11+	Irish Addendum to the 2013 Equity Incentive Plan	10-K	March 11, 2016
10.12+	Irish Addendum to the 2014 New Employee Equity Incentive Plan	10-K	March 11, 2016
10.13+	UK and Irish Addendums to the 2013 Employee Share Purchase Plan	10-K	March 11, 2016
10.14+	Theravance Biopharma, Inc. Performance Incentive Plan	8-K	May 6, 2016
10.15+	Form of Notice of Option Grant and Option Agreement under the Company's Performance Incentive Plan	10-Q	November 8, 2017
10.16+	Form of Notice of Performance Restricted Share Unit Award and Restricted Share Unit Agreement under the Company's Performance Incentive Plan	10-Q	November 8, 2017
10.17+	Form of Notice of Restricted Share Unit Award	10-Q	May 10, 2023
10.18+	Form of Restricted Share Purchase Agreement under the Amended and Restated 2013 Equity Incentive Plan	10-Q	May 15, 2024
10.19+**	Theravance Biopharma, Inc. Executive Severance Plan and Summary Plan Description		

Exhibit Number	Description	Incorporated by Reference	
		Form	Filing Date/Period End Date
10.20+	Cash Bonus Program	10-12B	November 22, 2013
10.21+	Form of Indemnity Agreement	10-12B	April 30, 2014
10.22	Amended and Restated Lease Agreement, 951 Gateway Boulevard, between Innoviva, Inc. and HMS Gateway Office L.P., dated January 1, 2001	10-12B	August 1, 2013
10.23	First Amendment to Lease for 951 Gateway Boulevard effective as of June 1, 2010 between Innoviva, Inc. and ARE-901/951 Gateway Boulevard, LLC	10-12B	August 1, 2013
10.24	Lease Agreement, 901 Gateway Boulevard, between Innoviva, Inc. and HMS Gateway Office L.P., dated January 1, 2001	10-12B	August 1, 2013
10.25	First Amendment to Lease for 901 Gateway Boulevard effective as of June 1, 2010 between Innoviva, Inc. and ARE-901/951 Gateway Boulevard, LLC	10-12B	August 1, 2013
10.26	Consent to Assignment by and among ARE-901/951 Gateway Boulevard, LLC, Innoviva, Inc. and Theravance Biopharma, Inc. and Assignment and Assumption of Lease for 901 Gateway Blvd.	10-Q	August 14, 2014
10.27	Consent to Assignment by and among ARE-901/951 Gateway Boulevard, LLC, Innoviva, Inc. and Theravance Biopharma, Inc. and Assignment and Assumption of Lease for 951 Gateway Blvd.	10-Q	August 14, 2014
10.28	Theravance Respiratory Company, LLC Limited Liability Company Agreement, dated May 31, 2014	8-K	June 3, 2014
10.29	Collaboration Agreement between Innoviva, Inc. and Glaxo Group Limited, dated November 14, 2002 (1)		
10.30	Strategic Alliance Agreement by and between Innoviva, Inc. and Glaxo Group Limited, dated March 30, 2004 (2)		
10.31	Amendment to Strategic Alliance Agreement by and between Innoviva, Inc. and Glaxo Group Limited, dated October 3, 2011 (3)		
10.32	Collaboration Agreement Amendment by and between Innoviva, Inc. and Glaxo Group Limited dated, March 3, 2014 (4)		
10.33	Strategic Alliance Agreement Amendment by and between Innoviva, Inc. and Glaxo Group Limited dated, March 3, 2014 (4)		
10.34	Master Agreement by and between Innoviva, Inc., Theravance Biopharma, Inc. and Glaxo Group Limited, dated March 3, 2014 (4)		
10.35	Extension Agreement by and between the Company and Glaxo Group Limited, dated March 3, 2014	10-12B	April 8, 2014
10.36+	Amended Offer Letter with Rick E Winningham dated August 5, 2014	10-Q	November 12, 2014
10.37+	Employment Contract with Aine Miller	10-Q	May 15, 2024
10.38+	Offer Letter with Brett Grimaud dated May 12, 2014	10-Q	May 10, 2023
10.39+	Offer Letter with Aziz Sawaf dated June 16, 2014	10-Q	May 10, 2023
10.40+	Offer Letter with Rhonda Farnum dated July 9, 2018	10-K	March 1, 2024
10.41**	Development and Commercialization Agreement by and between Theravance Biopharma R&D, Inc. and Mylan Ireland Limited, dated January 30, 2015	10-K	December 31, 2020
10.42	Sale and Contribution Agreement, dated as of February 28, 2020, among Theravance Biopharma R&D, Inc., as the transferor, Triple Royalty Sub II LLC, as the transferee, and Theravance Biopharma, Inc.	8-K	March 04, 2020
10.43	Amended and Restated Limited Liability Company Agreement of Triple Royalty Sub II LLC, dated February 28, 2020, by Theravance Biopharma R&D, Inc., as the initial sole equity member	8-K	March 04, 2020
10.44	Annex A - Rules of Construction and Defined Terms of the Amended and Restated Limited Liability Company Agreement of Triple Royalty Sub II LLC, dated February 28, 2020	8-K	March 04, 2020
10.45	Amendments to Lease for 901 Gateway Boulevard between Theravance Biopharma US, Inc. and ARE-901/951 Gateway Boulevard, LLC	10-Q	August 2, 2018

Exhibit Number	Description	Incorporated by Reference	
		Form	Filing Date/Period End Date
10.46	Amendments to Lease for 951 Gateway Boulevard between Theravance Biopharma US, Inc. and ARE-901/951 Gateway Boulevard, LLC	10-Q	August 2, 2018
10.47*	Amendment No. 1 to the Development and Commercialization Agreement by and between Theravance Biopharma Ireland Limited and Mylan Ireland Limited, dated June 12, 2019	10-Q	August 5, 2019
10.48	Cooperation Agreement among Theravance Biopharma, Inc., GSK Finance (No.3) plc and GlaxoSmithKline plc, dated June 22, 2020	8-K	June 25, 2020
10.49**	Master Consent, dated as of July 13, 2022, by and among Glaxo Group Limited, Theravance Biopharma, Inc. and Royalty Pharma Investments 2019 ICAV	8-K	July 14, 2022
10.50	Release Agreement, dated as of July 13, 2022, by and among Innoviva, Inc., Innoviva TRC Holdings LLC, Royalty Pharma Investments 2019 ICAV, Theravance Respiratory Company, LLC, Theravance Biopharma, Inc., Theravance Biopharma US Holdings, Inc. and Triple Royalty Sub II LLC	8-K	July 14, 2022
10.51	Cooperation Agreement, dated as of December 21, 2023, by and among Theravance Biopharma, Inc., a Cayman Islands exempted company, Irenic Capital Management LP, a Delaware limited partnership, Irenic Capital Management GP LLC, a Delaware limited liability company, Irenic Capital Evergreen Master Fund LP, a Cayman Islands limited partnership, and Irenic Capital Evergreen Fund GP LLC, a Delaware limited liability company	8-K	December 21, 2023
10.52+	Separation and Release of Claims by and between Richard Graham and Theravance Biopharma US, Inc.	10-Q	May 15, 2024
19	Theravance Biopharma, Inc. Insider Trading Policy and Guidelines with Respect to Certain Transactions in Securities		
21.1	Subsidiaries of Theravance Biopharma, Inc.		
23.1	Consent of Independent Registered Public Accounting Firm		
24.1	Power of Attorney (see signature page to this Annual Report on Form 10-K)		
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934		
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934		
32	Certifications Pursuant to 18 U.S.C. Section 1350		
97.1	Theravance Biopharma, Inc. Policy for the Recovery of Erroneously Awarded Compensation	10-K	March 1, 2024
101	The following materials from Registrant's Annual Report on Form 10-K for the year ended December 31, 2024, formatted in Inline Extensible Business Reporting Language (iXBRL) includes: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Loss, (iv) Consolidated Statements of Shareholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.		
104	Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101)		

+ Management contract or compensatory plan or arrangement required to be filed pursuant to Item 15(b) of Form 10-K.

* Portions of this exhibit have been omitted, and the omitted information has been filed separately with the Securities and Exchange Commission pursuant to an order granting confidential treatment.

** Portions of this exhibit have been omitted pursuant to Items 601(a)(5), Item 601(b)(2)(ii) or 601(b)(10)(iv) of Regulation S-K.

(1) Incorporated by reference to an exhibit filed with the quarterly report on Form 10-Q of Innoviva, Inc., filed with the Securities and Exchange Commission on August 7, 2014.

(2) Incorporated by reference to an exhibit filed with the annual report on Form 10-K of Innoviva, Inc., filed with the Commission on March 3, 2014.

(3) Incorporated by reference to an exhibit filed with the annual report on Form 10-K of Innoviva, Inc., filed with the Commission on February 27, 2012.

(4) Incorporated by reference to an exhibit filed with the current report on Form 8-K/A of Innoviva, Inc., filed with the Commission on March 6, 2014.

Item 16. Form 10-K Summary

Not Applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THERAVANCE BIOPHARMA, INC.

Date: March 7, 2025

By: /s/ Rick E Winningham
Rick E Winningham
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Rick E Winningham as their true and lawful attorney-in-fact and agent, each with full power of substitution and resubstitution, for such person and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to the annual report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Rick E Winningham Rick E Winningham	Chief Executive Officer (Principal Executive Officer)	March 7, 2025
/s/ Aziz Sawaf Aziz Sawaf	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 7, 2025
/s/ Laurie S. Alsup, M.D. Laurie S. Alsup, M.D.	Director	March 7, 2025
/s/ Eran Broshy Eran Broshy	Director	March 7, 2025
/s/ Jeremy T. Grant Jeremy T. Grant	Director	March 7, 2025
/s/ Susannah Gray Susannah Gray	Chairperson of the Board of Directors	March 7, 2025
/s/ Jim Kelly Jim Kelly	Director	March 7, 2025

Signature	Title	Date
/s/ Dean J. Mitchell Dean J. Mitchell	Director	March 7, 2025
/s/ Donal O'Connor Donal O'Connor	Director	March 7, 2025
/s/ Deepika R. Pakianathan, Ph.D. Deepika R. Pakianathan, Ph.D.	Director	March 7, 2025

THERAVANCE BIOPHARMA, INC.
Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Theravance Biopharma, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Theravance Biopharma, Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive loss, shareholders' equity and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

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

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

Critical Audit Matters

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

Management's Estimates of the Amount and Timing of Ampreloxetine Royalties

Description of the Matter

As described in Note 10 to the consolidated financial statements, in 2022 the Company received $25 million from Royalty Pharma Investments (RPI) in exchange for royalties on future sales of ampreloxetine ("ampreloxetine funding").

The ampreloxetine funding is accounted for as a contingent liability that accretes based on management's estimates of the amount and timing of future royalty payments to RPI. On a periodic basis, the Company reviews the significant inputs used to estimate the ampreloxetine liability to assess whether there are indicators that suggest changes to the amount and timing of future royalty payments to RPI. Any such changes are accounted for prospectively.

Auditing management's assessment of whether changes to the amount and timing of future royalty payments to RPI was complex due to the subjective nature of the factors that can influence future sales of ampreloxetine. Management's royalty forecast involves significant unobservable inputs including forecasted ampreloxetine revenues, the expected term of the royalty stream, as well as the overall probability of ampreloxetine's clinical trial success.

How We Addressed the Matter in Our Audit

We gained an understanding of and tested management's identification of the factors that significantly influence the amount and timing of royalties payable to RPI. To test the assumptions, our audit procedures included (i) performing inquiries of internal personnel responsible for commercial forecasting and clinical operations overseeing the ampreloxetine phase 3 clinical trial, (ii) corroborating certain assumptions against external market research and industry data, and (iii) evaluating whether the timing of revenues were consistent with evidence obtained in other areas of the audit. We also reviewed press releases and other relevant third-party data for evidence indicating whether a material change in future royalty forecasts was necessary. Lastly, we performed sensitivity analyses to quantify the impact of any such changes.

Impairment of Long-Lived Assets

Description of the Matter

As discussed in Note 8 to the consolidated financial statements, the Company evaluates the carrying value of its long-lived asset groups for impairment when indicators exist that the carrying amounts may not be fully recoverable. When indicators of impairment exist, the Company compares the estimated future undiscounted net cash flows to the carrying amount of the asset group. If the carrying amount of the asset group exceeds the future undiscounted cash flows, an impairment is measured based on the difference between the carrying amount of the asset group and its fair value. Indicators of impairment were identified on long-lived asset groups during the year ended December 31, 2024. As a result, the Company recorded an impairment charge of $4.5 million on its right-of-use asset and related leasehold improvements.

Auditing the Company's impairment model was challenging due to the subjective assumption of sublease rental rates used as an input in determining the fair value of the right-of-use asset and related leasehold improvements.

How We Addressed the Matter in Our Audit

To test the Company's accounting for the impairment over the right-of-use asset and related leasehold improvements, our audit procedures included, among others, utilizing our valuation specialists to assist in evaluating the reasonableness of the Company's valuation methodology and the market rental rate assumption, performing an evaluation of market rental rates by benchmarking to other properties of similar type and within the geographic area, and testing the completeness and accuracy of the inputs within the model.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2013.

San Mateo, California

March 7, 2025

THERAVANCE BIOPHARMA, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 37,797	$ 39,545
Short-term marketable securities	50,553	62,881
Receivables from collaborative arrangements	18,440	17,474
Receivables from milestones and royalty assets	50,000	—
Prepaid clinical and development services	73	2,038
Other prepaid and current assets	4,204	11,603
Total current assets	161,067	133,541
Property and equipment, net	7,418	9,068
Operating lease assets	28,354	36,287
Future contingent milestone and royalty assets	144,200	194,200
Restricted cash	836	836
Other assets	12,286	8,067
Total assets	$ 354,161	$ 381,999
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 2,242	$ 1,524
Accrued personnel-related expenses	7,019	6,443
Accrued clinical and development expenses	1,058	2,246
Accrued general and administrative expenses	2,987	2,900
Operating lease liabilities	10,712	3,923
Income tax payable	5,853	—
Other accrued liabilities	2,214	1,241
Tenant improvement payable to sublessee	—	6,490
Total current liabilities	32,085	24,767
Long-term operating lease liabilities	39,108	45,236
Future royalty payment contingency	30,334	27,788
Unrecognized tax benefits	75,199	65,294
Other long-term liabilities	1,890	5,919
Commitments and contingencies (Note 16)		
Shareholders' Equity		
Preferred shares, $0.00001 par value per share: 230 shares authorized, no shares issued or outstanding	—	—
Ordinary shares, $0.00001 par value per share: 200,000 shares authorized; 49,471 and 48,091 shares issued and outstanding at December 31, 2024 and December 31, 2023, respectively	—	—
Additional paid-in capital	1,141,060	1,122,164
Accumulated other comprehensive income (loss)	7	(65)
Accumulated deficit	(965,522)	(909,104)
Total shareholders' equity	175,545	212,995
Total liabilities and shareholders' equity	$ 354,161	$ 381,999

See accompanying notes to consolidated financial statements

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

	Year Ended December 31,	
	2024	2023
Revenues:		
Viatris collaboration agreement	$ 64,381	$ 57,201
Viatris royalties (Non-US)	—	7
Collaboration revenue	—	216
Total revenues	64,381	57,424
Expenses:		
Research and development (1)	37,643	40,621
Selling, general and administrative (1)	69,174	70,095
Impairment of long-lived assets (non-cash)	4,513	—
Restructuring and related expenses (1)	—	2,743
Total expenses	111,330	113,459
Loss from operations	(46,949)	(56,035)
Interest expense (non-cash)	(2,546)	(2,350)
Interest and other income, net	4,881	9,116
Loss before income taxes	(44,614)	(49,269)
Provision for income tax expense	(11,804)	(5,924)
Net loss	$ (56,418)	$ (55,193)
Net loss per share:		
Basic and diluted net loss per share	$ (1.15)	$ (1.00)
Shares used to compute basic and diluted net loss per share	48,847	55,303

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

	Year Ended December 31,	
(In thousands)	**2024**	**2023**
Research and development	$ 5,104	$ 8,048
Selling, general and administrative	16,289	16,966
Restructuring and related expenses	—	357
Total share-based compensation expense	$ 21,393	$ 25,371

See accompanying notes to consolidated financial statements.

THERAVANCE BIOPHARMA, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Year Ended December 31,	
	2024	2023
Net loss	$ (56,418)	$ (55,193)
Other comprehensive income (loss):		
Net unrealized gain (loss) on available-for-sale investments, net of tax	72	(50)
Comprehensive loss	$ (56,346)	$ (55,243)

See accompanying notes to consolidated financial statements.

THERAVANCE BIOPHARMA, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands)

	Ordinary Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount				
Balances at December 31, 2022	65,227	$ 1	$ 1,295,725	$ (15)	$ (853,911)	$ 441,800
Repurchase of ordinary shares, net of transaction costs	(18,634)	(1)	(197,051)	—	—	(197,052)
Proceeds from ESPP purchases	86	—	619	—	—	619
Employee share-based compensation expense	—	—	25,371	—	—	25,371
Issuance of restricted shares	1,651	—	—	—	—	—
Repurchase of shares to satisfy tax withholding	(239)	—	(2,500)	—	—	(2,500)
Net unrealized loss on marketable securities	—	—	—	(50)	—	(50)
Net loss	—	—	—	—	(55,193)	(55,193)
Balances at December 31, 2023	48,091	$ —	$ 1,122,164	$ (65)	$ (909,104)	$ 212,995

	Ordinary Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount				
Balances at December 31, 2023	48,091	$ —	$ 1,122,164	$ (65)	$ (909,104)	$ 212,995
Repurchase of ordinary shares, net of transaction costs	(38)	—	(445)	—	—	(445)
Proceeds from the sale of ordinary shares	11	—	99	—	—	99
Proceeds from ESPP purchases	61	—	508	—	—	508
Employee share-based compensation expense	—	—	21,393	—	—	21,393
Issuance of restricted shares	1,641	—	—	—	—	—
Repurchase of shares to satisfy tax withholding	(295)	—	(2,659)	—	—	(2,659)
Net unrealized gain on marketable securities	—	—	—	72	—	72
Net loss	—	—	—	—	(56,418)	(56,418)
Balances at December 31, 2024	49,471	$ —	$ 1,141,060	$ 7	$ (965,522)	$ 175,545

See accompanying notes to consolidated financial statements.

THERAVANCE BIOPHARMA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,	
	2024	**2023**
Operating activities		
Net loss	$ (56,418)	$ (55,193)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,710	2,001
Amortization and accretion on investment securities, net	(2,509)	(1,897)
Future royalty payment contingency interest accretion	2,546	2,350
Share-based compensation	21,393	25,371
Loss on disposal of property and equipment	34	1,352
Loss on impairment of long-lived assets	4,513	—
Amortization of right-of-use assets	4,414	4,152
Deferred income taxes	(7,573)	3,207
Changes in operating assets and liabilities:		
Receivables from collaborative and licensing arrangements	(966)	(689)
Prepaid clinical and development services	1,965	(526)
Other prepaid and current assets	7,399	(3,921)
Right-of-use lease assets	(707)	(314)
Other assets	411	(1,233)
Accounts payable	750	6
Accrued personnel-related expenses, accrued clinical and development expenses, and other accrued liabilities	1,468	(7,095)
Deferred revenue	—	(216)
Operating lease liabilities	661	(3,001)
Unrecognized tax benefits	9,906	1,102
Other long-term liabilities	(532)	7,547
Net cash used in operating activities	(11,535)	(26,997)
Investing activities		
Purchases of property and equipment	(332)	(2,488)
Purchases of marketable securities	(140,743)	(134,534)
Maturities of marketable securities	139,813	31,435
Purchase of derivative	(2,292)	—
Sale of short-term investments and marketable securities	15,838	71,377
Proceeds from the sale of property and equipment	—	1,513
Net cash provided by (used in) investing activities	12,284	(32,697)
Financing activities		
Ordinary share repurchases	(445)	(197,051)
Proceeds from the sale of ordinary shares	99	—
Proceeds from ESPP purchases	508	618
Repurchase of shares to satisfy tax withholding	(2,659)	(2,500)
Net cash used in financing activities	(2,497)	(198,933)
Net decrease in cash, cash equivalents, and restricted cash	(1,748)	(258,627)
Cash, cash equivalents, and restricted cash at beginning of period	40,381	299,008
Cash, cash equivalents, and restricted cash at end of period	$ 38,633	$ 40,381
Supplemental disclosure of cash flow information		
Cash paid for income taxes, net	$ 109	$ 24
Supplemental disclosure of non-cash activities		
Recognition of tenant improvement allowance assigned to sublease	$ —	$ 6,490

See accompanying notes to consolidated financial statements.

