UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

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 Number: 001-39724

LIQUIDIA CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**85-1710962**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
419 Davis Drive, Suite 100, Morrisville, North Carolina	**27560**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(919) 328-4400**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.001 par value per share	LQDA	The Nasdaq Stock Market LLC

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 Act). Yes ☐ No ☒

The aggregate market value of common stock held by non-affiliates of the registrant on June 30, 2023 which was the last business day of the registrant's most recently completed second fiscal quarter, was $368,576,944 based on a $7.85 closing price per share as reported on the Nasdaq Capital Market.

As of March 11, 2024, there were 76,027,776 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Liquidia Corporation Definitive Proxy Statement with respect to the 2024 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A within 120 days after the end of the fiscal year ended December 31, 2023 are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent stated therein. Except with respect to information specifically incorporated by reference in this Annual Report on Form 10-K, each document incorporated by reference herein is deemed not to be filed as part hereof.

LIQUIDIA CORPORATION

This Annual Report on Form 10-K, or this Annual Report, includes our trademarks, trade names and service marks, such as Liquidia, the Liquidia logo, YUTREPIA and PRINT, or Particle Replication In Non-wetting Templates, which are protected under applicable intellectual property laws and are the property of Liquidia Technologies, Inc. This Annual Report also contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. Solely for convenience, trademarks, trade names and service marks referred to in this Annual Report on Form 10-K may appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, trade names and service marks. We do not intend our use or display of other parties' trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements. All statements other than statements of historical facts contained in this Annual Report may be forward-looking statements. The forward-looking statements are contained principally in the sections entitled "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations", but are also contained elsewhere in this Annual Report. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "should," "expects," "plans," "anticipates," "could," "would," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that 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. Forward-looking statements include, but are not limited to, statements about:

- the timing of and our ability to obtain and maintain regulatory approvals for our product candidates, including YUTREPIA, the potential for, and timing regarding, eventual final approval by the FDA (as defined below) of and our ability to commercially launch YUTREPIA, including the potential impact of regulatory review, approval, and exclusivity developments which may occur for competitors;
- the timeline or outcome related to our patent litigation with United Therapeutics that was filed in the U.S. District Court for the District of Delaware, the inter partes reviews with the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office, our trade secret litigation with United Therapeutics that was filed in the Superior Court for Durham County, North Carolina, the lawsuit filed by United Therapeutics against the FDA in the U.S. District Court for the District of Columbia, or any future litigation with United Therapeutics or any other third party, including any related rehearings or appeals;
- the timing and our business partners' ability to obtain and maintain regulatory clearance for the infusion pump that we are developing with Sandoz (as defined below) and Mainbridge (as defined below);
- the timing and our ability to obtain and maintain regulatory approval for L606, an investigational, liposomal formulation of treprostinil that we licensed from Pharmosa (as defined below);
- our ability to continue operations as a going concern without obtaining additional funding;
- our expectations regarding the size of the patient populations for, market acceptance and opportunity for those drug products that we commercialize in collaboration with third parties, including Sandoz's first-to-file fully substitutable generic treprostinil injection;
- the availability and market acceptance of medical devices and components of medical devices used to administer our drug products and drug products that we commercialize with third parties, including Smiths Medical's CADD-MS 3 infusion pump, the RG 3ml Medication Cartridge that we developed in collaboration with Chengdu Shifeng Medical Technologies LTD. used for the subcutaneous administration of Sandoz's generic treprostinil injection, Smiths Medical's CADD Legacy and CADD-Solis infusion pumps used for the intravenous administration of Sandoz's generic treprostinil injection, the infusion pump that we are developing with Sandoz and Mainbridge for the subcutaneous administration of Sandoz's generic treprostinil injection, Plastiape's RS00 Model 8 dry powder inhaler, which we plan to use for the administration of YUTREPIA, and any devices used for the administration of L606;
- our ability to draw down on our financing facility with HCR (as defined below) and our ability to satisfy the covenants contained in the RIFA (as defined below);
- our ability to retain, attract and hire key personnel;