THERAVANCE BIOPHARMA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Theravance Biopharma, Inc. (“Theravance Biopharma” or the “Company”) is a biopharmaceutical company primarily focused on the development and commercialization of medicines. The Company’s focus is to deliver *medicines that make a difference*® in people's lives.

Basis of Presentation

The Company’s consolidated financial statements as of December 31, 2024 and 2023, and for the year ended December 31, 2024 and 2023 have been prepared in conformity with United States (“US”) Generally Accepted Accounting Principles ("GAAP"), and the US Securities and Exchange (“SEC”) regulations for annual reporting.

Principles of Consolidation

The consolidated financial statements include the accounts of Theravance Biopharma and its wholly-owned subsidiaries, all of which are denominated in US dollars. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures in the consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and on assumptions believed to be reasonable under the circumstances. Due to the inherent uncertainty in making estimates, actual results in future periods could differ materially from those estimates.

Liquidity and Capital Resources

The Company expects its cash, cash equivalents, and marketable securities will be sufficient to fund its operations for at least the next twelve months from the issuance date of these consolidated financial statements based on current operating plans and financial forecasts.

Segment Reporting

The Company has determined that its chief executive officer is the chief operating decision maker (“CODM”). The Company’s business offerings have similar economics and other characteristics, including the nature of products, types of customers, distribution methods, and regulatory environment. As a result, the Company has concluded that it operates in a single segment which is the development and commercialization of human therapeutics. Additional significant segment expenses are provided on a quarterly basis to the CODM to support the CODM’s decision-making process. See *“Note 3. Segment Information”* for more information.

Cash and Cash Equivalents

The Company considers all highly-liquid investments purchased with a maturity of three months or less on the date of purchase to be cash equivalents. Cash equivalents are carried at cost which approximates fair value due to their short-term nature.

Restricted Cash

The Company maintains restricted cash for certain lease agreements and letters of credit by which the Company has pledged cash and cash equivalents as collateral. See *“Note 4. Cash, Cash Equivalents, and Restricted Cash”* for more information.

Investments in Marketable Securities

The Company invests in marketable securities, primarily commercial paper, corporate notes, US government bonds and US government agency bonds. Marketable debt securities with original maturities of greater than three months and remaining maturities of less than 12 months are considered short-term investments. Marketable debt securities with maturities greater than 12 months are considered long-term investments. The Company determines the appropriate classification of the marketable securities at the time they are acquired and evaluates the appropriateness of such classifications at each balance sheet date. The Company classifies its marketable securities as available-for-sale securities and reports them at fair value in cash and cash equivalents or marketable securities on the consolidated balance sheets.

Unrealized gains and losses are included as a component of "Accumulated other comprehensive income (loss)" in shareholders' equity of the consolidated balance sheets and as a component of "Other comprehensive income (loss)" in the consolidated statements of operations and comprehensive income (loss). The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity, which is included as a component of "Interest and other income (expense), net" on the consolidated statements of operations.

The cost of securities sold is based on the specific identification method. Realized gains and losses and interest and dividends on securities are included in interest and other income (expense). In circumstances where the Company intends to sell, or is more likely than not required to sell, the security before it recovers its amortized cost basis, the difference between fair value and amortized cost is recognized as a loss in the consolidated statements of operations, with a corresponding write-down of the security's amortized cost.

The Company accounts for credit losses on available-for-sale debt securities in accordance with Accounting Standards Codification ("ASC"), Topic 326, *Financial Instruments – Credit Losses* ("ASC 326"). Under ASC 326, the Company regularly reviews its debt securities in an unrealized loss position to determine if the unrealized loss was credit-related or noncredit-related. The factors considered in determining whether credit losses exist include, but are not limited to, the creditworthiness of the security issuers, the severity and duration of the unrealized losses, any adverse conditions specifically related to the security, an industry, or geographic area, and whether the Company has the intent to sell the securities and whether it is more likely than not that the Company will be required to sell the securities before the recovery of the security's amortized cost basis. The Company did not recognize any credit losses on available-for-sale debt securities for the year ended December 31, 2024 and 2023.

Fair Value of Financial Instruments

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820") establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1 — Unadjusted quoted prices for identical instruments in active markets;

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable (e.g., interest rates, yield curves, etc.); and

Level 3 — Unobservable inputs and little, if any, market activity which require the Company to develop its own assumptions.

The Company's financial instruments include cash equivalents, marketable securities, derivatives, receivables from collaborative arrangements, accounts payable, and accrued liabilities. Cash equivalents and marketable securities are carried at estimated fair value and remeasured on a recurring basis. The carrying value of receivables from

collaborative arrangements, accounts payable, and accrued liabilities approximate their estimated fair value due to the relatively short-term nature of these instruments.

Fair Value of Derivative

The Company utilizes a financial instrument to manage its exposure to financial risk and to mitigate potential tax liability. The Company determined that the financial instrument met the definition of a derivative under ASC Topic 815, *Derivatives and Hedging*.

The Company records the fair value of the derivative, on the date of issuance and at the end of each subsequent reporting period, as an asset on the consolidated balance sheets. The Company utilizes the derivative for risk management purposes and not for speculative trading or hedging purposes, and therefore, any changes in the fair value of the derivative are recorded each period within "Interest and other income (expense), net" on the consolidated statements of operations. The cash flow effect of the derivative is included within net cash provided by (used in) investing activities on the consolidated statements of cash flows.

Receivables from Collaborative Arrangements

For the periods presented, the Company's receivables from collaborative arrangements relate to amounts due arising from its collaboration (and licensing) agreements. When appropriate, the Company provides for an allowance for credit losses. The Company performs periodic credit evaluations of its customers and generally does not require collateral. For the year ended December 31, 2024 and 2023, the Company did not have any material write-offs of receivables from collaborative arrangements.

Concentration of Credit Risks

The Company invests in a variety of financial instruments and, based on its policy, limits the amount of credit exposure with any one issuer, industry, or geographic area for investments other than instruments backed by the US federal government.

The Company's future contingent milestone and royalty assets and receivables primarily relate to amounts due under its collaboration and other agreements. Accordingly, the Company may be exposed to credit risk generally associated with pharmaceutical companies or specific to its collaboration and other agreements. The Company performs periodic evaluations of its customers and generally does not require collateral. For the year ended December 31, 2024 and 2023, the Company did not experience any losses related to its receivables.

Property and Equipment

Property, equipment, and leasehold improvements are stated at cost, net of accumulated depreciation, and are depreciated using the straight-line method over the estimated useful lives as presented in the table below. Upon retirement or sale, the cost of the disposed assets and the related accumulated depreciation are removed from the consolidated balance sheets and any resulting gain or loss is reflected in the consolidated statements of operations in the period realized.

Leasehold improvements	Shorter of remaining lease terms or useful life
Equipment, furniture and fixtures	5 - 7 years
Software and computer equipment	3 - 5 years

Leases

The Company determines whether a contract is or contains a lease at inception of the arrangement. In evaluating whether a contract is indicative of a lease, the Company considers all relevant facts and circumstances to assess whether the arrangement has extended to the Company the right to both (i) obtain substantially all the economic benefits from use of an identified asset and (ii) direct the use of the identified asset. To the extent that the Company determines a contract represents a lease, the arrangement is classified as either an operating lease or a finance lease, with the classification affecting the presentation and pattern of expense recognition in the consolidated statements of operations. The Company did not have any finance leases at either December 31, 2024 or 2023.

Operating lease assets represent the Company's right to use an underlying asset over the lease term, and operating lease liabilities represent the Company's obligation to make lease payments arising from the leasing arrangement. The Company records operating leases on the consolidated balance sheets through an operating lease asset and a corresponding short-term and long-term operating lease liability, as applicable. Lease liabilities are measured based on the present value of lease payments over the lease term discounted at the implicit interest rate at the commencement date of the leasing arrangement, when readily available or using the Company's incremental borrowing rate, if the implicit rate is not determinable. The incremental borrowing rate is considered the estimated rate of interest that the Company would have to pay to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment. The Company measures its operating lease assets based on the corresponding operating lease liabilities adjusted for (i) prepayments made to the lessor at or before the commencement date; (ii) any initial direct costs incurred; and (iii) tenant incentives granted under the lease contract.

In calculating operating lease assets and liabilities, the Company may elect to combine lease and non-lease components based on the asset type. When combining lease and non-lease components, the Company would account for the lease and non-lease components as a single lease component. The Company's lease terms may include options to extend the lease only when it is reasonably certain that such options will be exercised, and the Company recognizes lease expense on a straight-line basis over the lease term.

Operating lease assets and operating lease liabilities are remeasured upon reassessment events and modifications to leases using the present value of remaining lease payments and incremental borrowing rate at the time of remeasurement, as applicable. Operating lease assets are evaluated for possible impairment in accordance with the Company's long-lived assets policy.

The Company recognizes variable lease payments as operating expenses in the period in which the obligation for those payments is incurred. Variable lease payments primarily include common area maintenance, utilities, real estate taxes, insurance, and other operating costs that are passed on from the lessor in proportion to the space leased by the Company.

The Company has elected to not recognize operating lease assets or liabilities for leases that have a lease term of 12 months or less at commencement date, and the lease expense related to these short-term lease arrangements is recognized on a straight-line basis over the term of the lease.

Future Contingent Milestone and Royalty Assets

Future contingent milestone and royalty assets consisted of an estimated $144.2 million in contingent consideration ("Contingent Consideration") on the Company's consolidated balance sheets as of December 31, 2024 (see "*Note 9. Future Contingent Milestone and Royalty Assets"* for more information). The Contingent Consideration was initially measured at fair value in July 2022 utilizing a Monte Carlo simulation model to calculate the present value of the risk-adjusted cash flows estimated to be received from the Contingent Consideration. The fair value model involved significant unobservable inputs derived using Company estimates. The Company's estimates were based in part on external data and reflected its judgements and forecasts. The primary significant unobservable input was the estimate of forecasted TRELEGY® ELLIPTA net revenues which is considered a Level 3 fair value input. The Company periodically reassesses the carrying value of the Contingent Consideration when indicators of impairment are identified, and the Company will recognize an impairment loss if the carrying value materially exceeds the reassessed fair value.

In February 2025, the Company received a $50.0 million milestone from Royalty Pharma Investments ("Royalty Pharma"), which was the maximum it could have received. This milestone was associated with certain royalty thresholds that were achieved by Royalty Pharma related to 2024 TRELEGY global net sales.

Future Royalty Payment Contingency

The Company treats contingent liabilities related to sale of future royalties (see "*Note 10. Ampreloxetine Funding"* for more information) as debt financings, amortized under the effective interest method over the estimated life of the related expected royalty stream. The contingent liabilities related to sale of future royalties and the debt

amortization are based on current estimates of the amount and timing of future royalty payments, including the potential for any future funding milestones. The Company periodically reassesses the amount and timing of estimated royalty payments based on internal sales projections and external information from market data sources, which are considered Level 3 inputs. To the extent the Company's estimates of the amount and timing of future royalty payments are materially greater or less than previous estimates, the Company will prospectively adjust the amortization of the contingent liability and effective interest rate.

Impairment of Long-Lived Assets

The Company regularly reviews its long-lived assets, including operating lease assets, to determine whether indicators of impairment may exist. If indicators of impairment exist, the Company performs a test of recoverability by comparing the estimated undiscounted future cash flows expected to result from the use of the asset over its useful life to the carrying value of the long-lived asset. If the carrying value of the long-lived asset exceeds such estimated undiscounted cash flows, the Company would determine the fair value of the long-lived assets using the estimated discounted future cash flow approach. The Company will recognize an impairment loss for the amount in which the carrying value exceeds the estimated fair value of the long-lived asset. For the year ended December 31, 2024, the Company recognized a non-cash impairment charge of $4.5 million related to its long-lived assets consisting of operating lease assets and leasehold improvements. The Company did not recognize any impairment losses related to its long-lived assets for the year ended December 31, 2023.

Revenue Recognition

The Company recognizes revenue under ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, an entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

At contract inception, once the contract is determined to be within the scope of ASC 606, the Company identifies the performance obligations in the contract by assessing whether the goods or services promised within each contract are distinct. The Company then recognizes revenue for the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Collaborative Arrangements under ASC 606

The Company enters into collaborative arrangements with partners that fall under the scope of ASC Topic 808, *Collaborative Arrangements* ("ASC 808"). While these arrangements are in the scope of ASC 808, the Company may analogize to ASC 606 for some aspects of these arrangements. The Company analogizes to ASC 606 for certain activities within collaborative arrangements for the delivery of a good or service (i.e., a unit of account) that is part of its ongoing major or central operations. Revenue recognized by analogizing to ASC 606 is recorded as "collaboration revenue" or "licensing revenue" whereas revenue recognized in accordance with ASC 808 is recorded on a separate collaboration revenue line on the consolidated statements of operations.

The terms of the Company's collaborative arrangements typically include one or more of the following: (i) up-front fees; (ii) milestone payments related to the achievement of development, regulatory, or commercial goals; (iii) royalties on net sales of licensed products; (iv) reimbursements or cost-sharing of research and development expenses; and (v) profit/loss sharing arising from co-promotion arrangements. Each of these payments results in collaboration revenues or an offset against research and development expense. Where a portion of non-refundable up-front fees or other payments received is allocated to continuing performance obligations under the terms of a collaborative arrangement, they are recorded as deferred revenue and recognized as collaboration revenue when (or as) the underlying performance obligation is satisfied.

As part of the accounting for these arrangements, the Company must develop estimates and assumptions that require judgment to determine the underlying stand-alone selling price for each performance obligation which

determines how the transaction price is allocated among the performance obligations. The estimation of the stand-alone selling price may include such estimates as, forecasted revenues or costs, development timelines, discount rates, and probabilities of technical and regulatory success. The Company evaluates each performance obligation to determine if they can be satisfied at a point in time or over time, and it measures the services delivered to the collaborative partner which are periodically reviewed based on the progress of the related program. The effect of any change made to an estimated input component and, therefore revenue or expense recognized, would be recorded as a change in estimate. In addition, variable consideration (e.g., milestone payments) must be evaluated to determine if it is constrained and, therefore, excluded from the transaction price.

Up-front Fees: If a license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes collaboration revenues from the transaction price allocated to the license when the license is transferred to the licensee and the licensee is able to use and benefit from the license. For licenses that are bundled with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing collaboration revenue from the allocated transaction price. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue or expense recognition as a change in estimate.

Milestone Payments: At the inception of each arrangement that includes milestone payments (variable consideration), the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the Company's or the collaborative partner's control, such as non-operational developmental and regulatory approvals, are generally not considered probable of being achieved until those approvals are received. At the end of each reporting period, the Company re-evaluates the probability of achievement of milestones that are within its or the collaborative partner's control, such as operational developmental milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect collaboration revenues and earnings in the period of adjustment. Revisions to the Company's estimate of the transaction price may also result in negative collaboration revenues and earnings in the period of adjustment.

Royalties: For arrangements that include sales-based royalties, including commercial milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Reimbursement, cost-sharing and profit-sharing payments: Under certain collaborative arrangements, the Company has been reimbursed for a portion of its research and development expenses or participates in the cost-sharing of such research and development expenses. Such reimbursements and cost-sharing arrangements have been reflected as a reduction of research and development expense in the Company's consolidated statements of operations, as the Company does not consider performing research and development services for reimbursement to be a part of its ongoing major or central operations.

Research and Development Expenses

Research and development ("R&D") expenses are recorded in the period that services are rendered or goods are received. R&D expenses consist of salaries and benefits, facility costs, and fees paid to third-parties that conduct certain clinical study activities on behalf of the Company, net of certain external R&D expenses reimbursed under the Company's collaborative arrangements.

As part of the process of preparing its consolidated financial statements, the Company is required to estimate and accrue certain R&D expenses. This process involves the following:

- identifying services that have been performed on the Company's behalf and estimating the level of service performed and the associated cost incurred for the service when the Company has not yet been invoiced or otherwise notified of actual cost;
- estimating and accruing expenses in the Company's consolidated financial statements as of each balance sheet date based on facts and circumstances known to it at the time; and
- periodically confirming the accuracy of the Company's estimates with selected service providers and making adjustments, if necessary.

Examples of estimated R&D expenses that the Company may accrue include:

- fees paid to investigative sites in connection with clinical studies;
- fees paid to contract manufacturing organizations ("CMOs") in connection with the production of clinical study materials; and
- professional service fees for consulting and related services.

The Company bases its expense accruals related to clinical studies on its estimates of the services received and efforts expended pursuant to contracts with multiple research institutions that conduct and manage clinical studies on the Company's behalf. The financial terms of these agreements vary from contract to contract and may result in uneven payment flows. Payments under some of these contracts depend on factors, such as the successful enrollment of patients and the completion of clinical study milestones. The Company's service providers typically invoice it monthly in arrears for services performed. In accruing service fees, the Company estimates the time period over which services will be performed and the level of effort to be expended in each period. If the Company does not identify costs that it has begun to incur or if it underestimates or overestimates the level of services performed or the costs of these services, the Company's actual expenses could differ from its estimates.

To date, the Company has not experienced significant changes in its estimates of accrued R&D expenses after a reporting period. However, due to the nature of estimates, there is no assurance that the Company will not make changes to its estimates in the future as it becomes aware of additional information about the status or conduct of its clinical studies and other R&D activities. Such changes in estimates will be recognized as R&D expenses in the period that the change in estimate occurs.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses are recorded in the period that services are rendered or goods are received. SG&A expenses consist primarily of salaries and benefits, facilities and overhead costs, and other costs related to areas such as legal, finance, information technology, sales and marketing, and medical affairs.

Advertising Expenses

The Company expenses the costs of advertising, including promotional expenses, as incurred. Advertising expenses were $4.3 million and $5.1 million for the year ended December 31, 2024 and 2023, respectively.

Share-Based Compensation

The Company issues share-based awards to employees and non-employees, generally in the form of share options and restricted share units ("RSUs"). Share-based compensation expense is calculated based on awards ultimately expected to vest and is reduced for actual forfeitures as they occur. The Company expenses these share-based awards over the requisite service period on a straight-line basis, based on the grant date fair value of the awards.

The Company determines the fair value of RSUs to be the closing market price of the Company's common shares on the day of grant. The Company uses the Black-Scholes-Merton option pricing model to estimate the fair value of share options granted under its equity incentive plans and rights to acquire shares granted under its employee share purchase plan ("ESPP"). The Black-Scholes-Merton option pricing model requires the use of assumptions, including: (i) the expected term of the options and ESPP purchases; (ii) the share's expected dividend yield; (iii) the expected share price volatility; and (iv) the risk-free interest rate. The expected term of options is based on historical option exercise behavior. Share price volatility is based on the historical volatility, and the risk-free interest rate is based on the US Treasury rate commensurate with the expected term of the associated award.

The Company may also issue performance-contingent RSUs ("PSUs") that settle in the Company's ordinary shares. The fair value of PSUs is determined on the day of grant using the number of shares expected to be vested and the closing market price of the shares on the grant date. The number of shares expected to vest is determined by assessing the probability that the performance criteria will be met and the associated targeted payout level that is forecasted will be achieved. For PSUs, the Company recognizes share-based compensation expense over the requisite service period using the accelerated attribution method when achievement of the performance criteria is considered probable based on the Company's best estimate at the end of each reporting period.

The Company may also issue market-based RSUs that settle in the Company's ordinary shares. Market-based RSUs vest upon the Company's shares meeting certain market-based price targets followed by a service period. The fair value of the market-based RSUs is determined using a Monte-Carlo valuation model. Share-based compensation expense is recognized over the requisite service period regardless of whether or not the market-based price targets are deemed probable, and the share-based compensation expense is not reversed solely because the market-based price target is not achieved.

Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities and are measured using enacted tax rates and laws that are anticipated to be in effect when the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company's total gross unrecognized tax benefits associated with uncertain tax positions of $83.7 million and $79.5 million, as of December 31, 2024 and December 31, 2023, respectively, may impact the effective tax rate in the period of recognition. The Company released its federal valuation allowance as of December 31, 2022. As a result, the statutes of limitations have started on the Company's federal unrecognized tax benefits. The timing of the effective tax rate benefit is dependent on the expiration of these statutes of limitations, as well as any favorable settlement of the Company's uncertain positions in the future.

The Company assesses all material positions, including all significant uncertain positions, in all tax years that are still subject to assessment or challenge by relevant taxing authorities. Assessing an uncertain tax position begins with the initial determination of the position's sustainability and is measured at the largest amount of benefit that is greater than 50% likely to be realized upon ultimate settlement. As of each balance sheet date, unresolved uncertain tax positions must be reassessed, and the Company will determine whether the factors underlying the sustainability assertion have changed and whether the amount of the recognized tax benefit is still appropriate.

The recognition and measurement of tax benefits requires significant judgment. The Company has taken certain positions where it believes that its position is greater than 50% likely to be realized upon ultimate settlement and for which no reserve for uncertain tax positions has been recorded. If the Company does not ultimately realize the expected benefit of these positions, it will record additional income tax expenses in future periods. Judgments concerning the recognition and measurement of a tax benefit might change as new information becomes available.

Any tax levied or credited by a governmental taxing authority that is not based on the Company's income is outside the scope of accounting for income taxes. Therefore, the Company records such items as a component of its loss before income taxes.

Net Loss per Share and Anti-dilutive Securities

Basic net loss per share is computed by dividing net loss by the weighted-average number of shares outstanding during the period. Diluted net loss per share is computed by increasing the weighted-average number of shares outstanding for the dilutive effect of potential ordinary shares. The Company's potential ordinary shares include outstanding options to purchase ordinary shares and RSUs, including market-based and performance-contingent awards. See *"Note 11. Share-Based Compensation"* for information related to outstanding options and RSUs as of December 31, 2024 and 2023.

In accordance with ASC Topic 260, *Earnings Per Share*, if a company incurred a net loss, then potential ordinary shares are considered anti-dilutive for the periods in which the net loss was recognized. For the year ended December 31, 2024 and 2023, the Company recognized net losses. As a result, the potential ordinary shares as described above were not included in the computation of diluted net loss per share due to their anti-dilutive effects.

	Year Ended December 31,	
(In thousands, except per share data)	**2024**	**2023**
Numerator:		
Net loss	$ (56,418)	$ (55,193)
Denominator:		
Weighted-average ordinary shares outstanding - basic and diluted	48,847	55,303
Net loss per share - basic and diluted	$ (1.15)	$ (1.00)

Comprehensive Loss

Comprehensive loss is comprised of net loss and changes in unrealized gains and losses on the Company's available-for-sale investments.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). ASU 2023-07 requires enhanced disclosures about a public entity's significant segment expenses and more timely and detailed segment information reporting throughout the fiscal period, including for entities with a single reportable segment. ASU 2023-07 became effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024. The Company adopted ASU 2023-07 for the year ended December 31, 2024, and the Company has included additional significant segment expense disclosures in "*Note 3. Segment Information"*.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires entities to provide additional information in their tax rate reconciliation and additional disclosures about income taxes paid by jurisdiction. ASU 2023-09 is effective on a prospective basis for annual periods beginning after December 15, 2024. The Company is evaluating the impact of adopting ASU 2023-09 on its consolidated financial statements income tax disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"). ASU 2024-03 modifies the rules on income statement disclosures to enhance the transparency of and include more detailed information about the types of expenses, including purchases of inventory, employee compensation, depreciation, amortization, and depletion, in commonly presented expense captions such as cost of sales, research and development, and selling, general and administrative

expenses. ASU 2024-03 is effective for annual periods beginning after December 15, 2026. All entities should apply the guidance prospectively, but have the option to apply it retrospectively, and early adoption is permitted. The Company is evaluating the impact of adopting ASU 2024-03 on its consolidated financial statements and related disclosures.

The Company has evaluated other recently issued accounting pronouncements and does not currently believe that any of these pronouncements will have a material impact on its consolidated financial statements and related disclosures.

2. Revenue

Revenues from Collaborative Arrangements

Viatris

In January 2015, the Company and Viatris Inc. ("Viatris") established a strategic collaboration (the "Viatris Agreement") for the development and commercialization of revefenacin, including YUPELRI® (revefenacin) inhalation solution. The Company entered into the collaboration to expand the breadth of its revefenacin development program and extend its commercial reach. In November 2018, YUPELRI was approved by the US Food and Drug Administration (the "FDA") for the maintenance treatment of patients with chronic obstructive pulmonary disease ("COPD").

In the US, Viatris is leading the commercialization of YUPELRI, and the Company co-promotes the product under a profit and loss sharing arrangement (65% to Viatris; 35% to the Company). Outside the US (excluding China and adjacent territories), Viatris is responsible for development and commercialization and will pay the Company a tiered royalty on net sales at percentage royalty rates ranging from low double-digits to mid-teens. Viatris also holds exclusive development and commercialization rights to nebulized revefenacin in China and adjacent territories, which include the Hong Kong SAR, the Macau SAR, and Taiwan, and the Company is eligible to receive low double-digit tiered royalties on net sales of nebulized revefenacin in this region, if approved. Viatris is responsible for all aspects of development and commercialization in the China and adjacent territories, including pre- and post-launch activities and product registration and all associated costs. Viatris is the principal in the YUPELRI sales transactions, and as a result, the Company does not reflect the product sales in its consolidated financial statements.

As of December 31, 2024, the Company is eligible to receive from Viatris potential global development, regulatory and sales milestone payments (excluding China and adjacent territories) up to $205.0 million in the aggregate, with $160.0 million associated with YUPELRI monotherapy and $45.0 million associated with future potential combination products. Of the $160.0 million associated with monotherapy, $150.0 million relates to sales milestones based on achieving certain levels of US net sales and $10.0 million relates to regulatory actions in the European Union ("EU"). The Company is also eligible to receive additional potential development and sales milestones up to $52.5 million related to Viatris' development and commercialization of nebulized revefenacin in China and adjacent territories with $45.0 million associated with YUPELRI monotherapy and $7.5 million associated with future potential combination products. Of the $45.0 million associated with monotherapy, $37.5 million relates to sales milestones based on achieving certain levels of net sales and $7.5 million relates to regulatory approval in China.

The Viatris Agreement is considered to be within the scope of ASC 808, *Collaborative Arrangements*, as the parties are active participants and exposed to the risks and rewards of the collaborative activity with a unit of account provided to Viatris as a customer. Under the terms of the Viatris Agreement, which included the delivery by the Company of a license to Viatris to develop and commercialize revefenacin, Viatris was responsible for reimbursement of the Company's costs related to the registrational program up until the approval of the first new drug application in November 2018; thereafter, R&D expenses are shared by both parties according to the profit and loss sharing percentages noted above. Performing R&D services for reimbursement is considered a collaborative activity under the scope of ASC 808. Reimbursable program costs are recognized proportionately with the performance of the underlying services and accounted for as reductions to R&D expense. For this unit of account, the Company did not recognize revenue or analogize to ASC 606, *Revenue Recognition*, and, as such, the reimbursable program costs are excluded from the original transaction price.

The future potential milestone amounts for the Viatris Agreement were not included in the original transaction price, as they were all determined to be fully constrained following the concepts of ASC 606. As part of the Company's evaluation of the development and regulatory milestones constraint, the Company determined that the achievement of

such milestones is contingent upon success in future clinical trials and regulatory approvals which are not within its control and uncertain at this stage. The Company expects that the sales-based milestone payments and royalty arrangements will be recognized when the sales occur or the milestone is achieved.

Following the FDA approval of YUPELRI in November 2018, net amounts payable to or receivable from Viatris each quarter under the profit-sharing structure are disaggregated according to their individual components. In accordance with the applicable accounting guidance, amounts receivable from Viatris in connection with the commercialization of YUPELRI are recorded within the consolidated statements of operations as revenue from "Viatris collaboration agreement" irrespective of whether the overall collaboration is profitable.

The following YUPELRI-related amounts were recognized within revenue in the Company's consolidated statements of operations:

	Year Ended December 31,	
(In thousands)	**2024**	**2023**
Viatris collaboration agreement – *Amounts receivable from Viatris*	$ 64,381	$ 57,201
Viatris royalties (Non-US)	—	7
Total	$ 64,381	$ 57,208

While Viatris records total YUPELRI net sales within its own consolidated financial statements, Viatris collaboration agreement revenue on the Company's consolidated statements of operations included the Company's implied 35% share of total YUPELRI net sales, before deducting shared commercial expenses, as presented below:

	Year Ended December 31,	
(In thousands)	**2024**	**2023**
YUPELRI net sales (Theravance Biopharma implied 35%)	$ 83,519	$ 77,337

Reimbursement of R&D Expenses

The R&D cost share with Viatris, which the Company contributes 35%, is netted within the Company's R&D expenses. The Company does not consider performing research and development services for reimbursement to be a part of its ordinary activities, therefore, the Company does not analogize to ASC 606 or recognize revenue. The Company recorded reimbursements received from Viatris as a reduction to R&D expenses. The Company also owes Viatris its cost share of the R&D activities carried out by Viatris which is also recorded within R&D expenses.

The following table summarizes the reductions to R&D expenses related to reimbursement payments:

	Year Ended December 31,	
(In thousands)	**2024**	**2023**
Viatris	$ 407	$ 5,723

Revenue by Geographic Region

The following table summarizes total revenue by geographic region based on the location of the Company's customers or collaboration partners:

(In thousands)	Year Ended December 31, 2024	2023
US	$ 64,381	$ 57,201
Europe	—	223
Total revenue	$ 64,381	$ 57,424

Revenue by Significant Customers

The following table summarizes total revenue from each of the Company's customers or collaboration partners who individually accounted for 10% or more of total revenue (as a percentage of total revenues):

(% of total revenue)	Year Ended December 31, 2024	2023
Viatris	100 %	100 %

Viatris accounted for 100% of the Company's receivable from collaborative arrangements as of December 31, 2024 and 2023.

3. Segment Information

The Company operates in a single segment, which is the development and commercialization of human therapeutics. The Company has determined that its chief executive officer is the CODM. When evaluating the Company's financial performance, the CODM reviews total revenues and total expenses and makes financial decisions using this information on a consolidated net income (loss) basis.

The following table summarizes significant segment expenses:

(In thousands)	Year Ended December 31, 2024	2023
Total revenue	$ 64,381	$ 57,424
Employee-related (Research and development) [1]	12,212	12,699
External-related (Research and development)	17,112	14,473
Facilities, depreciation, and other allocated expenses (Research and development)	3,215	5,401
Supporting general and administration functions [1]	27,156	31,928
Sales and marketing, and medical affairs [1]	25,729	21,202
Share-based compensation	21,393	25,013
Total recurring operating expenses	106,817	110,716
Impairment of long-lived assets	4,513	—
Restructuring and related expenses	—	2,743
Total operating expenses	111,330	113,459
Loss from operations	(46,949)	(56,035)
Interest expense (non-cash)	(2,546)	(2,350)
Interest and other income, net	4,881	9,116
Provision for income tax expense	(11,804)	(5,924)
Net loss	$ (56,418)	$ (55,193)

[1] Excludes share-based compensation

4. Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the current period and comparable prior year period consolidated balance sheets that sum to the total of the same such amounts shown on the consolidated statements of cash flows.

(In thousands)	December 31, 2024	December 31, 2023
Cash and cash equivalents	$ 37,797	$ 39,545
Restricted cash	836	836
Total cash, cash equivalents, and restricted cash	$ 38,633	$ 40,381

The Company maintains restricted cash for certain lease agreements and letters of credit by which the Company has pledged cash and cash equivalents as collateral. The cash-related amounts reported in the table above exclude the Company's investments in short-term marketable securities that are reported separately on the consolidated balance sheets.

The Company periodically engages in foreign exchange transactions as a part of its operations. The Company recognized net realized and unrealized foreign currency losses of $0.1 million for the year ended December 31, 2024 and net realized and unrealized foreign currency gains of $0.1 million for the year ended December 31, 2023. These amounts are included in the Company's consolidated statements of operations within "Interest income and other income, net".

5. Investments and Fair Value Measurements

Available-for-Sale Securities

The estimated fair value of marketable securities is based on quoted market prices for these or similar investments obtained from a commercial pricing service. The fair market value of marketable securities classified within Level 1 is based on quoted prices for identical instruments in active markets. The fair value of marketable securities classified within Level 2 is based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; or model-driven valuations whose inputs are observable or whose significant value drivers are observable. Observable inputs may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications.

Available-for-sale securities are summarized below:

(In thousands)		December 31, 2024 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
US government securities	Level 1	$ 17,306	$ 8	$ —	$ 17,314
Corporate notes	Level 2	5,431	1	(1)	5,431
Commercial paper	Level 2	35,285	1	(2)	35,284
Marketable securities		58,022	10	(3)	58,029
Money market funds	Level 1	550	—	—	550
Total		$ 58,572	$ 10	$ (3)	$ 58,579

(In thousands)		December 31, 2023 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
US government securities	Level 1	$ 29,848	$ —	$ (29)	$ 29,819
US government agency securities	Level 2	4,428	—	(8)	4,420
Corporate notes	Level 2	28,670	4	(32)	28,642
Marketable securities		62,946	4	(69)	62,881
Money market funds	Level 1	26,179	—	—	26,179
Total		$ 89,125	$ 4	$ (69)	$ 89,060

As of December 31, 2024, all of the Company's available-for-sale securities had contractual maturities within six months, and the weighted-average maturity of marketable securities was approximately two months. There were no transfers between Level 1 and Level 2 during the periods presented, and there have been no material changes to the Company's valuation techniques during the year ended December 31, 2024 or 2023.

Available-for-sale debt securities with unrealized losses are summarized below:

	December 31, 2024					
	Less than 12 Months		Greater than 12 Months		Total	
(In thousands)	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
Corporate notes	$ 4,114	$ (1)	$ —	$ —	$ 4,114	$ (1)
Commercial paper	18,883	(2)	—	—	18,883	(2)
Total	$ 22,997	$ (3)	$ —	$ —	$ 22,997	$ (3)

	December 31, 2023					
	Less than 12 Months		Greater than 12 Months		Total	
(In thousands)	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
US government securities	$ 29,819	$ (29)	$ —	$ —	$ 29,819	$ (29)
US government agency securities	4,420	(8)	—	—	4,420	(8)
Corporate notes	23,641	(32)	—	—	23,641	(32)
Total	$ 57,880	$ (69)	$ —	$ —	$ 57,880	$ (69)

The Company invests primarily in high credit quality and short-term maturity debt securities with the intent to hold such securities until maturity at par value. The Company does not intend to sell the investments that are currently in an unrealized loss position, and it is unlikely that it will be required to sell the investments before recovery of their amortized cost basis, which may be at maturity. The Company reviewed its available-for-sale debt securities and determined that there were no credit-related losses to be recognized as of December 31, 2024, and there were no individual securities that were in a significant unrealized loss position as of December 31, 2024.

For the year ended December 31, 2024 and 2023, the Company sold marketable securities for total proceeds of $15.8 million and $71.4 million, respectively. The sales were based on the specific identification method, and the realized net gain (loss) from the sales was immaterial.

6. Derivative

On December 27, 2024, the Company purchased a financial instrument to manage its exposure to financial risk and to mitigate potential tax liability. The Company determined that the financial instrument met the definition of a derivative under ASC Topic 815, *Derivatives and Hedging*.

The derivative is measured at fair value using the discounted cash flow method and includes unobservable inputs derived from management's estimates and assumptions. Management's estimates and assumptions are based in part on external data and internal data and involve a significant degree of judgment. The primary unobservable inputs, classified as Level 3 under the fair value hierarchy, include the remote possibility of a future payout of taxes. The discount rate utilized in the fair value model was 5.5%, as of December 27, 2024.

The following table summarizes the fair value of the derivative and location within the consolidated balance sheets:

	December 31, 2024	
(In thousands)	2024	2023
Non-current assets:		
Other assets	$ 2,292	$ —

As of December 31, 2024, the unrealized gain (loss) recognized related to the derivative's change in fair value was immaterial.

7. Property and Equipment

Property and equipment are held predominantly in the US and consisted of the following:

	December 31,	
(In thousands)	2024	2023
Computer equipment	$ 2,060	$ 1,883
Software	762	762
Furniture and fixtures	1,642	1,738
Laboratory equipment	38	60
Leasehold improvements	25,317	26,207
Subtotal	29,819	30,650
Less: accumulated depreciation	(22,401)	(21,582)
Property and equipment, net	$ 7,418	$ 9,068

During the year ended December 31, 2024, the Company recognized a non-cash impairment charge of $0.3 million primarily related to leasehold improvements (see "*Note 8. Leases*" for more information). There were no impairment charges related to property and equipment for the year ended December 31, 2023.

For the year ended December 31, 2024 and 2023, depreciation expense for property and equipment was $1.6 million and $1.9 million, respectively.

As a result of strategic actions announced in February 2023 (see "*Note 15. 2023 Strategic Actions*"), the Company completed an auction of certain R&D laboratory equipment in 2023 with a carrying value of $2.7 million. The Company received net proceeds of $1.5 million and recognized a non-cash loss of $1.2 million resulting from the auction for the year ended December 31, 2023.

8. Leases

South San Francisco Lease and Subleases

As of December 31, 2024, the Company leased approximately 162,000 square feet of office and laboratory space in two buildings in South San Francisco, California, under a non-cancelable operating lease that ends in May 2030 ("SSF Lease").

In March 2024, the Company entered into a non-cancelable agreement ("March 2024 Sublease") under which it subleased approximately 8,000 square feet of its South San Francisco office space to an unaffiliated company. The sublease period was for approximately two years expiring in April 2026, and the subtenant has no option to extend the

sublease. Under the terms of the March 2024 Sublease, the Company is entitled to receive an initial monthly base rent of $38,000 with a 3% annual increase after the first year.

In November 2024, the Company entered into an amendment to the March 2024 Sublease ("March 2024 Sublease Amendment"). The March 2024 Sublease Amendment included the following key terms: (i) an addition of approximately 11,000 square feet of laboratory space and (ii) an extension of the sublease period by approximately 2.5 years ending on or around November 2028 with an option to extend the sublease through the SSF Lease expiration in May 2030. For the laboratory space addition, the Company is entitled to receive an initial monthly base rent of $16,250 with approximate 3% annual increases after the first year. Under the terms of the March 2024 Sublease Amendment, the Company is expected to recognize approximately $3.0 million in total sublease income for the combined office and laboratory spaces over the March 2024 Sublease Amendment lease period.

In June 2022, the Company entered into a non-cancelable agreement under which it subleased approximately 78,000 square feet of its South San Francisco office and laboratory space to an unaffiliated company. The sublease term continues through May 2030, consistent with the remaining lease term of the SSF Lease, and the subtenant has no option to extend the sublease. Under the terms of the sublease, the Company is entitled to receive an initial monthly base rent of $0.5 million which will be subject to annual increases of 3%, as well as the subtenant's proportionate share of the property's operating expenses. As part of the sublease terms, the subtenant was assigned $6.5 million of the Company's $8.9 million remaining tenant improvement allowance in June 2022. The assigned tenant improvement allowance was recorded within "Other assets" on the Company's consolidated balance sheets and is amortized over the SSF Lease term, and the assigned tenant improvement allowance was recorded as a current liability which expired in November 2024. The Company expects to receive a total of $51.7 million in base rent over the sublease term which represents a $13.5 million premium (before sublease execution-related costs) over its proportionate lease payment obligations under the SSF Lease. Under the terms of the SSF Lease, 50% of the sublease premium, equal to approximately $6.7 million, shall be shared with the landlord and 50% shall be retained by the Company.

In July 2021, the Company entered into a non-cancelable agreement under which it subleased approximately 21,000 square feet of its South San Francisco office and laboratory space to another unaffiliated company. Under the terms of the sublease agreement, the sublease term continues through September 2028, and the parties have no option to extend the sublease. Either the Company or the subtenant may terminate the sublease by giving the other party ten days prior written notice. The Company is entitled to receive an initial monthly base rent of $0.1 million, with annual base rent increases of 3% and the subtenant's proportionate share of the building's operating expenses. The Company expects to receive a total of $13.1 million over the sublease term which represents a $4.2 million premium (before sublease execution-related costs) over its proportionate lease payment obligations under the SSF Lease. Under the terms of the head SSF Lease, 50% of the sublease premium, equal to $2.1 million, shall be shared with the landlord and 50% shall be retained by the Company.

The Company recognizes the sublease income on a straight-line basis over the term of its three subleases which is reflected as a reduction of R&D expense and selling, general and administrative expenses in the consolidated statements of operations. No lease modification was deemed to have occurred by entering into the sublease agreements because the Company was not released, either fully or in part, from its obligations under the SSF Lease. As of December 31, 2024, the Company has subleased approximately 118,000 square feet of a total 162,000 square feet of its SSF Lease under the three separate subleases described above.

Dublin Lease

In May 2022, the Company entered into an operating lease agreement for approximately 700 square feet of office space in Dublin, Ireland ("Dublin Lease"). The Dublin Lease had an original two-year term which ended in May 2024. In 2024, the Dublin Lease was renewed for another two years ending in May 2026. Under the renewed Dublin Lease, the Company will incur total base rent expense of approximately $0.4 million (or $0.2 million annually) which is recognized on a straight-line basis over the two-year lease term. The Company may terminate the Dublin Lease by providing three months prior written notice.