- prevailing economic, market and business conditions;
- our ability to predict, foresee, and effectively address or mitigate future developments resulting from health epidemics, such as the COVID-19 pandemic, or other global shutdowns, which could include a negative impact on the availability of key personnel, the temporary closure of our facility or the facilities of our business partners, suppliers, third-party service providers or other vendors, or delays in payments or purchasing decisions, or the interruption of domestic and global supply chains, the economy and capital or financial markets;
- the cost and availability of capital and any restrictions imposed by lenders or creditors;
- changes in the industry in which we operate;
- the failure to renew, or the revocation of, any license or other required permits;
- unexpected charges or unexpected liabilities arising from a change in accounting policies, including any such changes by third parties with whom we collaborate and from whom we receive a portion of their net profits, or the effects of acquisition accounting varying from our expectations;
- the risk that the credit ratings of our company or our subsidiaries may be different from what the companies expect, which may increase borrowing costs and/or make it more difficult for us to pay or refinance our debts and require us to borrow or divert cash flow from operations in order to service debt payments;
- fluctuations in interest rates;
- adverse outcomes of pending or threatened litigation or governmental investigations, including our ongoing litigation with United Therapeutics and any future litigation with United Therapeutics or any other third party;
- the effects on our company or our subsidiaries of future regulatory developments or legislative actions, including changes in healthcare, environmental and other laws and regulations to which we are subject;
- conduct of and changing circumstances related to third-party relationships on which we rely, including the level of credit worthiness of counterparties;
- the volatility and unpredictability of the stock market and credit market conditions;
- conditions beyond our control, such as natural disasters, global pandemics (including COVID-19), or acts of war or terrorism;
- variations between the stated assumptions on which forward-looking statements are based and our actual experience;
- other legislative, regulatory, economic, business, and/or competitive factors;
- our plans to develop and commercialize our product candidates;
- our planned clinical trials for our product candidates;
- the timing of the availability of data from our clinical trials;
- the timing and related contents of our planned regulatory filings and/or applications;
- the timing of and our ability to obtain and maintain regulatory approvals for our product candidates;
- the clinical utility of our product candidates and their potential advantages compared to other treatments;
- our commercialization, marketing and distribution capabilities and strategy;
- our ability to establish and maintain arrangements for the manufacture of our product candidates and the ability and sufficiency of our current manufacturing facilities to produce development and commercial quantities of our product candidates;
- our ability to establish and maintain collaborations;
- our estimates regarding the market opportunities for our product candidates;
- our intellectual property position and the duration of our patent rights;
- fluctuations in the trading price of our common stock;
- our estimates regarding future expenses, capital requirements and needs for additional financing; and
- our expected use of proceeds from prior public offerings and the period over which such proceeds, together with our available cash, will be sufficient to meet our operating needs.

You should refer to the “Risk Factors” section of this Annual Report on Form 10-K for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. The forward-looking statements in this Annual Report on Form 10-K are only predictions, and we may not actually achieve the plans, intentions or expectations included in our forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we

believe may affect our business, financial condition and results of operations. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements.

These forward-looking statements speak only as of the date of this Annual Report on Form 10-K. While we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Annual Report on Form 10-K.

Unless the context otherwise requires, references in this Annual Report on Form 10-K to "we," "us", "our", "Liquidia" and the "Company" refer to Liquidia Corporation, a Delaware corporation, and unless specified otherwise, include our wholly owned subsidiaries, Liquidia Technologies, Inc., a Delaware corporation, or Liquidia Technologies, and Liquidia PAH, LLC (formerly known as RareGen, LLC, or RareGen), a Delaware limited liability company, or Liquidia PAH.

PART I

Item 1. Business.

Overview

We are a biopharmaceutical company focused on the development, manufacture, and commercialization of products that address unmet patient needs, with current focus directed towards rare cardiopulmonary diseases such as pulmonary arterial hypertension ("PAH") and pulmonary hypertension associated with interstitial lung disease ("PH-ILD"). We operate through our wholly owned operating subsidiaries, Liquidia Technologies, Inc. ("Liquidia Technologies") and Liquidia PAH, LLC ("Liquidia PAH"), formerly known as RareGen, LLC ("RareGen").