The Company has evaluated its existing leases and determined that they were all operating leases. The present values of the remaining lease payments and corresponding right-of-use assets were as follows, and the difference

between the right-of-use assets and lease liabilities was primarily due to office-related deferred rent payments that are payable in future periods and tenant improvement reimbursements.

(In thousands)	Classification	December 31, 2024	December 31, 2023
Assets			
Operating lease assets	Operating lease assets	$ 28,354	$ 36,287
Liabilities			
Current:			
Operating lease liabilities	Operating lease liabilities	$ 10,712	$ 3,923
Non-current:			
Operating lease liabilities	Long-term operating lease liabilities	39,108	45,236
Total operating lease liabilities		$ 49,820	$ 49,159

Lease expense and sublease income were included within operating expenses in the consolidated statements of operations as follows:

(In thousands)	Classification	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating lease expense [1]	Selling, general and administrative expense	$ 8,518	$ 8,548

(In thousands)	Classification	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating sublease income	Selling, general and administrative expense	$ 8,739	$ 8,361

[1] Represents operating lease expense before sublease income. Excludes short-term leases which were not material and office lease service-related charges.

Supplemental information related to leases for the periods reported was as follows:

(In thousands, except weighted average amounts)	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating cash flows related to operating leases	$ 10,892	$ 9,966
Weighted average remaining lease term	5.4 years	6.4 years
Weighted average discount rate	8.65 %	8.64 %

The Company determined that an implicit interest rate of its leases was not determinable and, therefore, used an incremental borrowing rate of 8.65% to determine the present value of its lease liabilities.

As of December 31, 2024, the maturities of the Company's lease liabilities were as follows:

(In thousands)	
Year ending December 31:	
2025	$ 11,218
2026	11,414
2027	11,682
2028	11,739
2029	11,839
Thereafter	4,998
Total operating lease payments	$ 62,890
Less: Imputed interest	(13,070)
Present value of operating lease liabilities	$ 49,820

As of December 31, 2024, the undiscounted cash flows to be received related to the Company's subleases were as follows:

(In thousands)	
Year ending December 31:	
2025	$ 8,827
2026	9,107
2027	9,377
2028	9,013
2029	7,092
Thereafter	2,998
Total operating sublease receipts	$ 46,414

Impairment of Long-Lived Assets

The Company evaluates the carrying value of its long-lived asset groups, which includes operating lease assets and leasehold improvements, for impairment when indicators exist that the carrying amounts of an asset may not be fully recoverable. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset or asset group are less than its carrying amount. Impairment, if any, is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

The Company determined that the ceased occupancy and sublease marketing of office and laboratory space were indicators of impairment as of March 31, 2024, June 30, 2024, and September 30, 2024. The Company identified three asset groups for the purposes of its long-lived impairment assessment which were comprised of (i) vivarium laboratory asset group; (ii) general laboratory asset group; and (iii) entity-wide asset group. The vacant office space, which the Company determined it may reoccupy in the future, was considered part of the entity-wide asset group.

The Company recognized an impairment charge of $4.5 million for the vivarium laboratory asset group and the general laboratory asset group during the year ended December 31, 2024 based on the discounted cash flow method to estimate the fair values of the two asset groups which represented Level 3 non-recurring fair value measurements. The estimated fair value of the vivarium laboratory space was based on the terms of the draft March 2024 Sublease Amendment which involved estimates including the expected sublease rental income of $0.6 million, an annual discount rate of 9.7%, and other variable lease-related expenses. The estimated fair value of the general laboratory space was based on the Company's estimates and assumptions including, but not limited to, expected sublease rental income of $0.8 million, an annual discount rate of 9.7%, and other variable lease-related expenses expected to be incurred during the subtenant search period. The impairment charge is presented in the Company's consolidated statements of operations within "Impairment of long-lived assets".

The Company's estimates and assumptions used to determine the estimated fair values of the above two asset groups were subject to risks, uncertainties, and changes in circumstances that may result in adjustments and material changes to the estimated fair values in future periods.

9. Future Contingent Milestone and Royalty Assets

The Company recognized future contingent milestone and royalty assets related to the sale of its equity interests in Theravance Respiratory Company, LLC ("TRC") to Royalty Pharma in July 2022 (the "TRC Transaction"). The future contingent milestone and royalty assets represents the fair value of potential future milestone payments and royalties (collectively, "Contingent Consideration") related to worldwide net sales of GSK plc's ("GSK") TRELEGY® ELLIPTA ("TRELEGY") as described below.

From and after January 1, 2023, for any calendar year starting with the year ended December 31, 2023 and ending with the year December 31, 2026, upon certain milestone minimum royalty amounts for TRELEGY being met, Royalty Pharma is obligated to make certain cash payments to the Company, which are not to exceed $250.0 million in aggregate (the "Milestone Payments"). Additionally, the Company will receive from Royalty Pharma 85% of the royalty payments on TRELEGY payable (a) for sales or other activities occurring on and after January 1, 2031 related to

TRELEGY in the US, and (b) for sales or other activities occurring on and after July 1, 2029 related to TRELEGY outside of the US (the "Royalties").

The Contingent Consideration was initially measured at fair value utilizing a Monte Carlo simulation model to calculate the present value of the risk-adjusted cash flows estimated to be received from the Contingent Consideration. The fair value model involved significant unobservable inputs derived using management's estimates. Management's estimates were based in part on external data and reflected management's judgements and forecasts. The primary significant unobservable input was the estimate of forecasted TRELEGY net sales which is considered a Level 3 fair value input. In July 2022, the Company estimated the fair value of the Contingent Consideration to be $194.2 million which was presented on the consolidated balance sheets as "Future contingent milestone and royalty assets", and the discount rate utilized in the valuation model was 7.83%. The Company accounted for the Milestone Payments and Royalties of the Contingent Consideration as a combined single unit of account. As a result, the Company will not recognize any income associated with any potential future Contingent Consideration payments until the cumulative payments received exceed the original $194.2 million fair value.

The Company reassesses the carrying value of the Contingent Consideration when indicators of impairment are identified. For the year ended December 31, 2023, the minimum royalty amount related to the Milestone Payments was not achieved, and for the year ended December 31, 2024, the minimum royalty amount related to the Milestone Payments was achieved. As of December 31, 2024, a $50.0 million receivable was recorded on the consolidated balance sheets based on guidance under ASC, Topic 450, *Contingencies*, and the Contingent Consideration's carrying value was correspondingly reduced from $194.2 million to $144.2 million. In February 2025, the Company received the $50.0 million payment from Royalty Pharma, and the remaining aggregate Milestone Payments available to the Company was $150.0 million.

The Contingent Consideration is subject to counterparty credit risk, and the carrying value of the Contingent Consideration represents the maximum amount of potential loss due to credit risk. To date, the Company has not recorded any credit losses related to the Contingent Consideration.

10. Ampreloxetine Funding

In connection with the TRC Transaction, the Company received $25.0 million in cash from Royalty Pharma in exchange for certain royalty rights to ampreloxetine and is entitled to receive an additional $15.0 million upon the first regulatory approval of any pharmaceutical product that contains ampreloxetine as an active pharmaceutical ingredient by either (a) the FDA or (b) the first of (i) the European Medicines Agency or (ii) all four of Germany, France, Italy and Spain. In exchange for the $25.0 million and potential $15.0 million in cash (the "Ampreloxetine Funding"), the Company will make quarterly royalty payments to Royalty Pharma equal to the amount of ampreloxetine net sales recognized during the applicable quarter multiplied by 2.5% for the first $500.0 million in ampreloxetine net sales and 4.5% for ampreloxetine net sales in excess of $500.0 million. These royalty payments from the Company to Royalty Pharma will continue until, on a country by country and product by product basis, the later of (a) the expiration of all valid and enforceable claims of any patent, or pending claim of a good faith patent application during the five (5) years from the initial filing of such application, that cover the applicable ampreloxetine product or the manufacture or use thereof in the applicable country and (b) the expiration of regulatory exclusivity granted by the FDA or equivalent organization in the applicable country.

The Company accounted for the ampreloxetine funding received from Royalty Pharma as a contingent liability because the Company has significant continuing involvement in generating the future revenue stream from which the contingent liability would be repaid to Royalty Pharma. If the regulatory approval milestone is achieved, the Company will recognize the $15.0 million milestone payment as an increase to the accumulated liability. If and when ampreloxetine obtains regulatory approval and is commercially launched, the Company will recognize the royalties paid to Royalty Pharma as a decrease to the accumulated liability due to Royalty Pharma and a corresponding reduction in cash.

The carrying amount of the contingent liability for the future royalty payment was based on the upfront $25.0 million received and management's estimate of (i) the risk-adjusted future contingent $15.0 million milestone and (ii) the amount and timing of royalties to be paid to Royalty Pharma and then discounted over the life of the arrangement

using an imputed rate of interest. The excess of future estimated royalty payments over the amount of cash funding received will be recognized as interest expense using the effective interest method. The balance associated with the contingent liability was initially recorded as $25.0 million, net of allocated transaction costs, in July 2022 and was reported on the consolidated balance sheets as "Future royalty payment contingency".

There are a number of factors that could materially affect the amount and timing of the contingent $15.0 million milestone and royalty payments, some of which are not within the Company's control. Such factors include, but are not limited to, changes in the projected market size, the introduction of competing products, patent protection matters, and regulatory product approval for ampreloxetine. The contingent liability was recognized using significant unobservable inputs. These inputs were derived using internal management estimates and reflect management's judgements and forecasts. The significant unobservable inputs include the forecasted revenues, the probability and timing of the regulatory milestone, and the expected term of the royalty stream, as well as the overall probability of ampreloxetine's success. These estimates are considered Level 3 fair value inputs. A significant change in unobservable inputs could result in a material increase or decrease to the effective interest rate of the contingent liability. If ampreloxetine regulatory approval is not achieved or if ampreloxetine sales are never recognized, the contingent liability recognized would be extinguished as the Company would not be obligated to repay any of the funding amounts received from Royalty Pharma.

The Company periodically reassesses the amount and timing of estimated royalty payments. To the extent such payments are materially greater or less than the Company's previous estimates, the Company will prospectively adjust the amortization of the contingent liability and the effective interest rate. The imputed effective rate of interest on the unamortized portion of the contingent liability was approximately 8.3% as of December 31, 2024.

Changes to the contingent liability for sale of future royalties were as follows for the year ended December 31, 2024:

(In thousands)		
Balance at December 31, 2023	$	27,788
Non-cash interest expense accretion		2,546
Balance at December 31, 2024	$	30,334

11. Share-Based Compensation

Theravance Biopharma Equity Plans

The Company has three equity compensation plans — the 2013 Equity Incentive Plan (the "2013 EIP"), the 2013 Employee Share Purchase Plan (the "2013 ESPP") and the 2014 New Employee Equity Incentive Plan (the "2014 NEEIP").

The 2013 EIP provides for the issuance of share-based awards, including restricted shares, restricted share units ("RSUs), options, share appreciation rights ("SARs") and other equity-based awards, to Company employees, officers, directors, and consultants. Options may be granted with an exercise price not less than the fair market value of the ordinary shares on the grant date. Under the terms of the 2013 EIP, options granted to employees generally have a maximum term of 10 years and vest over a four-year period from the date of grant; 25% vest at the end of one year, and 75% vest monthly over the remaining three years. The Company may grant options with different vesting terms from time to time. Unless an employee's termination of service is due to disability or death, upon termination of service, any unexercised vested options will generally be forfeited at the end of three months or the expiration of the option, whichever is earlier.

At the Company's Annual General Meeting of Shareholders on May 2, 2023, the Company's shareholders approved an amendment and restatement of the 2013 EIP to effect the following material changes to the existing plan: (i) extend the term of the 2013 EIP by an additional ten years to February 14, 2033; (ii) eliminate the provision that provided for automatic annual increases in the number of shares available for issuance under the 2013 EIP; (iii) reduce the number of shares reserved for issuance by 3,808,287 shares; (iv) eliminate the Company's ability to reprice options and share appreciation rights without first obtaining shareholder approval; and (v) remove certain provisions no longer

necessary since the repeal of the exemption from the annual deduction limitation imposed by Section 162(m) of the Internal Revenue Code for performance-based compensation.

Under the 2013 ESPP, the Company's officers and employees may purchase ordinary shares through payroll deductions at a price equal to 85% of the lower of the fair market value of the ordinary share at the beginning of the offering period or at the end of each applicable purchase period. As of January 1 of each year, commencing on January 1, 2015 and ending on (and including) January 1, 2033, the aggregate number of ordinary shares that may be issued under the 2013 ESPP shall automatically increase by a number equal to the least of 1% of the total number of ordinary shares outstanding on December 31 of the prior year, 571,428 ordinary shares or a number of ordinary shares determined by the Company's board of directors. The 2013 ESPP generally provides for consecutive and overlapping offering periods of 24 months in duration, with each offering period generally composed of four consecutive six-month purchase periods. The purchase periods end on either May 15 or November 15. 2013 ESPP contributions are limited to a maximum of 15% of an employee's eligible compensation, up to applicable regulatory limits. The 2013 ESPP also includes a feature that provides for the existing offering period to terminate and for participants in that offering period to automatically be enrolled in a new offering period when the fair market value of an ordinary share at the beginning of a subsequent offering period falls below the fair market value of an ordinary share on the first day of such offering period. Effective as of December 31, 2024, the 2013 ESPP has been suspended. All offering periods in progress were terminated, and no new offering periods will commence under the 2013 ESPP unless and until approved by the Company's board of directors. The suspension resulted in the acceleration of previously unamortized share-based compensation expense of $0.5 million for the year ended December 31, 2024.

The 2014 NEEIP provides for the issuance of share-based awards, including restricted shares, RSUs, non-qualified options and SARs to the Company's employees. Options may be granted with an exercise price not less than the fair market value of the ordinary shares on the grant date. Under the terms of the 2014 NEEIP, options granted to employees generally have a maximum term of 10 years and vest over a four-year period from the date of grant; 25% vest at the end of one year, and 75% vest monthly over the remaining three years. The Company may grant options with different vesting terms from time to time. Unless an employee's termination of service is due to disability or death, upon termination of service, any unexercised vested options will generally be forfeited at the end of three months or the expiration of the option, whichever is earlier. Pursuant to its terms, the 2014 NEEIP expired in October 2024 upon reaching the end of its 10-year term. As a result, no additional shares will be issued under the 2014 NEEIP, though awards previously granted under the 2014 NEEIP will remain outstanding in accordance with their terms.

As of December 31, 2024, the total number of shares available for future issuance under each of the plans were:

2013 EIP	4,426,322
2013 ESPP (suspended as December 31, 2024)	3,447,685
2014 NEEIP (expired)	—
Total	7,874,007

Market-Based and Performance-Contingent Awards

The Company periodically grants market-based share awards to employees that vest upon the Company's ordinary shares meeting certain market-based price targets followed by a service period. For the year ended December 31, 2024 and 2023, the Company granted 337,500 and 165,000 market-based RSUs, respectively. The market-based RSUs have a remaining fair value of $1.6 million as of December 31, 2024. The fair value of these market-based RSUs is being recognized through February 2028. For the year ended December 31, 2024 and 2023, the Company recognized $1.6 million and $0.7 million, respectively, of share-based compensation expense related to the market-based RSUs.

Separate from the market-based RSUs described above, the Company granted 421,300 and 367,000 of performance-contingent RSUs ("PSUs") for the year ended December 31, 2024 and 2023, respectively. The PSUs have a remaining fair value of $3.4 million as of December 31, 2024. The fair value of these PSUs is being recognized through February 2027. For the year ended December 31, 2024 and 2023, the Company recognized $0.2 million and $0.4 million, respectively, of share-based compensation expense related to the PSUs.

Share-Based Compensation Expense

Share-based compensation expense included in the consolidated statements of operations was recognized as follows:

(In thousands)	Year Ended December 31, 2024	2023
Research and development	$ 5,104	$ 8,048
Selling, general and administrative	16,289	16,966
Restructuring and related expenses	—	357
Total share-based compensation expense	$ 21,393	$ 25,371

Share-based compensation expense included in the consolidated statements of operations by award type was as follows:

(In thousands)	Year Ended December 31, 2024	2023
Options	$ 2,060	$ 2,294
RSUs	16,746	21,817
Performance RSUs	1,848	1,087
ESPP	739	173
Total share-based compensation expense	$ 21,393	$ 25,371

As of December 31, 2024, the unrecognized share-based compensation cost, net of actual forfeitures, and the estimated weighted-average amortization period, using the straight-line attribution method, was as follows:

(In thousands, except amortization period)	Unrecognized Compensation Cost	Weighted-Average Amortization Period (Years)
Options	$ 1,414	1.03
RSUs	22,666	2.19
Performance RSUs [1]	1,671	1.37
Total	$ 25,751	

(1) Represents unrecognized share-based compensation cost associated with the Company's market-based and performance-contingent awards described above that are probable of vesting.

Compensation Awards

The following table summarizes option activity under the 2013 EIP and 2014 NEEIP for the year ended December 31, 2024:

	Number of Shares Subject to Outstanding Options	Weighted-Average Remaining Contractual Term (Years)	Weighted-Average Exercise Price of Outstanding Options (in dollars)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2023	2,305,876		$ 18.65	
Granted	165,032		9.49	
Exercised	—		—	
Forfeited	(574,000)		26.32	
Outstanding at December 31, 2024	1,896,908	6.01	15.53	$ —
Exercisable at December 31, 2024		5.70		—
Vested and expected to vest at December 31, 2024		6.01		—

The following table summarizes additional information for options under the 2013 EIP and 2014 NEEIP.

	2024	2023
Weighted average fair value of options	$ 5.29	$ 5.74

The following table summarizes total RSU activity (including market-based and performance-contingent RSUs) for the year ended December 31, 2024:

	Number of Shares Subject to Outstanding RSUs
Outstanding at December 31, 2023	3,995,750
Granted	2,110,447
Released	(1,640,526)
Forfeited	(510,184)
Outstanding at December 31, 2024	3,955,487

The total estimated fair value of RSUs vested was $14.9 million and $17.3 million in 2024 and 2023, respectively.

Valuation Assumptions

The range of assumptions used to estimate the fair value of options granted and rights granted under the 2013 ESPP was as follows:

	Year Ended December 31,	
	2024	2023
Options		
Risk-free interest rate	4.47%	3.46% - 4.18%
Expected term (in years)	6.4	5.3 - 6.5
Volatility	52%	53% - 55%
Dividend yield	—	—
Weighted-average estimated fair value	$ 5.29	$ 5.74
2013 ESPP		
Risk-free interest rate	4.78% - 5.41%	4.06% - 5.39%
Expected term (in years)	0.5 - 2.0	0.5 - 2.0
Volatility	35% - 39%	32% - 58%
Dividend yield	—	—
Weighted-average estimated fair value	$ 3.11	$ 3.46

12. Defined Contribution Plan

The Company sponsors a 401(k) retirement plan for eligible employees. Employees may contribute a percentage of their annual compensation to the plan, subject to statutory limitations. The Company makes matching contributions equal to 100% of the employee's contribution up to $5,000 of their annual compensation. For the year ended December 31, 2024 and 2023, the Company recognized $0.4 million and $0.5 million, respectively, in compensation expense associated with its contributions to the 401(k) retirement plan.

13. Income Taxes

Theravance Biopharma was incorporated in the Cayman Islands in July 2013 under the name Theravance Biopharma, Inc. as a wholly-owned subsidiary of Innoviva, Inc. and began operations subsequent to a spin-off with wholly-owned subsidiaries in the Cayman Islands, US, United Kingdom, and Ireland. Effective July 1, 2015, Theravance Biopharma became an Irish tax resident, therefore, the loss before income taxes of Theravance Biopharma, the parent company, were included in Ireland in the tables below.

The components of the loss before income taxes from operations were as follows:

(In thousands)	Year Ended December 31, 2024	2023
Loss before provision for income taxes:		
United States	$ 2,014	$ 1,151
Ireland	(46,628)	(50,420)
Total	$ (44,614)	$ (49,269)

The components of provision for income tax expense from operations were as follows:

(In thousands)	Year Ended December 31, 2024	2023
Provision for income tax expense:		
Current:		
United States	$ (19,375)	$ (2,881)
Ireland	(2)	—
United Kingdom	—	164
Subtotal	(19,377)	(2,717)
Deferred:		
United States	7,573	(3,207)
Subtotal	7,573	(3,207)
Total	$ (11,804)	$ (5,924)
Effective tax rate	26.46 %	12.02 %

The provision for income tax expense was $11.8 million and $5.9 million for the year ended December 31, 2024 and 2023, respectively. The income tax expense for the year ended December 31, 2024 was primarily attributed to the Company's uncertain tax positions, including interest on historical positions, offset by the realization of tax credits.

No provision for income taxes has been recognized on undistributed earnings of the Company's foreign subsidiaries because it considers such earnings to be indefinitely reinvested. In the event of a distribution of these earnings in the form of dividends or otherwise, the Company may be liable for income taxes, subject to an adjustment, if any, for foreign tax credits and foreign withholdings taxes payable to certain foreign tax authorities. As of December 31, 2024, there were no undistributed earnings.

As a result of the Company becoming an Irish tax resident effective July 1, 2015, the tax rates reflect the Irish statutory rate of 25%. The differences between the Irish statutory income tax rate for non-trading income and the Company's effective tax rates from operations were as follows:

	Year Ended December 31, 2024	2023
Provision at statutory income tax rate	25.00 %	25.00 %
Foreign rate differential	(8.08)	(8.28)
Share-based compensation	(6.15)	(3.00)
Non-deductible executive compensation	(3.28)	(4.45)
Uncertain tax positions	(21.19)	(7.31)
Research and development tax credit carryforwards	4.07	3.34
Change in valuation allowance	(12.76)	(16.00)
Other	(4.07)	(1.32)
Effective tax rate	(26.46)%	(12.02)%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities were as follows:

(In thousands)	December 31, 2024	2023
Deferred tax assets:		
Net operating loss carryforwards	$ 154,476	$ 153,225
Capital loss carryforwards	20,094	21,482
Research and development tax credit carryforwards	16,211	16,910
Fixed assets and intangibles	235,265	235,381
Share-based compensation	3,402	3,431
Accruals	1,674	1,186
Operating lease liabilities	11,296	10,946
Prepaid assets	—	(248)
Other	9,170	4,982
Subtotal	451,588	447,295
Valuation allowance	(435,543)	(429,850)
Total deferred tax assets	16,045	17,445
Deferred tax liabilities:		
Operating lease assets	(7,814)	(8,076)
Future contingent milestone and royalty assets	(5,533)	(14,512)
Prepaid assets	(268)	—
Total deferred tax liabilities	(13,615)	(22,588)
Net deferred tax assets (liabilities)	$ 2,430	$ (5,143)

The Company follows the accounting guidance related to accounting for income taxes which requires that a company reduces its deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of its deferred tax assets will not be realized. During the year ended December 31, 2022, the Company concluded that the valuation allowance related to its US federal assets was no longer needed primarily due to the gain and forecasted future taxable income from the TRC Transaction, and as a result, the Company released its valuation allowance against deferred tax assets for US federal tax purposes in 2022 as it was more like than not able to fully utilize such attributes. As of December 31, 2024, the Company continues to maintain its position that a valuation allowance against deferred tax assets for US federal tax purposes is not needed, as it is more like than not able to fully utilize such attributes. As of December 31, 2024, the Company continues to maintain a full valuation allowance in other jurisdictions.

The valuation allowance increased from $429.9 million, as of December 31, 2023, to $435.5 million as of December 31, 2024, primarily as a result of activity in the foreign deferred tax assets, as well as the state deferred tax assets during 2024. Valuation allowances require an assessment of both positive and negative evidence when determining whether it is more likely than not that the deferred tax assets are recoverable. As required, the Company prepares its assessment of the realizability of deferred tax assets on a jurisdiction-by jurisdiction basis.

As of December 31, 2024, the Company has utilized all available US federal net operating loss carryforwards and federal general business credit carryforwards. As of December 31, 2024, the Company had state net operating loss carryforwards of $98.9 million which generally begin to expire in 2035 and state research and development credit carryforwards of $25.7 million to be carried forward indefinitely.

As of December 31, 2024, the Company had Irish net operating loss carryforwards of $1.17 billion and capital loss carryforwards of $60.9 million, both of which can be carried forward indefinitely. The Company has additional Irish tax attributes of $1.19 billion which primarily consist of unused capital allowances. Net operating losses and capital allowances can be used to offset future income from Irish entities and income related to intellectual property.

Utilization of federal and state net operating loss and tax credit carryforwards may be subject to an annual limitation due to ownership change limitations provided by the Internal Revenue Code and similar state provisions. Annual limitations may result in expiration of net operating loss and tax credit carryforwards before some or all of such amounts have been utilized.

Uncertain Tax Positions

A reconciliation of the beginning and ending balances of the total amounts of unrecognized tax benefits were as follows:

(In thousands)	
Unrecognized tax benefits as of December 31, 2022	$ 75,999
Gross decrease in tax positions for prior years	(632)
Gross increase in tax positions for current year	4,103
Unrecognized tax benefits as of December 31, 2023	79,470
Gross increase in tax positions for prior years	97
Gross increase in tax positions for current year	4,091
Unrecognized tax benefits as of December 31, 2024	$ 83,658

The total unrecognized tax benefits of $83.7 million and $79.5 million, as of December 31, 2024 and December 31, 2023, respectively, may impact the effective tax rate in the period of recognition. As of December 31, 2024, the Company does not believe that it is reasonably possible that its unrecognized tax benefit will significantly increase or decrease in the next twelve months. The Company is not currently under Internal Revenue Service (“IRS”) examination.

The Company records liabilities related to uncertain tax positions in accordance with the income tax guidance which clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements by prescribing a minimum recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Resolution of one or more of these uncertain tax positions in any period may have a material impact on the results of operations for that period.

The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. The amount of tax expense related to interest or penalties was $5.6 million for the year ended December 31, 2024 and $0.6 million for the year ended December 31, 2023. The Company will continue to accrue interest on the respective uncertain tax positions in accordance with applicable rules.

The Company’s $75.2 million liability for unrecognized tax benefits, as of December 31, 2024, can be relieved only if (i) the contingency becomes legally extinguished through either payment to the taxing authority or expiration of the statute of limitations; (ii) the recognition of the benefits associated with the position meets the more likely than not threshold; or (iii) the liability becomes effectively settled through the examination process. The Company considers matters to be effectively settled once the taxing authority has completed all of its required or expected examination procedures, including all appeals and administrative reviews. The Company also accrues for potential interest and penalties related to unrecognized tax benefits in its income tax expense (benefit) calculation.

The Company is subject to taxation in Ireland, the US, and various other jurisdictions. The tax years 2015 and forward remain open to examination in Ireland, tax years 2015 and forward remain open to examination in the US, and the tax years 2012 and forward remain open to examination in other jurisdictions.

The Company’s future income tax expense may be affected by such factors as changes in tax laws, regulations, its business, tax rates, interpretation of existing laws or regulations, the impact of accounting for share-based compensation, the impact of accounting for business combinations and other transactions, its international organization, shifts in the amount of income before tax earned in the US as compared with other regions in the world, and changes in overall levels of income before tax.

14. Completion of Capital Return Program

In January 2024, the Company completed its capital return program. Since the initiation of the capital return program in September 2022 and through its completion in January 2024, the Company repurchased a total of 31.41 million of its shares at a weighted average price of $10.354 per share for an approximate aggregate cost of $325.3 million, excluding fees and expenses.

The table below summarizes the share repurchases under the Company's open market repurchase plan for the following periods:

	Year Ended December 31,	
(In thousands, except per share amounts)	2024	2023
Shares repurchased	38	18,634
Amount repurchased (excluding fees and expenses)	$ 444	$ 196,608
Weighted average cost per share (excluding fees and expenses)	$ 11.551	$ 10.551

15. 2023 Strategic Actions

In February 2023, the Company announced new strategic actions (the "2023 Strategic Actions") that included the discontinuation of its research activities, including the inhaled Janus kinase (JAK) inhibitor program, resulting in a 17% reduction in headcount in March 2023. In order to support the timely progression of the ampreloxetine Phase 3 study (CYPRESS) and the completed of the YUPELRI Peak Inspiratory Flow Rate (PIFR-2) Phase 4 study, the Company prioritized its R&D resource allocation to these two programs.

As a result of the Company's discontinued investment in research activities, the Company incurred restructuring and related expenses of $2.7 million for the year ended December 31, 2023, primarily related to R&D expenses. Of the total $2.7 million incurred for the year ended December 31, 2023, cash-related expenses were $1.2 million and non-cash expenses were $1.5 million which was primarily related to the loss on the sale of R&D laboratory equipment and the modification of equity-based awards for employees affected by the reduction in headcount. The R&D laboratory equipment sold had a carrying value of $2.7 million, and the sale generated net cash proceeds of $1.5 million. The Company did not incur any additional restructuring and related expenses for the year ended December 31, 2024.

16. Commitments and Contingencies

Contract Obligations

In the ordinary course of business, the Company may enter into agreements with service providers to assist in the performance of its clinical trials and other operational activities. Subject to required notice periods and other varying provisions regarding termination, the Company can elect to terminate such agreements at any time.

Lease Commitments

The Company leases certain office and laboratory space. See *"Note 8. Leases,"* for further information on the terms of these non-cancelable lease agreements.

Indemnifications

The Company indemnifies its directors and officers for certain events or occurrences, subject to certain limits, that may arise by reason of their status or service as directors or officers to the extent permissible under applicable law. The Company maintains director and officer liability insurance policies that may limit its exposure. Assuming the applicability of insurance coverage, and subject to certain retention, loss limits, and other policy provisions, the Company believes that the fair value of these indemnification obligations is minimal. Accordingly, the Company has not recognized any liabilities relating to these indemnification obligations as of either December 31, 2024 or 2023. However, no assurances can be given regarding the amounts that may ultimately be covered by the insurers, and it is possible that the Company may incur substantial liabilities in the future resulting from these indemnification obligations.

Legal Proceedings

In the ordinary course of business, the Company may be subject to legal claims and regulatory actions that could have a material adverse effect on its business or financial position. The Company assesses it potential liability in such situations by analyzing the possible outcomes of various litigation, regulatory, and settlement strategies. If the Company determines that a material loss is probable and its amount can be reasonably estimated, it will accrue an amount equal to the estimated loss. As of December 31, 2024, the Company did not accrue any estimated losses related to its ongoing legal proceedings.

Litigation – Patent Infringement

During January 2023, the Company received notice from Accord Healthcare, Inc.; Cipla USA, Inc. and Cipla Limited; Eugia Pharma Specialties Ltd.; Lupin Inc.; Mankind Pharma Ltd.; Orbicular Pharmaceutical Technologies Private Limited; and Teva Pharmaceuticals, Inc. (collectively, the "generic companies"), that they have each filed with the FDA an abbreviated new drug application ("ANDA"), for a generic version of YUPELRI. The notices from the generic companies each included a paragraph IV certification with respect to five of the Company's patents listed in the FDA's Orange Book for YUPELRI on the date of the Company's receipt of the notice. The asserted patents relate generally to polymorphic forms of and a method of treatment using YUPELRI. In February 2023, the Company filed patent infringement suits against the generic companies in federal district courts, including the United States District Court for the District of New Jersey, the U.S. District Court for the District of Delaware, and the U.S. District Court for the Middle District of North Carolina. The suits in Delaware and North Carolina have been dismissed, as all generic companies have agreed to venue in New Jersey. The complaint alleges that by filing the ANDAs, the generic companies have infringed five of the Company's Orange Book listed patents. The Company is seeking a permanent injunction to prevent the generic companies from introducing a generic version of YUPELRI that would infringe our patents. As a result of this lawsuit, a stay of approval through May 2026 has been imposed by the FDA on the generic companies' ANDAs pending any adverse court decision. Additional patents covering YUPELRI, granted on July 4, 2023 and January 2, 2024, were subsequently listed in FDA's Orange Book. The Company filed additional patent infringement suits in the U.S. District Court for the District of New Jersey during August 2023 and January 2024. These suits have been consolidated with the above action. Further, the original complaint was amended during December 2023 to include certain patents not listed in the Orange Book.

In May 2024, the Company received notice from Qilu Pharmaceuticals Co., Ltd. ("subsequent ANDA filer"), that it had filed with the FDA an ANDA for a generic version of YUPELRI. The notice from the subsequent ANDA filer included a paragraph IV certification with respect to certain of the Company's patents listed in FDA's Orange Book for YUPELRI. The asserted patents relate generally to polymorphic forms of and a method of treatment using YUPELRI. In June 2024, the Company filed a patent infringement suit against the subsequent ANDA filer in the U.S. District Court for the Eastern District of Pennsylvania. The complaint alleges that by filing the ANDA, the subsequent ANDA filer has infringed certain of the Company's Orange Book listed patents.

As of February 28, 2025, the Company has settled all litigation with Accord Healthcare, Inc.; Lupin Pharmaceuticals, Inc.; Orbicular Pharmaceutical Technologies Private Limited; Qilu Pharmaceuticals Co., Ltd.; and Teva Pharmaceuticals, Inc. pursuant to individual agreements in which the Company granted these companies a royalty-free, non-exclusive, non-sublicensable, non-transferable license to manufacture and market their respective generic versions of YUPELRI inhalation solution in the US on or after the licensed launch date of April 23, 2039, subject to certain exceptions as is customary in these type of agreements. As required by law, the settlements are subject to review by the U.S. Department of Justice and the Federal Trade Commission. The patent litigation against the three remaining generic companies, along with certain affiliates, remains pending.

A further method of treatment patent, with an expiration date of August 2039, was granted on July 30, 2024 and was listed in the Orange Book. The Company filed an additional patent infringement suit in the U.S. District Court for the District of New Jersey during August 2024 against the three remaining generic companies. This suit has been consolidated with the action described above.

17. Subsequent Events

New Sublease Agreement

The Company entered a non-cancelable agreement commencing on January 3, 2025 ("January 2025 Sublease"), under which it subleased approximately 12,000 square feet of its South San Francisco office and laboratory space to an unaffiliated company. The sublease period is for two years with an option to extend for one additional year. Under the terms of the January 2025 Sublease, the Company is entitled to receive an initial monthly base rent of approximately $67,000 with a 3.5% increase after the first year. The Company will recognize approximately $1.5 million in total sublease income over the two-year sublease term. Sublease income is recognized as a reduction to the Company's facilities expense which is then allocated to selling, general and administrative expenses and R&D expenses in the consolidated statements of operations.

SUPPLEMENTARY FINANCIAL DATA
(UNAUDITED)
(In thousands, except per share data)

The following table presents certain unaudited consolidated quarterly financial information for the eight quarters in the periods ended December 31, 2024 and 2023. This information has been prepared on the same basis as the audited consolidated financial statements and includes all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the unaudited quarterly results of operations set forth herein.

	For the Quarter Ended			
	March 31,	June 30,	September 30,	December 31,
2024				
Total revenue	$ 14,503	$ 14,256	$ 16,868	$ 18,754
Total expenses	25,710	29,961	27,705	27,954
Loss from operations	(11,207)	(15,705)	(10,837)	(9,200)
Net loss	(11,664)	(16,529)	(12,698)	(15,527)
Net loss - basis and diluted per share	$ (0.24)	$ (0.34)	$ (0.26)	$ (0.31)
2023				
Total revenue	$ 10,417	$ 13,749	$ 15,693	$ 17,565
Total expenses	35,329	29,872	24,453	23,805
Loss from operations	(24,912)	(16,123)	(8,760)	(6,240)
Net loss	(22,088)	(15,645)	(8,950)	(8,510)
Net loss - basis and diluted per share	$ (0.35)	(0.28)	(0.17)	(0.17)

Share of Total YUPELRI Net Sales [1]

	For the Quarter Ended			
	March 31,	June 30,	September 30,	December 31,
2024	$ 19,329	$ 19,085	$ 21,766	$ 23,339
2023	$ 16,434	$ 19,263	$ 20,414	$ 21,225

(1) The Company co-promotes YUPELRI in the US under a profit and loss sharing arrangement with Viatris (65% to Viatris; 35% to Theravance Biopharma). The amounts represent the Company's implied 35% share of the total net sales of YUPELRI that were recognized within Viatris' financial statements for the periods presented.

THERAVANCE BIOPHARMA, INC.
EXECUTIVE SEVERANCE PLAN
AND SUMMARY PLAN DESCRIPTION

(Originally effective June 2, 2014, as amended and restated effective November 13, 2024)

The Theravance Biopharma, Inc. Executive Severance Plan (the "***Plan***") is primarily designed to provide separation pay and other benefits to Theravance Biopharma, Inc. (the "***Company***") executives who meet the eligibility requirements as set forth below (an "***Eligible Executive***") and whose employment is terminated under prescribed circumstances. The Plan was originally known as the Theravance Biopharma, Inc. Change in Control Severance Plan and was intended to provide severance benefits to Eligible Executives whose employment was involuntarily terminated in connection with a change in control occurring after the effective date of the plan. Effective November 13, 2024, the Plan has been amended and restated and renamed in order to provide both change in control and non-change in control severance benefits to Eligible Executives on the terms described below. Any references to the Company's Change in Control Severance Plan in any offer letter, equity award agreement or other document shall, after the effective date of the amended Plan, be interpreted to refer to the Company's Executive Severance Plan.

This Plan is designed to be an "employee welfare benefit plan," as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"). This Plan is governed by ERISA and, to the extent applicable, the laws of the State of California. This document constitutes both the official plan document and the required summary plan description under ERISA.

Certain capitalized terms are defined in Section II.4. below.

I. ELIGIBILITY

You will be an Eligible Executive for severance benefits under the Plan if:

- you are an employee of the Company, or a parent or subsidiary of the Company that has been designated to participate in the Plan[1], and you are an officer (which means you have a title of "vice president" or higher);
- your active employment is terminated as a result of a Qualifying Termination;
- you execute (and do not revoke) a waiver and general release of all claims in a form provided by and acceptable to the Company as provided for in the section entitled "Release and Waiver of Claims," within the prescribed number of days following your Involuntary Termination, as set forth in such release; and
- you are not in one of the excluded categories listed below.

You will <u>not</u> be an Eligible Executive for severance benefits under this Plan if:

- you are eligible to participate in the Company's Employee Change in Control Severance Plan;

[1] As of the effective date, Theravance Biopharma US, Inc. has been selected to participate in the Plan. Theravance Biopharma Ireland Limited was selected to participate in the Plan effective April 22, 2015 with respect to an Eligible Executive's Change in Control Termination. Effective as of December 31, 2024, Theravance Biopharma US, LLC has been selected to participate in the Plan.

- you are an independent contractor, a temporary employee, part-time employee working fewer than 32 hours per week, probationary employee or student employee;

- you are employed with a successor employer following a Change in Control. However, you would be eligible for severance benefits pursuant to the terms of the Plan upon a subsequent Involuntary Termination other than for Misconduct within the designated period following a Change in Control; or

- you are dismissed for Misconduct.

Notwithstanding anything in the Plan to the contrary, the Company's current Chief Executive Officer (Rick E Winningham) shall not be eligible for severance benefits under the Plan in connection with a Non-Change in Control Termination. Mr. Winningham's non-change in control severance benefits shall be governed by the terms of the letter agreement, dated August 5, 2014, between the Company and Mr. Winningham.

Notwithstanding anything in the Plan to the contrary, employees of Theravance Biopharma Ireland Limited shall not participate in the Plan or be eligible for benefits under the Plan in connection with a Non-Change in Control Termination.

The Company's Board of Directors (the "***Board***") or its Compensation Committee may waive any of the foregoing exclusions with respect to one or more individuals otherwise ineligible to participate in the Plan. Any such waiver must be in writing.

II. SEVERANCE BENEFITS

1. Severance Guidelines

Non-Change in Control Severance Guidelines

*If you are an Eligible Executive and you are subject to a Termination Without Misconduct that occurs more than three (3) months before, or more than twenty-four (24) months after, a Change in Control (a "**Non-Change in Control Termination**"), you will be paid a Severance Payment calculated as follows:*

- If you are a vice president at the time of your termination, 50% of your Annual Base Pay; or

- If you are a senior vice president, 100% of your Annual Base Pay.

Change in Control Severance Guidelines

*If you are an Eligible Executive and your employment is Involuntarily Terminated within three (3) months before or twenty-four (24) months after a Change in Control (a "**Change in Control Termination**"), you will be paid a Severance Payment calculated as follows:*

If you were a vice president immediately before the Change in Control:

- 100% of your combined Annual Base Pay and Target Bonus, plus

- A pro-rata portion of your current target bonus based on the number of full months of employment completed in the applicable period on the date of termination in such year of termination.

If you were a senior vice president or held a title greater than senior vice president (other than the title of chief executive officer of the Company) immediately before the Change in Control:

- 150% of your combined Annual Base Pay and Target Bonus, plus
- A pro-rata portion of your current target bonus based on the number of full months of employment completed in the applicable period on the date of termination in such year of termination.

If you were the chief executive officer of the Company immediately before the Change in Control:

- 200% of your combined Annual Base Pay and Target Bonus, plus
- A pro-rata portion of your current target bonus based on the number of full months of employment completed in the applicable period on the date of termination in such year of termination.

The full amount of any balance and accrued interest remaining on any outstanding loans owed by the Eligible Executive to the Company as of the date of the Change in Control Termination shall be forgiven in full immediately upon the Eligible Executive's Change in Control Termination.