We currently generate revenue pursuant to a promotion agreement between Liquidia PAH and Sandoz Inc. ("Sandoz"), dated as of August 1, 2018, as amended (the "Promotion Agreement"), sharing profit derived from the sale of Sandoz's substitutable generic treprostinil injection ("Treprostinil Injection") in the United States. Liquidia PAH has the exclusive rights to conduct commercial activities to encourage the appropriate use of Treprostinil Injection. We employ a targeted sales force calling on physicians and hospital pharmacies involved in the treatment of PAH and PH-ILD in the United States, as well as key stakeholders involved in the distribution and reimbursement of medicines to treat these patients. We established our commercial presence in the field to support Treprostinil Injection, and have since expanded our presence to support the potential launch of YUTREPIA upon final approval, further validating our reputation as a company committed to supporting PAH and PH-ILD patients.

We conduct research, development and manufacturing of novel products by applying our subject matter expertise in cardiopulmonary diseases and our proprietary PRINT® technology, a particle engineering platform, to enable precise production of uniform drug particles designed to improve the safety, efficacy and performance of a wide range of therapies. Through development of our own products and research with third parties, we have experience applying PRINT across multiple routes of administration and drug payloads including inhaled therapies, vaccines, biologics, nucleic acids and ophthalmic implants, among others.

Our lead product candidate is YUTREPIA for the treatment of PAH and PH-ILD. YUTREPIA is an inhaled dry powder formulation of treprostinil designed with PRINT to improve the therapeutic profile of treprostinil by enhancing deep lung delivery while using a convenient, low effort dry-powder inhaler ("DPI") and by achieving higher dose levels than the labeled doses of current inhaled therapies. In November 2021, the United States Food and Drug Administration ("FDA") tentatively approved our New Drug Application ("NDA") for YUTREPIA for the treatment of PAH. In July 2023, we filed an amendment to our NDA to add PH-ILD to the label for YUTREPIA. Final FDA approval of YUTREPIA can occur for both PAH and PH-ILD after the new clinical investigation exclusivity granted to Tyvaso in PH-ILD expires on March 31, 2024.

We are also developing L606, an investigational, liposomal formulation of treprostinil administered twice-daily with a short-duration next-generation nebulizer, which we licensed from Pharmosa. L606 is currently being evaluated in an open-label study in the United States for treatment of PAH and PH-ILD with a planned pivotal study for the treatment of PH-ILD.

About Pulmonary Arterial Hypertension (PAH) and Pulmonary Hypertension Associated with Interstitial Lung Disease (PH-ILD)

Diseases

PH is divided into five groups based on the criteria of the World Health Organization ("WHO") as defined at the 5th World Symposium on Pulmonary Hypertension in Nice, France. WHO Group I is comprised of individuals with PAH. WHO Group III includes patients with pulmonary hypertension caused by hypoxia and/or lung diseases, mostly interstitial lung disease ("ILD"), COPD and sleep-disordered breathing. Our current products seek to address unmet needs to treating patients diagnosed with PAH and PH-ILD.

PAH is a rare, chronic, progressive disease caused by hardening and narrowing of the pulmonary arteries that can lead to right heart failure and eventually death, with an estimated diagnosed, treated prevalence in the United States of approximately 30,000 to 45,000 patients.

PH-ILD is the second most prevalent form of Group 3 PH (precapillary PH due to lung disease). ILD is a diverse collection of up to 150 different pulmonary diseases, including interstitial pulmonary fibrosis (IPF), chronic hypersensitivity pneumonitis, connective tissue disease related ILD, and sarcoidosis among others. Current estimates of diagnosed and undiagnosed prevalence of PH-ILD range between 30,000 to 70,000, depending on the growth on the underlying lung diseases. The prevalence of PH in many of these underlying ILD diseases is not yet known due to factors including underdiagnosis and lack of approved treatments until recently.