General

Payments made under this Plan shall not be treated as "compensation" for purposes of any 401(k) plan of the Company or a parent or subsidiary of the Company. An Eligible Executive will also receive his or her unpaid salary through his or her termination date and a lump sum payment for all accrued and unused vacation (through the termination date) in a final paycheck provided on his or her last day of work.

The Severance Payment under this subsection 1 shall be paid in one lump sum from the general assets of the Company within 60 days after the Eligible Executive's Qualifying Termination or, if later, on the date of the Change in Control. Notwithstanding the foregoing, if the 60-day period described in the previous sentence spans two calendar years, then the Severance Payment will in any event be made in the second calendar year.

2. Group Health Insurance Coverage

If (i) an Eligible Executive becomes entitled to a Severance Payment under this Plan, (ii) the Eligible Executive was a participant in the Company's fully insured group health insurance plans (major medical, dental and vision) on the date of the Eligible Executive's Separation and (iii) the Eligible Executive timely elects to continue his or her health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("***COBRA***") following his or her Separation, then the Company shall pay the monthly premium under COBRA for the Eligible Executive and, if applicable, the Eligible Executive's dependents who were covered under the Company's fully insured group health insurance plans as of the date of the Eligible Executive's Separation, for the following periods:

- 9 months in the case of a vice president who is subject to a Non-Change in Control Termination;
- 12 months in the case of an Eligible Executive with a title of vice president immediately before a Change in Control and who is subject to a Change in Control Termination;
- 12 months in the case of an Eligible Executive with a title of senior vice president who is subject to a Non-Change in Control Termination; or

- 18 months in the case of an Eligible Executive with a title of senior vice president or higher immediately prior to a Change in Control and who is subject to a Change in Control Termination.

In no event shall the Company's obligation to pay the monthly premium under COBRA for an Eligible Executive (and the Eligible Executive's dependents, if applicable) exceed the COBRA continuation period applicable to the Eligible Executive. Further, the Company's obligation to pay the monthly premium under COBRA shall cease when the Eligible Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment. To the extent necessary to avoid the imposition of penalties on either the Eligible Executive or the Company by the Internal Revenue Service, the Company's payment of the monthly premium under COBRA will be paid to the Eligible Executive as a lump sum taxable benefit, subject to applicable tax withholdings, at the same time as the Severance Payment described in Section 1 above.

3. Equity

Non-Change in Control Termination

If an Eligible Executive who is a Vice President is subject to a Non-Change in Control Termination and is entitled to a Severance Payment under the Plan, then the vested portion of each outstanding equity award held by the Eligible Executive at the time of the Non-Change in Control Termination that is subject to time-based vesting conditions shall be calculated by adding 6 months to the actual period of service completed by such Eligible Executive.

If an Eligible Executive with a title of Senior Vice President is subject to a Non-Change in Control Termination and is entitled to a Severance Payment under the Plan, then the vested portion of each outstanding equity award held by the Eligible Executive at the time of the Non-Change in Control Termination that is subject to time-based vesting conditions shall be calculated by adding 12 months to the actual period of service completed by such Eligible Executive.

Any outstanding equity awards that are subject to performance-based vesting conditions shall not be eligible for acceleration of vesting pursuant to the preceding paragraphs and shall be governed by the terms of the applicable award agreement. For the avoidance of doubt, if an equity award was subject to performance-based vesting conditions that were satisfied prior to a Non-Change in Control Termination but the award remained subject to time-based vesting conditions at the time of a Non-Change in Control Termination, such award shall be eligible for 6 or 12 months, as applicable, acceleration of such time-based vesting conditions pursuant to the preceding paragraphs.

Change in Control Termination

If an Eligible Executive is subject to a Change in Control Termination and is entitled to a Severance Payment under the Plan, then, unless the applicable award agreement provides otherwise, the Company shall fully vest the Eligible Executive in all of his or her unvested equity awards, and such equity awards shall become fully exercisable, as of the date of the Eligible Executive's Involuntary Termination.

General

Vesting of equity awards granted by Theravance, Inc. shall be governed by the terms of those awards or the applicable Theravance, Inc. Change in Control Severance Plan, as applicable, and not by this Plan.

4. Definitions

Annual Base Pay shall mean the Eligible Executive's base salary at the rate in effect at the time of a Non-Change in Control Termination or at the highest rate in effect at any regularly scheduled payroll period preceding the occurrence of the Change in Control in the case of a Change in Control Termination ("***Base Salary***") and does not include, for example, bonuses, overtime compensation, incentive pay, sales commissions or expense allowances.

Target Bonus shall mean the normal bonus amount payable to the Eligible Executive based on the percentage of his or her Base Salary correlating with the Eligible Executive's grade level, assuming that the Company's cash bonus pool is set at 100%.

Termination Without Misconduct shall mean a Separation as a result of the termination of the service of the Eligible Executive which occurs by reason of such individual's involuntary dismissal or discharge by the Company (or the parent or subsidiary employing the Eligible Executive) for reasons other than Misconduct.

Involuntary Termination shall mean a Separation as a result of the termination of the service of the Eligible Executive which occurs by reason of:

A. a Termination Without Misconduct, or

B. such individual's voluntary resignation following (i) a material diminution in the Eligible Executive's authority, duties or responsibilities, (ii) a material reduction in his or her base compensation, (iii) a material change in the geographic location at which he or she must perform services for the Company or (iv) any other action or inaction that constitutes a material breach by the Company (or parent or subsidiary employing an Eligible Executive) of the agreement under which the Eligible Executive provides services. For the Eligible Executive to receive the benefits under this Plan as a result of a voluntary resignation under this clause B, all of the following requirements must be satisfied: (1) the Eligible Executive must provide notice to the Company of his or her intent to assert this clause B within 90 days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iv); (2) the Company (or parent or subsidiary employing the Eligible Executive) will have 30 days from the date of such notice to remedy the condition and, if it does so, the Eligible Executive may withdraw his or her resignation or may resign with no Plan benefits; and (3) any termination of employment under this clause B must occur within two years of the initial existence of one or more of the conditions set forth in subclauses (i) through (iv). Should the Company (or parent or subsidiary employing the Eligible Executive) remedy the condition as set forth above and then one or more of the conditions arises again within two years following the occurrence of a Change in Control, the Eligible Executive may assert this clause B again subject to all of the conditions set forth herein.

Misconduct shall mean the commission of any material act of fraud, embezzlement or dishonesty by an individual, any material unauthorized use or disclosure by such person of confidential information or trade secrets of the Company (or any parent or subsidiary), or any other intentional material misconduct by such person adversely affecting the business or affairs of the Company (or any parent or subsidiary).

Change in Control shall mean:

A. The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if persons who were not shareholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization 50% or more of the voting power of the outstanding securities of each

of (i) the continuing or surviving entity and (ii) any direct or indirect parent corporation of such continuing or surviving entity;

B. The sale, transfer or other disposition of all or substantially all of the Company's assets;

C. A change in the composition of the Board, as a result of which fewer than 50% of the incumbent directors are directors who either:

(i) had been directors of the Company on the date 12 months prior to the date of such change in the composition of the Board (the "***Original Directors***") or

(ii) were appointed to the Board, or nominated for election to the Board, with the affirmative votes of at least a majority of the aggregate of (A) the Original Directors who were in office at the time of their appointment or nomination and (B) the directors whose appointment or nomination was previously approved in a manner consistent with this clause (ii); or

D. Any transaction as a result of which any person becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least 50% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Paragraph (D), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude (i) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a parent or subsidiary and (ii) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the country or state, as applicable, of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction. In addition, a transaction shall not constitute a Change in Control unless it also constitutes a "change in control event" under Treasury Regulation 1.409A-3(a)(5).

Notwithstanding anything herein to the contrary, a sale by Theravance Biopharma US Holdings, Inc. and Triple Royalty Sub II LLC, each a wholly-owned subsidiary of the Company, of the Class B Units and Class C Units held by each of them in Theravance Respiratory Company, LLC, shall not constitute a Change in Control.

Separation shall mean a "separation from service" as defined in the regulations under Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***").

Qualifying Termination shall mean either a Non-Change in Control Termination or a Change in Control Termination.

5. Golden Parachute Tax Limitation

The Internal Revenue Code imposes an excise tax on certain payments and other benefits received by certain officers and shareholders in connection with a change of control involving the Company. Such payments can include severance pay, loan forgiveness and acceleration of vesting.

Basic Rule.

In the event that it is determined that any payment or distribution of any type (cash, equity or otherwise) to or for the benefit of the Eligible Executive made by the Company, by any of its affiliates, by any person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of section 280G of the Code and the regulations thereunder) or by any affiliate of such person, whether paid or payable or distributed or distributable pursuant to the terms of this Plan or under any other agreement including an Eligible Executive's equity award agreements and including loan forgiveness (the "***Total Payments***"), would be subject to the excise tax imposed by section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest or penalties, are collectively referred to as the "***Excise Tax***"), then:

- Rule for grandfathered Eligible Executives: If, immediately prior to the original effective date of the Plan, the Eligible Executive was eligible to participate in the Theravance, Inc. Amended and Restated Change in Control Severance Plan (i.e., the Eligible Executive was an officer of Theravance, Inc. as of December 16, 2009), the Company shall pay Eligible Executive an additional amount (a "***Gross-Up Payment***") equal to the amount that shall fund the payment by the Eligible Executive of any Excise Tax on the Total Payments as well as all income taxes imposed on the Gross-Up Payment, any Excise Tax imposed on the Gross-Up Payment and any interest or penalties imposed with respect to taxes on the Gross-Up Payment or any Excise Tax, or

- Rule for all other Eligible Executives: In the case of any other Eligible Executive, the Total Payments shall be made to the Eligible Executive either (i) in full or (ii) as to such lesser amount as would result in no portion of the Total Payments being subject to Excise Tax (a "***Reduced Payment***"), whichever of the foregoing results in the receipt by the Eligible Executive on an after-tax basis, of benefits of the greatest value, notwithstanding that all or some portion of the Total Payments may be subject to the Excise Tax.

For avoidance of doubt, the Total Payments shall include acceleration of vesting of equity awards granted by Theravance, Inc. that vest based on service to the Company and that accelerate in connection with a change in control of the Company, but only to the extent such acceleration of vesting is deemed a parachute payment with respect to a change in control of the Company.

Rules Applicable to Gross-Up Payment.

Determination by Accountant.

All mathematical determinations and all determinations of whether any of the Total Payments are "parachute payments" (within the meaning of section 280G of the Code), including all determinations of whether a Gross-Up Payment is required and of the amount of such Gross-Up Payment, shall be made by an independent accounting firm selected by the Company (the "***Accounting Firm***"), which shall provide its determination (the "***Determination***"), together with detailed supporting calculations regarding the amount of any Gross-Up Payment, both to the Company and to the Eligible Executive within seven business days of the Eligible Executive's Separation, if applicable, or such earlier time as is requested by the Company or by the Eligible Executive (if the Eligible Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax). If the Accounting Firm determines that no Excise Tax is payable by the Eligible Executive, it shall furnish the Eligible Executive with a written statement that such Accounting Firm has concluded that no Excise Tax is payable (including the reasons therefor) and that the Eligible Executive has substantial authority not to report any Excise Tax on the Eligible Executive's federal income tax return. If a Gross-Up Payment is determined to be payable, it shall be paid to the Eligible

Executive within five business days after the Determination is delivered to the Company or the Eligible Executive and in no event later than the close of the calendar year following the calendar year in which the Eligible Executive pays the Excise Tax. Notwithstanding the foregoing, to the extent the Gross-Up Payment is subject to Section 457A of the Code, it will be paid no later than 12 months after the end of the Company's taxable year in which the Eligible Executive's Involuntary Termination occurs. Any determination by the Accounting Firm shall be binding upon the Company and the Eligible Executive, absent manifest error.

Underpayments and Overpayments.

As a result of uncertainty in the application of Sections 4999 and 280G of the Code at the time of the initial Determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments not made by the Company should have been made ("***Gross-Up Underpayments***") or that Gross-Up Payments will have been made by the Company which should not have been made ("***Gross-Up Overpayments***"). In either event, the Accounting Firm shall determine the amount of the Gross-Up Underpayment or Gross-Up Overpayment that has occurred. In the case of a Gross-Up Underpayment, the amount of such Gross-Up Underpayment shall promptly be paid by the Company to or for the benefit of the Eligible Executive. In the case of a Gross-Up Overpayment, the Eligible Executive shall, at the direction and expense of the Company, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Company and otherwise reasonably cooperate with the Company to correct such Gross-Up Overpayment; *provided*, *however*, that (i) the Eligible Executive shall in no event be obligated to return to the Company an amount greater than the net after-tax portion of the Gross-Up Overpayment that the Eligible Executive has retained or has recovered as a refund from the applicable taxing authorities and (ii) this provision shall be interpreted in a manner consistent with the intent of this section, which is to make the Eligible Executive whole, on an after-tax basis, for the application of the Excise Tax, it being understood that the correction of a Gross-Up Overpayment may result in the Eligible Executive's repaying to the Company an amount which is less than the Gross-Up Overpayment.

Rules Applicable to Reduced Payments.

Determination by Accountant.

The Determination as to whether any of the Total Payments are "parachute payments" (within the meaning of section 280G of the Code) and whether to make a Reduced Payment shall be made by the Accounting Firm, which shall provide such Determination, together with detailed supporting calculations both to the Company and to the Eligible Executive within seven business days of the Eligible Executive's Separation, if applicable, or such earlier time as is requested by the Company or by the Eligible Executive (if the Eligible Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax). In any event, as promptly as practicable following the Accounting Firm's Determination, the Company shall pay or transfer to or for the benefit of the Eligible Executive such amounts as are then due to him or her and shall promptly pay or transfer to or for the benefit of the Eligible Executive in the future such amounts as become due to him or her. Any determination by the Accounting Firm shall be binding upon the Company and the Eligible Executive, absent manifest error.

Reduction of Payments.

For purposes of determining whether to make a Reduced Payment, if applicable, the Company shall cause to be taken into account all federal, state and local income and employment taxes and excise taxes applicable to the Eligible Executive (including the Excise Tax). If a Reduced Payment is made, the Company shall reduce or eliminate the Total Payments in the following order: (1) cancellation of accelerated vesting of options with no intrinsic value, (2) reduction of cash payments, (3) cancellation of accelerated vesting of equity awards other than options, (4) cancellation of accelerated vesting of options with intrinsic value and

(5) reduction of other benefits paid to the Eligible Executive. In the event that acceleration of vesting is reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Eligible Executive's equity awards. In the event that cash payments or other benefits are reduced, such reduction shall occur in reverse order beginning with payments or benefits which are to be paid farthest in time from the date of the Determination. For avoidance of doubt, an option will be considered to have no intrinsic value if the exercise price of the shares subject to the option exceeds the fair market value of such shares.

Underpayments and Overpayments.

As a result of uncertainty in the application of Sections 4999 and 280G of the Code at the time of the initial Determination by the Accounting Firm hereunder, it is possible that payments will have been made by the Company which should not have been made (an "***Overpayment***") or that additional payments which will not have been made by the Company could have been made (an "***Underpayment***"), consistent in each case with the calculation of whether and to what extent a Reduced Payment shall be made hereunder. In either event, the Accounting Firm shall determine the amount of the Underpayment or Overpayment that has occurred. In the event that the Accounting Firm determines that an Overpayment has occurred, such Overpayment shall be treated for all purposes as a loan to the Eligible Executive that he or she shall repay to the Company, together with interest at the applicable federal rate provided in Section 7872(f)(2) of the Code; *provided*, *however*, that no amount shall be payable by the Eligible Executive to the Company if and to the extent that such payment would not reduce the amount that is subject to taxation under Section 4999 of the Code. In the event that the Accounting Firm determines that an Underpayment has occurred, such Underpayment shall promptly be paid or transferred by the Company to or for the benefit of the Eligible Executive, together with interest at the applicable federal rate provided in Section 7872(f)(2) of the Code.

If this Section 5 is applicable with respect to an Eligible Executive's receipt of a Reduced Payment, it shall supersede any contrary provision of any plan, arrangement or agreement governing the Eligible Executive's rights to the Total Payments.

6. Sections 409A and 457A.

Severance payments and benefits under the Plan are intended to be exempt from the application of Section 409A of the Code and any state law of similar effect, and the Plan will be construed to the greatest extent possible consistent with such intent. In particular, severance payments are intended to be exempt from the application of Section 409A of the Code pursuant to Treasury Regulation 1.409A-1(b)(4) (as a short-term deferral) and alternatively pursuant to Treasury Regulation 1.409A-1(b)(9)(iii) (to the extent of the dollar limitation set forth therein). To the extent not so exempt, the Plan will be construed to comply with the requirements of Section 409A of the Code so that none of the payments or benefits hereunder will be subject to additional tax imposed under Section 409A of the Code. For purposes of Section 409A of the Code, an Eligible Executive's right to receive a series of installment payments under the Plan will be treated as a right to receive a series of separate payments. Severance payments and benefits under the Plan are also intended to be exempt from the application of Section 457A of the Code and will be construed to the greatest extent possible consistent with such intent.

This paragraph shall only apply if the Company determines that the Eligible Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code and the regulations thereunder when his or her Separation occurs. If this paragraph applies, it shall supersede any contrary provision of the Plan. To the extent that any payments or benefits to which an Eligible Executive becomes entitled under the Plan in connection with a Separation constitute "deferred compensation" subject to Section 409A of the Code, such payments shall not be paid, or, in the case of installments, shall not commence until expiration of the six-month period measured from the Eligible Executive's Separation or the date of the Eligible Executive's

death, but only to the extent necessary to avoid the additional tax imposed by Section 409A of the Code. The severance payments or benefits that otherwise would have been made during such deferral period shall be paid in a lump sum on the first day following expiration of the deferral period.

III. OTHER IMPORTANT INFORMATION

1. ***Release and Waiver of Claims***. Any other provision of this Plan notwithstanding, an Eligible Executive shall not be entitled to receive any Severance Payment, other payment, or benefit under this Plan unless such Eligible Executive has executed a waiver of claims and a general release of all claims in favor of the Company and its affiliates. Such release shall be executed on a form provided by and acceptable to the Company. The Company shall complete the form of release and deliver it to the Eligible Executive within 30 days after his or her Separation occurs. The form of the release will specify how much time such Eligible Executive has to sign it and whether there is a revocation period; *provided*, *however*, that the deadline for execution of the release will in no event be later than 50 days after the Eligible Executive's Separation and the release must become effective by the 60th day after the Eligible Executive's Separation. If the release has not been signed by the Eligible Executive and become effective by the 60th day after the Eligible Executive's Separation, then the Eligible Executive will cease to be eligible for benefits under this Plan.

2. ***Plan Administration***. As the Plan Administrator, the Company has full discretionary authority to administer and interpret the Plan, including discretionary authority to determine eligibility for benefits under the Plan and the amount of benefits (if any) payable per participant. Any determination by the Plan Administrator will be final and conclusive upon all persons. The Plan Administrator hereby delegates to the Chief Financial Officer all of its administrative duties. Accordingly, the Chief Financial Officer, on behalf of the Plan Administrator, has full discretionary authority to carry out its delegated duties. Any determination by the Chief Financial Officer will be final and conclusive upon all persons. The Company, as the Plan Administrator, will indemnify and hold harmless the Chief Financial Officer for carrying out the responsibilities of the Plan Administrator; *provided*, *however*, such person does not act with gross negligence or willful misconduct.

3. ***Benefits***. The Company is not required to establish a trust to fund the Plan. The benefits provided under this Plan are not assignable and may be conditioned upon your compliance with the waiver and release of claims signed by you and any confidentiality agreement and/or proprietary information and invention assignment agreement you have entered into with the Company.

4. ***Claims Procedure***. If you believe you are incorrectly denied a benefit or are entitled to a greater benefit than the benefit you receive under the Plan, you may submit a signed, written application to the Plan Administrator. This notice must be filed within ninety (90) days of your Separation or, if your claim involves a Gross-Up Payment or a Reduced Payment, within ninety (90) days of the date on which a Determination is made regarding such Gross-Up Payment or Reduced Payment.

- *Initial Claims Procedure*. The Plan Administrator shall, within ninety (90) days after receipt of a claim, either allow or deny the claim in writing. The ninety (90)-day period may be extended for another ninety (90) days if the Plan Administrator determines that special circumstances warrant an extension. If an extension is required, you will be notified in advance of the circumstances underlying the extension and the date by which the Plan Administrator expects to render a decision. A denial of a claim should include:

  a) The specific reason or reasons for the denial;

b) Specific reference to pertinent Plan provisions on which the denial is based;

c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

d) An explanation of the Plan's claim review procedure, including the right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

· *Appeals Procedure*. If your claim is denied, you (or your duly authorized representative) may, within sixty (60) days after receipt of denial of your claim, submit a written request to the Plan Administrator for a full and fair review of the denied claim. As part of the appeal, you may submit written issues and comments, documents, records and other information relating to the claim. Upon request and free of charge, you will be provided reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits. The review will take into account all comments, documents, records and any other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

The Plan Administrator shall notify you of the final decision on review within sixty (60) days after receipt of a request for review. The sixty (60)-day period may be extended for another sixty (60) days if the Plan Administrator determines that special circumstances warrant an extension. If an extension is required, you will be notified in advance of the circumstances underlying the extension and the date by which the Plan Administrator expects to render a decision. The final decision will be provided in writing and, if adverse, will include:

a) The specific reason or reasons for the adverse determination;

b) A reference to specific Plan provisions on which the adverse determination was made;

c) A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits; and

d) A statement describing any voluntary appeal procedures offered by the Plan and your right to obtain the information about such procedures and a statement of your right to bring an action under ERISA Section 502(a).

In reviewing the adverse benefit determination of a benefit claim, the Plan Administrator will have full authority to interpret and apply in its discretion the provisions of the Plan. The decision of the Plan Administrator will be final and binding on all parties. You must follow and fully exhaust these claims procedures before you may commence a civil action in court for any claim. Additionally, any legal action must be commenced within two (2) years following the date on which administrative remedies have been exhausted hereunder.

5. ***Plan Terms***. Except as expressly provided herein, this Plan supersedes any and all prior separation, severance and salary continuation arrangements, programs and plans which were previously offered by the Company for which you are eligible, but excluding terms of the Company's equity plans and individual letter agreements which address the vesting of equity awards. In no event shall

an Eligible Executive receive cash severance benefits under this Plan and under any other Plan, program or arrangement.

6. ***Plan Amendment or Termination***. The Company, acting through its Board or its Compensation Committee, reserves the right to terminate or amend the Plan at any time and in any manner. Any termination or amendment of the Plan may be made effective immediately with respect to any benefits not yet paid, whether or not prior notice of such amendment or termination has been given to affected employees. However, no amendment or termination may be approved following the execution of a definitive agreement to effect any Change in Control involving the Company without the consent of 75% of the then participating Eligible Executives.

7. ***Taxes***. Except as set forth herein, the Company will withhold taxes and other payroll deductions from any severance payment.

8. ***No Right to Employment***. This Plan does not provide you with any right to continue employment with the Company (or any parent or subsidiary) or affect the Company's right (or the right of any parent or subsidiary employing an Eligible Executive), which right is hereby expressly reserved, to terminate the employment of any individual at any time for any reason with or without cause.

IV. STATEMENT OF ERISA RIGHTS

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

1. Examine, without charge, at the Plan Administrator's office, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series), if applicable, filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

2. Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series), if applicable, and an updated (as necessary) summary plan description. The Plan Administrator may make a reasonable charge for the copies.

3. Receive a summary of the Plan's annual financial report, if applicable. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes obligations upon the people who are responsible for the operation of the Plan. The people who operate the Plan (called "fiduciaries") have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit to which you are entitled under the Plan or from exercising your rights under ERISA.

Enforce Your Rights

If your claim for a severance benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan, if applicable, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and to pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that Plan fiduciaries are misusing the Plan's assets (if any) or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds that your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

ADDITIONAL PLAN INFORMATION

Name of Plan:	Theravance Biopharma, Inc. Executive Severance Plan
Company Sponsoring Plan:	Theravance Biopharma, Inc. c/o Theravance Biopharma US, Inc. 901 Gateway Blvd. South San Francisco, CA 94080 (650) 808-6000
Employer Identification Number:	N/A; provided, however, the Employer Identification Number for Theravance Biopharma US, Inc., which is a participating employer in the Plan is:
Plan Number:	
Plan Year:	The calendar year; the first plan year shall end December 31, 2014
Plan Administrator:	Theravance Biopharma US, Inc. 901 Gateway Blvd. South San Francisco, CA 94080 (650) 808-6000
Agent for Service of Legal Process:	Plan Administrator
Type of Plan:	Severance Plan/Employee Welfare Benefit Plan
Plan Costs:	The cost of the Plan is paid by Theravance Biopharma, Inc.

Exhibit 19

Theravance Biopharma, Inc.

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INSIDER TRADING POLICY

and

Guidelines with Respect to Certain Transactions in Securities

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Effective as of October 30, 2024

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INTRODUCTION

Theravance Biopharma, Inc. (together with its subsidiaries (including, without limitation, Theravance Biopharma US, Inc.) the "***Company***") opposes the unauthorized disclosure of any non-public information acquired in the course of your service with the Company and the misuse of material non-public information in securities trading. Any such actions will be deemed violations of this Insider Trading Policy (the "***Policy***").

Legal prohibitions on insider trading

The antifraud provisions of U.S. federal securities laws prohibit directors, officers, employees and other individuals who possess material non-public information from trading on the basis of that information. Transactions will be considered "on the basis of" material non-public information if the person engaged in the transaction was aware of the material non-public information at the time of the transaction. It is not a defense that the person did not "use" the information for purposes of the transaction.

Disclosing material non-public information directly or indirectly to others who then trade based on that information or making recommendations or expressing opinions as to transactions in securities while aware of material non-public information (which is sometime referred to as "***tipping***") is also illegal. Both the person who provides the information, recommendation or opinion and the person who trades based on it may be liable.

These illegal activities are commonly referred to as "***insider trading***". State securities laws and securities laws of other jurisdictions also impose restrictions on insider trading.

In addition, the Company, as well as individual directors, officers and other supervisory personnel, may be subject to liability as "controlling persons" for failure to take appropriate steps to prevent insider trading by those under their supervision, influence or control.

Detection and prosecution of insider trading

The U.S. Securities and Exchange Commission (the "***SEC***"), the Financial Industry Regulatory Authority ("***FINRA***") and the Nasdaq Stock Market use sophisticated electronic surveillance techniques to investigate and detect insider trading, and the SEC and the U.S. Department of Justice pursue insider trading violations vigorously. Cases involving trading through foreign accounts, trading by family members and friends and trading involving only a small number of shares have been successfully prosecuted.

Penalties for violation of insider trading laws and this Policy

Civil and criminal penalties. As of the effective date of this Policy, potential penalties for insider trading violations under U.S. federal securities laws include:

- damages in a private lawsuit;
- disgorging any profits made or losses avoided;
- imprisonment for up to 20 years;
- criminal fines of up to $5 million for individuals and $25 million for entities;
- civil fines of up to three times the profit gained or loss avoided;

- a bar against serving as an officer or director of a public company; and
- an injunction against future violations.

Civil and criminal penalties also apply to tipping. The SEC has imposed large penalties in tipping cases even when the disclosing person did not trade or gain any benefit from another person's trading.

Controlling person liability. As of the effective date of this Policy, the penalty for "controlling person" liability is a civil fine of up to the greater of $2.6 million or three times the profit gained or loss avoided as a result of the insider trading violations, as well as potential criminal fines and imprisonment.

Company disciplinary actions. If the Company has a reasonable basis to conclude that you have failed to comply with this Policy, you may be subject to disciplinary action by the Company, up to and including dismissal for cause, regardless of whether or not your failure to comply with this Policy results in a violation of law. It is not necessary for the Company to wait for the filing or conclusion of any civil or criminal action against you before taking disciplinary action. In addition, the Company may give stop transfer and other instructions to the Company's transfer agent to enforce compliance with this Policy.

Compliance Officer

Please direct any questions, requests or reports as to any of the matters discussed in this Policy to the senior Legal Officers of the Company (each, a "***Compliance Officer***"). The Compliance Officer(s) are generally responsible for the administration of this Policy. A Compliance Officer may select others to assist with the execution of his or her duties.

Reporting violations

It is your responsibility to help enforce this Policy. You should be alert to possible violations and promptly report violations or suspected violations of this Policy to a Compliance Officer. If your situation requires that your identity be kept secret, your anonymity will be preserved to the greatest extent reasonably possible. If you wish to remain anonymous, you may: send a letter addressed to: Compliance Officer at Theravance Biopharma, Inc., c/o Theravance Biopharma US, Inc., 901 Gateway Boulevard, South San Francisco, CA 94080; or leave an anonymous message on the compliance hotline at (650) 808-3993 or the toll free number 866-806-2637. If you make an anonymous report, please provide as much detail as possible, including any evidence that you believe may be relevant to the issue.

Personal responsibility

The ultimate responsibility for complying with this Policy and applicable laws and regulations rests with you. You should use your best judgment at all times and consult with your personal legal and financial advisors, as needed. We advise you to seek assistance from a Compliance Officer if you have any questions at all. The rules relating to insider trading can be complex, and a violation of insider trading laws can carry severe consequences.

PERSONS AND TRANSACTIONS COVERED BY THIS POLICY

Persons covered by this Policy

This Policy applies to all directors, officers, employees and agents (such as consultants and independent contractors) of the Company. References in this Policy to "you" (as well as general references to directors, officers, employees and agents of the Company) should also be understood to include members of your immediate family, persons with whom you share a household, persons that are your economic dependents and any other individuals or entities whose transactions in securities you influence, direct or control (including, for example, a venture or other investment fund, if you influence, direct or control transactions by the fund). You are responsible for making sure that these other individuals and entities comply with this Policy.

Types of transactions covered by this Policy

Except as discussed in the section entitled "**Limited Exceptions**" below, this Policy applies to *all* transactions *involving* the securities of the Company or the securities of other companies as to which you possess material non-public information obtained in the course of your service with the Company. This Policy therefore applies to purchases, sales and other transfers of ordinary shares, options, warrants, preferred shares, debt securities (such as debentures, bonds and notes) and other securities of the Company or of such other companies. This Policy also applies to any arrangements that affect economic exposure to changes in the prices of these securities. These arrangements may include, among other things, transactions in derivative securities (such as exchange-traded put or call options), hedging transactions, short sales and certain decisions with respect to participation in benefit plans. This Policy also applies to any offers with respect to the transactions discussed above. You should note that there are no exceptions from insider trading laws or this Policy based on the size of the transaction.

Responsibilities regarding the non-public information of other companies

This Policy prohibits the unauthorized disclosure or other misuse of any non-public information of other companies, such as the Company's distributors, vendors, customers, corporate partners or collaborators, suppliers and competitors. This Policy also prohibits insider trading and tipping based on the material non-public information of other companies.

Applicability of this Policy after your departure

You are expected to comply with this Policy until such time as you are no longer affiliated with the Company *and* you no longer possess any material non-public information subject to this Policy. In addition, if your transactions in Company securities are subject to a blackout period at the time of the termination of your service to the Company, then the blackout period will continue to apply to your transactions in the Company's securities until the end of such blackout period.

No exceptions based on personal circumstances

There may be instances where you suffer financial harm or other hardship or are otherwise required to forego a planned transaction because of the restrictions imposed by this Policy. Personal financial emergency or other personal circumstances are not mitigating factors under securities laws and will not excuse a failure to comply with this Policy.

MATERIAL NON-PUBLIC INFORMATION

"Material" information

Information should be regarded as material if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, hold or sell securities or would view the information as significantly altering the total mix of information in the marketplace about the issuer of the security. In general, any information that could reasonably be expected to affect the market price of a security is likely to be material. Either positive or negative information may be material.

It is not possible to define all categories of "material" information. However, some examples of information that could be regarded as material include information with respect to:

- Financial results, financial condition, earnings pre-announcements, guidance, projections or forecasts, particularly if inconsistent with the Company's current guidance or with the expectations of the investment community;
- Restatements of financial results, or material impairments, write-offs or restructurings;
- Changes in independent auditors, or notification that the Company may no longer rely on an audit report;
- Business plans or budgets;
- Creation of significant financial obligations, or any significant default under or acceleration of any financial obligation;
- Impending bankruptcy or financial liquidity problems;
- Significant developments involving important business relationships or important corporate partnerships/collaborations, including execution, modification or termination of significant agreements or significant orders with customers, suppliers, distributors, manufacturers or other business partners;
- Certain regulatory filings, regulatory approvals and denials or significant regulatory developments such as changes in regulatory guidance with respect to pre- or post-approval requirements, the contents of advisory committee meeting briefing documents, or the results of meetings between the Company and regulatory authorities;
- Certain important pre-clinical or clinical study results or developments;
- Product introductions, modifications, defects or recalls or significant pricing changes or other product developments of a significant nature;
- Significant developments in research and development or relating to intellectual property;
- Significant legal or regulatory developments, whether actual or threatened;
- Major events involving the Company's securities, including calls of securities for redemption, adoption of share repurchase programs, option repricings, share splits, changes in dividend policies, public or private securities offerings (unless pursuant to a plan or arrangement that has already been publicly announced or understood by the investment community), modification to the rights of security holders or notice of delisting;
- The existence of a special blackout period;

- Significant corporate events, such as a pending or proposed merger, joint venture, tender offer or important corporate partnering / collaboration agreement, a significant investment, the acquisition or disposition of a significant business or asset (including products or product candidates) or a change in control of the company; and

- Major personnel changes, such as changes in executive management or lay-offs.

If you have any questions as to whether information should be considered "material", you should consult with a Compliance Officer. In general, it is advisable to resolve any close questions as to the materiality of any information by assuming that the information is material.

"Non-public" information

Information is considered non-public if the information has not been broadly disseminated to the public for a sufficient period to be reflected in the price of the security. As a general rule, information should be considered non-public until at least two full trading days have elapsed after the information is broadly distributed to the public in a press release, a public filing with the SEC, a pre-announced public webcast or another broad, non-exclusionary form of public communication. However, depending upon the form of the announcement and the nature of the information, it is possible that information may not be fully absorbed by the marketplace until a later time. Any questions as to whether information is non-public should be directed to a Compliance Officer.

The term "***trading day***" means a day on which national stock exchanges are open for trading. A "***full***" trading day has elapsed when, after the public disclosure, trading in the relevant security has opened and then closed.

POLICIES REGARDING MATERIAL NON-PUBLIC INFORMATION

Confidentiality of non-public information

The unauthorized use or disclosure of non-public information relating to the Company or other companies is prohibited. All non-public information you acquire in the course of your service with the Company may only be used for legitimate Company business purposes. In addition, non-public information of others should be handled in accordance with the terms of any relevant nondisclosure agreements, and the use of any such non-public information should be limited to the purpose for which it was disclosed.

You must use all reasonable efforts to safeguard non-public information in the Company's possession. You may not disclose non-public information about the Company or any other company, unless required by law, or unless (i) disclosure is required for legitimate Company business purposes, (ii) you are authorized to disclose the information and (iii) appropriate steps have been taken to prevent misuse of that information (including entering an appropriate nondisclosure agreement that restricts the disclosure and use of the information, if applicable). This restriction also applies to internal communications within the Company and to communications with agents of the Company. In cases where disclosing non-public information to third parties is required, you should coordinate with the Legal Department.

All officers, employees and agents of the Company are required to sign and comply with an agreement addressing confidential information and invention assignment.

No trading on material non-public information

Except as discussed in the section entitled "**Limited Exceptions**" below, you may not, directly or indirectly through others, engage in any transaction involving the Company's securities *while aware of* material non-public information relating to the Company. It is not an excuse that you did not "use" the information in your transaction.

Similarly, you may not engage in transactions involving the securities of any other company if you are aware of material non-public information about that company (except to the extent the transactions are analogous to those presented in the section entitled "**Limited Exceptions**" below). For example, you may be involved in a proposed transaction involving a prospective business relationship or transaction with another company. If information about that transaction constitutes material non-public information for that other company, you would be prohibited from engaging in transactions involving the securities of that other company (as well as transactions involving Company securities, if that information is material to the Company). It is important to note that "materiality" is different for different companies. Information that is not material to the Company may be material to another company.

No disclosing material non-public information for the benefit of others

You may not disclose material non-public information concerning the Company or any other company to friends, family members or any other person or entity not authorized to receive such information where such person or entity may benefit by trading on the basis of such information. In addition, you may not make recommendations or express opinions on the basis of material non-public information as to trading in the securities of companies to which such information relates. You are prohibited from engaging in these actions whether or not you derive any profit or personal benefit from doing so. This prohibition against disclosure of material non-public information includes disclosure

(even anonymous disclosure) via the Internet, blogs, investor forums, chat rooms, social media, or the like.

Responding to outside inquiries for information

In the event you receive an inquiry from someone outside of the Company, such as a stock analyst, for information, you should refer the inquiry to the Chief Financial Officer or the Investor Relations Department. The Company is required under Regulation FD (Fair Disclosure) of the U.S. federal securities laws to avoid the selective disclosure of material non-public information. In general, the regulation provides that when a public company discloses material non-public information, it must provide broad, non-exclusionary access to the information. Violations of this regulation can subject the company to SEC enforcement actions, which may result in injunctions and severe monetary penalties. The Company has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release in compliance with applicable law.

TRADING BLACKOUT PERIODS

To limit the likelihood of trading at times when there is a significant risk of insider trading exposure, the Company has instituted quarterly trading blackout periods and may institute special trading blackout periods from time to time.

It is important to note that whether or not you are subject to blackout periods, you remain subject to the prohibitions on trading on the basis of material non-public information and any other applicable restrictions in this Policy.

Quarterly blackout periods

Except as discussed in the section entitled "**Limited Exceptions**" below, directors, officers and all other employees must refrain from conducting transactions involving the Company's securities during quarterly blackout periods.

Quarterly blackout periods start at the beginning of the day that is 15 calendar days before the close of each fiscal quarter and end at the end of the second full trading day following the date of public disclosure of the financial results for that fiscal quarter. This period is a particularly sensitive time for transactions involving the Company's securities from the perspective of compliance with applicable securities laws due to the fact that, during this period, individuals may often possess or have access to material non-public information relevant to the expected financial results for the quarter.

Special blackout periods

From time to time, the Company may also prohibit directors, officers, employees and agents from engaging in transactions involving the Company's securities when, in the judgment of a Compliance Officer, a trading blackout is warranted. The Company will generally impose special blackout periods when there are material developments known to the Company that have not yet been disclosed to the public. For example, the Company may impose a special blackout period in anticipation of announcing interim earnings guidance or a significant transaction or business development. However, special blackout periods may be declared for any reason.

The Company will notify those persons subject to a special blackout period. Each person who has been so identified and notified by the Company may not engage in any transaction involving the Company's securities until instructed otherwise by a Compliance Officer, and should not disclose to others the fact of such suspension of trading.

No "safe harbors"

There are no unconditional "safe harbors" for trades made at particular times, and all persons subject to this Policy should exercise good judgment at all times. Even when a quarterly blackout period is not in effect, you may be prohibited from engaging in transactions involving the Company's securities because you possess material non-public information, are subject to a special blackout period or are otherwise restricted under this Policy.

PRE-CLEARANCE OF TRADES

Except as discussed in the section entitled "**Limited Exceptions**" below, directors and officers should refrain from engaging in any transaction involving the Company's securities without first obtaining pre-clearance of the transaction from a Compliance Officer. In addition, the Company has determined that certain other employees and agents of the Company that may have regular or special access to material non-public information should refrain from engaging in any transaction involving the Company's securities without first obtaining pre-clearance of the transaction from a Compliance Officer. A Compliance Officer may not engage in a transaction involving the Company's securities unless the Chief Executive Officer or Chief Financial Officer has pre-cleared the transaction. Individuals subject to pre-clearance requirements as of the effective date of this policy are listed on **Schedule I**. From time to time, the Company may identify other persons who should be subject to the pre-clearance requirements set forth above, and a Compliance Officer may update and revise **Schedule I** as appropriate. **Schedule I**, as updated from time-to-time will be maintained by the Company's Stock Administrator under supervision of the Compliance Officer(s).

These pre-clearance procedures are intended to decrease insider trading risks associated with transactions by individuals with regular or special access to material non-public information. In addition, requiring pre-clearance of transactions by directors and officers facilitates compliance with Rule 144 resale restrictions under the Securities Act of 1933, as amended, and the liability and reporting provisions of Section 16 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"). Pre-clearance of a trade, however, is not a defense to a claim of insider trading and does not excuse you from otherwise complying with insider trading laws or this Policy. Further, pre-clearance of a transaction does not constitute an affirmation by the Company or a Compliance Officer that you are not in possession of material non-public information.

A Compliance Officer is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction.

ADDITIONAL RESTRICTIONS AND GUIDANCE

This section addresses certain types of transactions that may expose you and the Company to significant risks. You should understand that, even though a transaction may not be expressly prohibited by this section, you are responsible for ensuring that the transaction otherwise complies with other provisions in this Policy that may apply to the transaction, such as the general prohibition against insider trading as well as pre-clearance procedures and blackout periods, to the extent applicable.