Treatments

There is currently no cure for PAH or PH-ILD, so the goals of existing treatments are to alleviate symptoms, maintain or improve functional class, delay disease progression and improve quality of life. The FDA has approved several classes of drugs to treat PAH over the last 25 years, including drugs acting through the prostacyclin pathway, the nitric oxide pathway and the endothelin pathway. In 2021, the FDA approved Tyvaso as the first treatment for PH-ILD. There are currently no FDA-approved treatments for PH-ILD other than inhaled treprostinil. Without a curative treatment, we expect continued development of new mechanisms of action that may be used in combination with approved treatments.

Drugs targeting the prostacyclin pathway are central to PAH and PH-ILD therapy. Prostacyclin analogs, like treprostinil, have been developed for continuous infusion, inhalation and oral administration. The maximal efficacy benefit of any one drug in the prostacyclin pathway is partially limited by its specific safety profile and the burden of administration. Increased drug exposure of prostacyclin analogs like treprostinil, if tolerated by the patient, has demonstrated increased clinical benefit, making it the only titratable mechanism of action to treat these diseases.

Delivering prostacyclin analogs by inhalation has been effective and causes fewer systemic side effects than parenteral and oral formulations. Inhalation helps supplement the endogenous production of prostacyclin where it is normally synthesized, near the targeted pulmonary arteries. As a result, inhaled prostacyclin analogs help avoid side effects related to off-target tissues and takes advantage of binding key prostacyclin receptors that are preferentially expressed in the lung. The only inhaled prostacyclin analogs approved by the FDA are nebulized Ventavis® (iloprost), nebulized Tyvaso® (treprostinil), and Tyvaso DPI® (treprostinil), a dry powder inhaled formulation. Observations from a large retrospective study of Tyvaso supported the finding that higher doses of inhaled treprostinil correlated to better clinical outcomes including delayed transition to more invasive administration, persistence on therapy, and improved three-year survival. With regard to PH-ILD, there is growing medical preference for inhaled therapies to avoid ventilation-perfusion mismatch resulting from systemic delivery of prostacyclins. In March 2021, the FDA approved Tyvaso® as the only treatment for PH-ILD, later adding Tyvaso DPI as a treatment option upon its approval by the FDA in May 2022.

Systemic delivery of prostacyclin has proven effective but challenging, especially in those patients who have progressed to more severe forms of PAH. Parenteral delivery of prostacyclin analogs by continuous infusion via intravenous or subcutaneous administration, like Remodulin® (treprostinil) and epoprostenol, are considered the most effective treatment for PAH; however, the burden of external pumps and side-effect profiles have limited their use to severely ill patients. Regardless, physicians have come to rely on these pump-delivered products to stabilize rapidly declining patients to slow disease progression and to ensure the mechanism of action is fully maximized.

Oral tablet delivery of prostacyclin analogs two or three times a day, like Orenitram® (treprostinil), or agonists of the prostacyclin signaling pathway, like Uptravi® (selexipag), improve convenience compared to infusions, but does not address the off-target toxicities that limit optimal dosing. New patients to oral delivery may not be able to titrate to known therapeutic levels.

Market

In 2023, the total reported net revenue of branded therapies approved to treat PAH and PH-ILD in the United States exceeded $5.5 billion, of which $3.4 billion targeted the prostacyclin pathway. United Therapeutics reported that its class of branded treprostinil-based products generated U.S. net revenue of $1.98 billion in 2023, of which the Tyvaso® franchise contributed $1.2 billion, Orenitram contributed $359 million and Remodulin® contributed $415 million. Since 2019, reported annual sales of products in the Tyvaso franchise have increased from $400 million to $1.2 billion, correlating with the expansion into the PH-ILD indication in 2021 and addition of Tyvaso DPI in 2022.