Bona Fide Gifts of Securities

Bona fide gifts are not transactions prohibited by this Policy, unless (1) the person making the gift has reason to believe that the recipient intends to sell the Company securities while such person making the gift is aware of material nonpublic information, or (2) the person making the gift is subject to the trading restrictions specified above under the headings "Trading Blackout Periods" and "Pre-Clearance of Trades" and the recipient of the Company securities sells the securities during a blackout period or period during which pre-clearance is required.

Short sales

Short sales (*i.e.,* the sale of a security that must be borrowed to make delivery) and "selling short against the box" (*i.e.,* a sale with a delayed delivery) with respect to Company securities are prohibited under this Policy. Short sales may signal to the market possible bad news about the Company or a general lack of confidence in the Company's prospects, and an expectation that the value of the Company's securities will decline. In addition, short sales are effectively a bet against the Company's success and may reduce the seller's incentive to improve the Company's performance. Short sales may also create a suspicion that the seller is engaged in insider trading.

Derivative securities and hedging transactions

You may not engage in transactions in publicly traded options on the Company's securities, such as puts, calls and other derivative securities, on an exchange or in any other organized market.

Certain forms of hedging or monetization transactions, such as zero-cost collars, forward sale contracts and many others, involve the establishment of a short position in the Company's securities and limit or eliminate your ability to profit from an increase in the value of the Company's securities. Such transactions are complex and involve many aspects of the federal securities laws, including filing and disclosure requirements. Therefore, the Company requires that if you wish to enter into such an arrangement, you must first pre-clear the proposed transaction with a Compliance Officer. Any request for pre-clearance must be submitted at least two weeks prior to the proposed execution of documents evidencing the proposed transaction.

Using Company securities as collateral for loans

If you are required to comply with Section 16 of the Exchange Act or pre-clearance requirements under this Policy (*i.e.,* if you are listed on **Schedule I** or **II**), you may not pledge Company securities as collateral for loans without the approval of a Compliance Officer at least two weeks prior to the proposed execution of documents evidencing the proposed pledge. If you default on the loan, the lender may sell the pledged securities as collateral in a foreclosure sale. The sale, even though not initiated at your request, is still considered a sale for your benefit and, if made at a time when you are aware of material non-public information or otherwise are not permitted to trade in Company securities, may result in inadvertent insider trading violations, Section 16 violations (for officers and directors), violations of this

Policy and unfavorable publicity for you and the Company. For these same reasons, even if you are not prohibited from pledging Company securities as collateral for loans, you should exercise caution when doing so.

Holding Company securities in margin accounts

Securities held in a margin account or pledged as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. A margin or foreclosure sale that occurs when you are aware of material nonpublic information may, under some circumstances, result in unlawful insider trading. Because of this danger, you should exercise extreme caution in holding Company securities in a margin account or, as discussed above, pledging Company securities as collateral for a loan. If you wish to hold Company securities in a margin account, you must submit a request for approval to a Compliance Officer at least two weeks prior to the proposed transfer of securities to a margin account.

Placing open orders with brokers

Except in accordance with an approved trading plan (as discussed below), you should exercise caution when placing open orders, such as limit orders or stop orders, with brokers, particularly where the order is likely to remain outstanding for an extended period of time. Open orders may result in the execution of a trade at a time when you are aware of material non-public information or otherwise are not permitted to trade in Company securities, which may result in inadvertent insider trading violations, Section 16 violations (for officers and directors), violations of this Policy and unfavorable publicity for you and the Company. You should inform any broker with whom you place any open order at the time it is placed that you are subject to the blackout periods and provide the dates, or otherwise ensure that your open order will close before the blackout period commences. If you are subject to pre-clearance requirements, your order may remain open only for the period of time approved by a Compliance Officer.

LIMITED EXCEPTIONS

The following are certain limited exceptions to the restrictions imposed by the Company under this Policy. Please be aware that even if a transaction is subject to an exception to this Policy, you will need to separately assess whether the transaction complies with applicable law. For example, even if a transaction is indicated as exempt from this Policy, you may need to comply with the "short-swing" trading restrictions under Section 16 of the Exchange Act, to the extent applicable. You are responsible for complying with applicable law at all times.

Transactions pursuant to a trading plan that complies with SEC rules

The SEC has enacted rules that provide an affirmative defense against alleged violations of U.S. federal insider trading laws for transactions pursuant to trading plans that meet certain requirements. In general, these rules, as set forth in Rule 10b5-1 under the Exchange Act, provide for an affirmative defense if you enter into a contract, provide instructions or adopt a written plan for trading securities when you are not aware of material non-public information. The contract, instructions or plan must (i) specify the amount, price and date of the transaction, (ii) specify an objective method for determining the amount, price and date of the transaction and/or (iii) place any subsequent discretion for determining the amount, price and date of the transaction in another person who is not, at the time of the transaction, aware of material non-public information.

Transactions made pursuant to a written trading plan that (i) complies with the affirmative defense set forth in Rule 10b5-1 and (ii) is approved in advance by a Compliance Officer or the Company's Legal Department, are not subject to the restrictions in this Policy against trades made while aware of material non-public information or to the pre-clearance procedures or blackout periods established under this Policy. In approving a trading plan, a Compliance Officer or the Legal Department, in furtherance of the objectives expressed in this Policy, will impose criteria in addition to those set forth in Rule 10b5-1. These criteria are set forth on **Schedule III** attached hereto, which may be updated from time-to-time. You should confer well in advance with a Compliance Officer or the Legal Department prior to the time desired for entering into any trading plan, as establishing these plans can take several weeks or longer.

The SEC rules regarding trading plans are complex and must be complied with completely to be effective. The description provided above is only a summary, and the Company strongly advises that you consult with your personal legal advisor if you intend to adopt a trading plan. While trading plans are subject to review and approval by the Company, the individual adopting the trading plan is ultimately responsible for compliance with Rule 10b5-1 and ensuring that the trading plan complies with this Policy.

Trading plans must be filed with and approved in writing, in advance by a Compliance Officer or the Legal Department. The Company may publicly disclose information regarding trading plans that you may enter.

Receipt and vesting of share options, restricted share units, restricted shares and share appreciation rights

The trading restrictions under this Policy do not apply to the grant or award of share options, restricted share units, restricted shares or share appreciation rights issued or offered by the Company. The trading restrictions under this Policy also do not apply to the vesting, cancellation or forfeiture of share options, restricted share units, restricted share or share appreciation rights in accordance with applicable plans and agreements. The trading restrictions under this Policy also do not apply to your election to "sell-to-cover" or "sell all" that you make and the subsequent execution of such non-discretionary

transactions. The trading restrictions do apply, however, to any subsequent sales of any such securities or the ordinary shares underlying such securities.

Exercise of share options for cash

The trading restrictions under this Policy do not apply to the exercise of share options for cash under the Company's equity incentive plans. Likewise, the trading restrictions under this Policy do not apply to the exercise of share options in a share-for-share exercise with the Company or an election to have the Company withhold securities to cover tax obligations in connection with an option exercise. However, the trading restrictions under this Policy do apply to (i) the sale of any securities issued upon the exercise of a share option, (ii) a "cashless exercise" of a share option through a broker, since this involves selling a portion of the underlying shares to cover the costs of exercise, and (iii) any other market sale of Company securities for the purpose of generating the cash needed to pay the exercise price or taxes associated with the exercise of an option.

Purchases from the employee share purchase plan

The trading restrictions in this Policy do not apply to elections with respect to participation in the Company's employee share purchase plan or to purchases of securities under the plan. However, the trading restrictions do apply to any subsequent sales of any such securities acquired therefrom.

Share splits, share dividends and similar transactions

The trading restrictions under this Policy do not apply to a change in the number of securities held as a result of a share split or share dividend applying equally to all securities of a class, or similar transactions.

Inheritance

The trading restrictions under this Policy do not apply to transfers by will or the laws of descent and distribution. However, the trading restrictions under this Policy do apply to the sale of any inherited securities if the recipient, for example, an immediate family member, is subject to this Policy.

Change in form of ownership

Transactions that involve merely a change in the form in which you own securities are not subject to the trading restrictions under this Policy. For example, you may transfer shares to an *inter vivos* trust of which you are the sole beneficiary during your lifetime.

Other exceptions

Any other exception from this Policy must be approved by a Compliance Officer.

COMPLIANCE WITH SECTION 16 OF THE SECURITIES EXCHANGE ACT

Obligations under Section 16

Section 16 of the Exchange Act, and the related rules and regulations, set forth (i) reporting obligations, (ii) limitations on "short-swing" transactions and (iii) limitations on short sales and other transactions applicable to directors, officers, large shareholders and certain other persons.

The Board of Directors of the Company has determined that those persons listed on **Schedule II** are required to comply with Section 16 of the Exchange Act, and the related rules and regulations, because of their positions with the Company. A Compliance Officer may amend **Schedule II** from time to time as appropriate to reflect the election of new officers or directors, any change in the responsibilities of officers or other employees and any promotions, demotions, resignations or departures.

Schedule II is not necessarily an exhaustive list of persons subject to Section 16 requirements at any given time. Even if you are not listed on **Schedule II**, you may be subject to Section 16 reporting obligations because of your shareholdings, for example.

Notification requirements to facilitate Section 16 reporting

To facilitate timely reporting of transactions pursuant to Section 16 requirements, each person subject to Section 16 reporting requirements must provide, or must ensure that his or her broker provides, the Company with detailed information (*e.g.,* trade date, number of shares, exact price, *etc.*) regarding his or her transactions involving the Company's securities, including gifts, transfers, pledges and transactions pursuant to a trading plan, both prior to (to confirm compliance with pre-clearance procedures, if applicable) and promptly following execution.

Personal responsibility

The obligation to file Section 16 reports, and to otherwise comply with Section 16, is personal. The Company is not responsible for the failure to comply with Section 16 requirements.

ADDITIONAL INFORMATION

Availability of Policy

This Policy will be made available to all directors, officers, employees and agents of the Company when they commence service with the Company. Each director, officer, employee and agent of the Company is required to acknowledge that he or she understands, and agrees to comply with, this Policy.

Amendments

We are committed to continuously reviewing and updating our policies and procedures. The Company therefore reserves the right to amend, alter or terminate this Policy at any time and for any reason, subject to applicable law. A current copy of the Company's policies regarding insider trading may be obtained by contacting a Compliance Officer or the Legal Department.

* * *

Nothing in this Insider Trading Policy creates or implies an employment contract or term of employment.

The policies in this Insider Trading Policy do not constitute a complete list of Company policies or a complete list of the types of conduct that can result in discipline, up to and including discharge.

SCHEDULE I

INDIVIDUALS SUBJECT TO
PRE-CLEARANCE REQUIREMENTS

1. DIRECTORS

All Directors of Theravance Biopharma, Inc.

2. OFFICERS (including officers who are also directors)

All Vice Presidents and above of Theravance Biopharma, Inc.

All Vice Presidents and above of Theravance Biopharma US, Inc., Theravance Biopharma Ireland Limited or any wholly-owned subsidiary of Theravance Biopharma, Inc.

Note: A full and complete list shall be maintained by the Company's stock plan administrator under the direction of a Compliance Officer and any updates or changes shall be recorded by the Company's stock plan administrator under the direction of a Compliance Officer.

3. OTHERS

Note: A full and complete list shall be maintained by the Company's stock plan administrator under the direction of a Compliance Officer and any updates or changes shall be recorded by the Company's stock plan administrator under the direction of a Compliance Officer

SCHEDULE II

INDIVIDUALS SUBJECT TO
SECTION 16 REPORTING AND LIABILITY PROVISIONS

1. DIRECTORS

All Directors of Theravance Biopharma, Inc.

2. OFFICERS (including officers who are also directors)

Each person deemed to be an "officer" of Theravance Biopharma, Inc. in accordance with Rule 16a-1(f) of the Securities Exchange Act of 1934

SCHEDULE III

THERAVANCE BIOPHARMA, INC.
REQUIREMENTS FOR RULE 10B5-1 TRADING PLANS

Trades in Theravance Biopharma, Inc. (the "Company") securities by directors, officers, employees and other persons covered by the Company's Insider Trading Policy that are executed pursuant to an approved "10b5-1 plan" are not subject to the prohibition on trading by individuals aware of material non-public information at the time of the transaction contained in the Company's Insider Trading Policy or to the pre-clearance procedures set forth therein.

Rule 10b5-1 of the Securities and Exchange Commission provides an affirmative defense from insider trading liability under the federal securities laws for trading plans that meet certain requirements. In general, a 10b5-1 plan must be entered into while an individual is not aware of material non-public information. Once the plan is adopted, the individual who adopted the plan must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. Compliance with Rule 10b5-1 of the Securities and Exchange Commission will not protect an executive officer or director from liability under Section 16 of the Securities Exchange Act of 1934. Covered persons may adopt 10b5-1 plans on their own ("Voluntary Plan") or through entering into a 10b5-1 plan in connection with the grant of an equity award under the Company's equity plans ("Equity Award Plans"). An Equity Award Plan that provides for sell-to-cover transactions is deemed a "Sell-to-Cover Plan" where it authorizes an agent to sell only such securities as are necessary to satisfy tax withholding obligations arising exclusively from the vesting of a compensatory award, such as a restricted share award, and the relevant individual does not otherwise exercise control over the timing of such sales. Instructions to "Sell-to-Cover" pursuant to the Company's form of Instruction Letter are Sell-to-Cover Plans while instructions to "Sell All" pursuant to the same form are Voluntary Plans. Except as expressly provided below, these guidelines apply both to Voluntary Plans and Equity Award Plans.

The Company requires that all Voluntary Plans (except "Sell All" instructions given pursuant to the Company's form of Instruction Letter) be filed with and approved by a Compliance Officer or a member of the Legal Department in advance and in writing. If a Compliance Officer seeks to enter into a Voluntary Plan, it must be approved in writing by another Compliance Officer, the Chief Financial Officer or Chief Executive Officer in advance and in writing. Once adopted, 10b5-1 plans may be amended, suspended or terminated only with the written advance approval of the Compliance Officer and in compliance with the procedure set forth below.

Directors and officers of the Company who anticipate selling any of the Company's securities on more than just an occasional basis are strongly encouraged to do so pursuant to a 10b5-1 plan.

A 10b5-1 plan will not be approved unless the plan meets the requirements of Rule 10b5-1 and provides that, or the Company's internal procedures ensure that:

1. A 10b5-1 Plan may be adopted only when the person adopting the plan is not aware of material non-public information.

2. The plan was given or entered into in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1, and the person who entered into the plan has acted in good faith with respect to the contract, instruction or plan.

3. On the date of the adoption of any plan or the modification of any plan as to the amount, price, or timing of the purchase or sale of the securities underlying such plan, any individual who is a director or officer (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended) (collectively, the "Section 16 D&Os") must furnish to the Company a written certification stating that such individual:

    a. As of such date, such Section 16 D&O is not aware of any material nonpublic information about the Company or its securities; and

    b. As of such date, such Section 16 D&O is adopting or modifying the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1.

4. The first transaction under the plan cannot take place until:

    a. For the Company's Section 16 D&Os, the later of (i) two business days following the disclosure of the Company's financial results in a Form 10-Q or Form 10-K for the completed fiscal quarter in which the plan was adopted (up to a maximum of 120 days after the adoption of the plan) and (ii) 90 days following the date of adoption of the plan; and

    b. For all other individuals subject to this Policy, 30 days following the date of adoption of the plan.

    For the purposes of this item 4, a modification of a plan as to the amount, price or timing of the purchase or sale of the securities underlying such plan is deemed an adoption of a new plan.

5. The plan clearly specifies the amount, pricing and timing of transactions (including by formula or algorithm, which must be straightforward in design and simple to implement). The individual approving the plan as specified in the third paragraph of these requirements, and the Company's outside counsel have sole discretion to determine if the requirements set forth in this item 5 are met.

6. Other than as set forth below in this item 6, no trading in Company securities can occur outside a Voluntary Plan while the plan is in effect. However, subject to item 7's restrictions, if the Voluntary Plan only covers sales, then purchases may be made outside the plan, and if the Voluntary Plan only covers purchases, then sales may be made outside the plan. *Insiders who are subject to Section 16 need to ensure that they consider the effect of any such purchases and sales under the short-swing profit provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended.* Sales under a Sell-to-Cover Plan are permitted while a Voluntary Plan is in effect.

7. An individual may not have more than one Voluntary Plan covering Company shares in effect at any one time. A Sell-to-Cover Plan is not counted for this purpose. A Voluntary Plan may be put in place while a preexisting Voluntary Plan is in place, provided that (i) sales under such new Voluntary Plan shall not be executed until the cooling-off periods mandated by item 4 have passed following the expiration or completion of the preexisting plan and (ii) if the preexisting Voluntary Plan is terminated early, then the cooling-off period for the new Voluntary Plan must run from the date of the preexisting plan's termination.

8. An individual subject to this Policy is limited to having no more than one single-trade plan (*i.e.*, a plan that has only one trading event) other than a Sell-to-Cover Plan during any consecutive twelve-month trading period.

9. If the specified number of shares is not sold or purchased because the trigger price has not been reached prior to the closing of the quarterly trading blackout period or the designated period to effect transactions under the plan, the unsold shares may be added to the order(s) for the following designated period(s) to effect transactions under the plan.

10. The plan must provide that transactions thereunder will be consummated through a broker that is acceptable to the Company.

11. The plan must have a termination date.

12. Public disclosure of the plan, if any (and the level of detail of such disclosure) shall remain in the sole discretion of the Legal Department and the Company's outside counsel.

13. A 10b5-1 plan may be amended by the individual only if the individual is not in possession of material non-public information at the time of such amendment, and a plan may not be terminated during the cooling-off period applicable to such plan. Until a termination is effective, *the original Rule 10b5-1 plan remains in effect*. Equity Award Plans may not be amended or terminated by their adopters except pursuant to the Company's Instruction Letter.

14. Any Voluntary Plan must provide for automatic termination in the event of death, a personal bankruptcy filing, the filing of a divorce petition, the last scheduled transaction under the plan, the public announcement of a merger, recapitalization, acquisition, tender or exchange offer, or other business combination or reorganization resulting in the exchange or conversion of the shares of the Company into shares of another company, or the conversion of the Company's shares into rights to receive fixed amounts of cash or into debt securities and/or preferred shares (whether in whole or in part).

Subsidiaries

Theravance Biopharma US, LLC (Delaware)

Theravance Biopharma Ireland Limited (Ireland)

Theravance Biopharma R&D IP, LLC (Delaware)

Theravance Biopharma Antibiotics IP, LLC (Delaware)

Theravance Biopharma US Holdings, Inc. (Delaware)

Triple Royalty Sub LLC (Delaware)

Triple Royalty Sub II LLC (Delaware)

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statements (Form S-8 Nos. 333-198206, 333-202856, 333-210225, 333-216446, 333-223470, 333-231559, 333-236868, 333-253894 and 333-263303) pertaining to the Theravance Biopharma, Inc. 2013 Equity Incentive Plan and the Theravance Biopharma, Inc. 2013 Employee Share Purchase Plan, and
2. Registration Statement (Form S-8 No. 333-200225) pertaining to the Theravance Biopharma, Inc. 2014 New Employee Equity Incentive Plan;

of our report dated March 7, 2025, with respect to the consolidated financial statements of Theravance Biopharma, Inc. included in this Annual Report (Form 10-K) of Theravance Biopharma, Inc. for the year ended December 31, 2024.

/s/ Ernst & Young LLP

San Mateo, California
March 7, 2025

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Rick E Winningham, certify that:

1. I have reviewed this Annual Report on Form 10-K of Theravance Biopharma, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the period presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 7, 2025
(Date)

/s/ Rick E Winningham
Rick E Winningham
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Aziz Sawaf, certify that:

1. I have reviewed this Annual Report on Form 10-K of Theravance Biopharma, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the period presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 7, 2025
(Date)

/s/ Aziz Sawaf
Aziz Sawaf
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Rick E Winningham, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Theravance Biopharma, Inc. on Form 10-K for the fiscal year ended December 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended and that information contained in such Annual Report on Form 10-K fairly presents in all material respects the financial condition and results of operations of Theravance Biopharma, Inc.

March 7, 2025
(Date)

By: /s/ Rick E Winningham
Name: Rick E Winningham
Title: *Chief Executive Officer*
(Principal Executive Officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Aziz Sawaf, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Theravance Biopharma, Inc. on Form 10-K for the fiscal year ended December 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended and that information contained in such Annual Report on Form 10-K fairly presents in all material respects the financial condition and results of operations of Theravance Biopharma, Inc.

March 7, 2025
(Date)

By: /s/ Aziz Sawaf
Name: Aziz Sawaf
Title: *Senior Vice President and Chief Financial Officer*
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Theravance Biopharma, Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.