Our Products and Product Candidates

YUTREPIA™ (treprostinil) Inhalation Powder to Treat PAH

Our lead investigational drug, YUTREPIA™ (treprostinil) inhalation powder was tentatively approved by the FDA in November 2021. In July 2023, we filed an amendment to our NDA to add PH-ILD to the label for YUTREPIA. Final FDA approval of YUTREPIA can occur for both PAH and PH-ILD after the new clinical investigation exclusivity granted to Tyvaso in PH-ILD expires on March 31, 2024. YUTREPIA is an inhaled dry powder formulation of treprostinil designed to improve the therapeutic profile of treprostinil by enhancing deep lung delivery and achieving higher dose levels than the labeled doses of current inhaled therapies while using a convenient, easy-to-use dry-powder inhaler, the RS00 Model 8 DPI. This device and its variants have been used in at least eight marketed products globally since 2001, including Novartis's Foradil Aerolizer® for the treatment of asthma and chronic obstructive pulmonary disease (COPD).

We believe YUTREPIA can become the prostacyclin of first choice across the disease continuum in PAH and PH-ILD because of its convenience, low-effort device and the ability to titrate to higher doses.

Each particle of YUTREPIA has been designed using our PRINT technology to have uniform size and shape to achieve enhanced aerosolization and deposition in the lungs. As a result, our PRINT formulation does not require deagglomeration by a patient actuated breath and can be effectively delivered using a low-effort, patient-friendly device and minimal inspiratory effort. The RS00 Model 8 DPI device used to deliver YUTREPIA is robust with regard to position and accidental movements and has been used globally to deliver drugs to patients with compromised lung function, like asthma, COPD, and cystic fibrosis. These beneficial product characteristics are in contrast to Tyvaso DPI, which uses a high resistance device and has only been used previously in patients with diabetes.

The different combinations of YUTREPIA's four proposed capsule-strengths, if approved, would allow customized dosing and easier titration based on a patient's disease progression. YUTREPIA can be safely titrated to doses far beyond the target dose of nebulized Tyvaso (9-12 breaths) and the doses described in the label for Tyvaso DPI (up to 64 mcg QID). YUTREPIA has been studied up to 265 mcg QID, which is comparable to 30 breaths of nebulized Tyvaso. By expanding the dose range of inhaled treprostinil, YUTREPIA may be able to keep patients on therapy longer before transitioning to parenteral therapies.

In clinical studies required for approval, YUTREPIA has proven to be safe, well-tolerated and effective regardless of a patient's previous exposure to treprostinil. Prostacyclin-naïve patients achieved comparable dosing to the transition patients within the first two months of treatment. Patients on a stable dose of Tyvaso successfully transitioned to YUTREPIA while maintaining or improving clinical outcomes as measured by exploratory endpoints. The combination of data from both patient groups provide confidence that a physician may prescribe YUTRPEIA across a continuum of PAH and PH-ILD patients.

We have developed YUTREPIA under the 505(b)(2) regulatory pathway using the nebulized form of treprostinil, Tyvaso, as the reference listed drug. This regulatory pathway allows us to rely in part on the FDA's previous findings of efficacy and safety of Tyvaso and the active ingredient treprostinil. We submitted the New Drug Application ("NDA") for YUTREPIA in January 2020. The FDA conducted on-site pre-approval inspections of two U.S. manufacturing facilities: our Morrisville, North Carolina facility and the facility of the third-party provider of encapsulation and packaging services for YUTREPIA in August 2021 and October 2021, respectively. In November 2021, the FDA issued a tentative approval of YUTREPIA which indicated that the NDA had met all the requirements for final approval but cannot yet be marketed. In July 2023, we filed an amendment to our NDA to add PH-ILD to the label for YUTREPIA.

Final FDA approval and launch of YUTREPIA are directly impacted by the Hatch-Waxman litigation commenced by United Therapeutics on June 4, 2020 and the regulatory exclusivity that was granted to United Therapeutics with respect to PH-ILD, which expires on March 31, 2024. As a result, the FDA cannot issue a final approval for the YUTREPIA NDA until the resolution of the outstanding litigation described further in *Item 3 Legal Proceedings* and until expiration of United Therapeutics' regulatory exclusivity. Final FDA approval and launch may also be impacted by other litigation commenced by United Therapeutics in which it is seeking to enjoin approval and launch of YUTREPIA as described further in *Item 3 Legal Proceedings*. The FDA's tentative approval can be subject to change based on new information that may come to FDA's attention between such time as the tentative and final approval. A new drug product may not be marketed until the date of final approval.

Our NDA submission was based in part upon the results of our pivotal, open-label Phase 3 clinical trial, Investigation of the Safety and Pharmacology of Dry Powder Inhalation of Treprostinil, for YUTREPIA ("INSPIRE"). The primary objective of the INSPIRE study was to evaluate the long-term safety of YUTREPIA with a primary endpoint to assess safety and tolerability through Month 2. The study enrolled patients who have either (a) been under stable treatment with Tyvaso (nebulizer-delivered treprostinil) for at least three months and transitioned to YUTREPIA under the protocol ("Transition patients"), or (b) patients who had been under stable treatment with no more than two non-prostacyclin oral PAH therapies for at least three months and then had their treatment regimen supplemented with YUTREPIA under the protocol ("Prostacyclin Naïve patients"). Transition patients started at a dose comparable to their prior nebulized treprostinil dose and were titrated to higher doses as warranted by their clinical disease. Prostacyclin Naïve patients started on a dose of 26.5 mcg of YUTREPIA, with most (>80%) titrating to a 79.5 mcg dose or higher within the first two months of treatment. Of the 121 patients enrolled in the study, 55 were Transition patients and 66 were Prostacyclin Naïve patients.

YUTREPIA was observed to be well-tolerated and treatment-emergent adverse events ("TEAEs") were mostly mild to moderate in nature at Month 2 up to doses of 159 mcg, the highest dose studied for the primary endpoint. We continued to treat patients who chose to remain on YUTREPIA beyond the Month 2 timepoint. At the completion of the INSPIRE study, the patient with the longest duration of treatment had been on YUTREPIA therapy for 18 months and the highest dosing reached in the INSPIRE study was 212 mcg of treprostinil given four times per day. Patients from INSPIRE had the option of rolling into the LTI-302 extension study to remain on treatment. Patients in LTI-302 continued to titrate doses upwards as needed with no observed maximum tolerated dose and the highest dose delivered being 265 mcg.

Our NDA submission also includes results from pharmacokinetic (PK) studies in healthy volunteers indicating that the single-capsule dose of 79.5 mcg YUTREPIA provides comparable PK with nine breaths of Tyvaso (54 mcg). For reference, the target dose of Tyvaso is 9 to 12 breaths per treatment session, 4 times daily. Clinical results from the PK, pivotal and extension studies of YUTREPIA have been presented at various international scientific meetings such as the American Thoracic Society (ATS), International Society of Heart Lung Transplantation (ISHLT), Pulmonary Vascular Research Institute (PVRI), American College of Chest Physicians (ACCP) from 2019 through 2023.

We are actively conducting and considering other clinical trials to generate additional data to support the use of YUTREPIA. In December 2023, we enrolled the first PH-ILD patient in the Open-Label Prospective Multicenter Study to Evaluate Safety and Tolerability of Dry Powder Inhaled Treprostinil in Pulmonary Hypertension, referred to as the ASCENT study. Future studies may include pediatric patients as well as transitions to, or combinations with, YUTREPIA and other approved treatments. We conducted a clinical study, known as LTI 201, at certain investigational sites in France and Germany to characterize the hemodynamic dose-response relationship to YUTREPIA. In December 2020, we decided to terminate the study earlier than planned due to challenges related to the COVID-19 pandemic; however, we did observe acute, hemodynamic responses as expected with inhaled treprostinil.

Treprostinil Injection, a Generic Version of Remodulin®

Remodulin® is treprostinil administered through continuous intravenous and subcutaneous infusion, as approved by the FDA in 2002 and 2004, and marketed by United Therapeutics. Patients must use external pumps manufactured by third parties to deliver Remodulin. Smiths Medical ASD, Inc. ("Smiths Medical") manufactured the pumps used by most patients in the United States to administer Remodulin, including the CADD-MS® 3 pump used to deliver subcutaneous Remodulin, and the CADD-Legacy® pump to deliver intravenous Remodulin. An estimated 3,000 patients are treated annually with parenteral, infused treprostinil split between the two routes of administration. Branded Remodulin generated U.S. revenue of approximately $408 million and $423 million in 2022 and 2021, respectively.

In August 2018, Sandoz partnered with Liquidia PAH (then known as RareGen) on an exclusive basis to market and commercialize its generic Treprostinil Injection, which was subsequently launched as the first-to-file, fully-substitutable generic treprostinil for parenteral administration in March 2019. Liquidia PAH promotes the appropriate use of Treprostinil Injection for the treatment of PAH in the United States and works jointly with Sandoz on commercial strategy for the product. Sandoz retains all rights in and to Treprostinil Injection. As the Abbreviated New Drug Application (ANDA) holder, Sandoz maintains responsibility for compliance with FDA regulatory and healthcare laws including any regulatory communications with the FDA or any other regulatory authorities. In consideration for Liquidia PAH conducting certain responsibilities associated with the commercialization of Treprostinil Injection, Liquidia PAH receives a portion of the net profits generated from the sales of the product.

Treprostinil Injection contains the same active ingredient, same strength, same dosage forms and same inactive ingredient amounts as Remodulin, and at the same service and support, but at a lower price. The treprostinil is supplied in 20 mL multi-dose vials in four strengths — containing 20 mg, 50 mg, 100 mg, or 200 mg (1 mg/mL, 2.5 mg/mL, 5 mg/mL or 10 mg/mL) of treprostinil, respectively. Treprostinil Injection is available for intravenous and subcutaneous administration at the same specialty pharmacies that dispense the brand name medicine.

When first launched in April 2019, Treprostinil Injection was only available for intravenous administration. The cartridges required to operate the CADD-MS 3 pump for subcutaneous administration were not available to patients using Treprostinil Injection due to restrictions imposed by other companies. On May 21, 2021, Liquidia PAH's manufacturing partner, Chengdu Shifeng Medical Technologies LTD ("Chengdu") began selling the RG 3ml Medication Cartridge, which now may be used to supply Treprostinil Injection to PAH patients with the CADD-MS 3 pump manufactured by Smiths Medical.

Smiths Medical no longer manufactures the CADD-MS 3 infusion pump and has indicated that it will no longer support the CADD-MS 3 infusion pumps after January 1, 2025. We have also experienced shortages of critical components of the CADD-MS 3 infusion pump that has caused the number of CADD-MS 3 infusion pumps available for the subcutaneous administration of Treprostinil Injection to be limited. Due to this limitation in the availability of pumps, specialty pharmacies are not currently placing new patients on to subcutaneous Treprostinil Injection therapy in order to preserve the available pumps for those patients already receiving subcutaneous administration of Treprostinil Injection.

In December 2022, we entered a collaboration with Sandoz and Mainbridge Health Partners LLC ("Mainbridge") to support the development of a new subcutaneous pump for infusion of Treprostinil Injection in order to replace the existing CADD-MS 3 system. Mainbridge is performing all development, validation and testing activities required for the pump and related consumables. We anticipate that Mainbridge will submit a 510(k) in the first half of 2024 for FDA clearance. We and Sandoz are splitting the development costs equally.

Separately, Smiths Medical has announced that it will discontinue support of the CADD Legacy pump, which is used to administer Treprostinil Injection intravenously, starting in 2028. Smiths Medical's CADD-Solis infusion pump has been identified as a replacement for the CADD Legacy pump, and patients can use the CADD-Solis pump in anticipation of the discontinuation of the CADD Legacy pump.

L606

In June 2023, we entered into a License Agreement with Pharmosa Biopharm Inc. ("Pharmosa") pursuant to which we were granted an exclusive license in North America to develop and commercialize L606, an inhaled, sustained-release formulation of treprostinil currently being evaluated in a clinical trial for the treatment of PAH and PH-ILD. L606 is a complement to our pipeline and furthers our mission to provide innovative treatment options that improve the lives of patients with improved product profiles.

L606 offers potential substantial benefits to patients with less frequent dosing than current inhaled products, improved tolerability with lower peak exposures and rapid delivery with a next-generation nebulizer. L606 may provide best-in-class treprostinil exposure over a 24-hour period, including during sleeping hours, which could translate to improved efficacy, tolerability, and patient outcomes. Liposomes as a pulmonary drug delivery system have been reported to enhance the therapeutic benefits of drugs and to reduce the potential for systemic adverse effects. The L606 suspension uses Pharmosa's proprietary liposomal formulation to encapsulate treprostinil, which can be released slowly under a controlled manner/rate into the lung. This control enables modulation of drug release to achieve optimized drug exposure over an extended period of time and reducing local irritation on the respiratory tract.

L606 is supplied in six different dose strengths in disposable ampules, packaged as fourteen ampules in a foil pouch representing one week's supply of drug. L606 is administered with the L606 inhalation system (mesh-vibrating nebulizer). Before each treatment session, a L606 ampule would be opened and the suspension would be transferred into the medication chamber of L606 nebulizer for oral inhalation. The L606 formulation inhalation system consists of an electronic, lightweight, and virtually silent mesh-vibrating nebulizer which can deliver a dose in less than 2-minutes using breath-actuated smart technology and patients' normal breathing pattern. The vibrating mesh technology generates fine-particle aerosols of the L606 formulation. Pharmosa has demonstrated clinically that L606 can be used with devices supplied by different manufacturers, providing us the option to improve the patient device experience without changing the intended dose administered.

We intend to develop L606 through the 505(b)(2) registration pathway. The FDA confirmed in meetings with Pharmosa, and subsequently with Liquidia in December 2023, that the registration requirements for L606 to treat PAH and PH-ILD should include clinical data that provides (i) comparable bioavailability to nebulized Tyvaso® in a Phase 1 study of health volunteers, (ii) short-term and long-term safety data from an open-label study in PAH and PH-ILD patients, and (iii) demonstrated efficacy from a single Phase 3 placebo-controlled efficacy trial in PH-ILD patients.

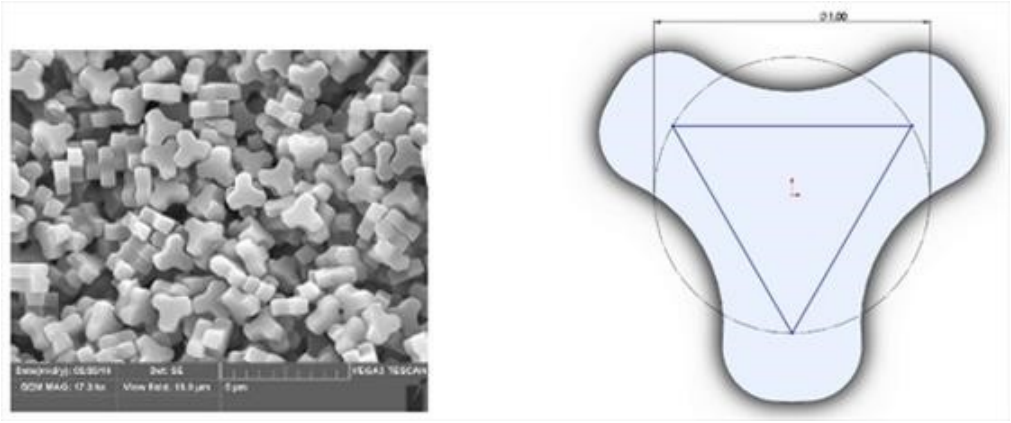
Comparable bioavailability was established in a Phase 1, randomized, 2-part study that was conducted by Pharmosa at a clinical research unit in the USA. The systemic exposures of a single dose of L606, 51 µg, and, Tyvaso, 54 µg, were compared. L606 resulted in a similar systemic exposure (AUCinf) compared with the equivalent dose of Tyvaso, with a significantly reduced peak plasma concentration (Cmax), approximately 7.3-fold lower for L606 than for Tyvaso. L606 demonstrated extended plasma concentrations up to 12 hours after a single dose, supporting a reduction in dosing frequency to twice daily, or every 12 hours. Peak and total exposure of treprostinil increased with increasing dose.

We are currently conducting in the U.S. an open-label study to assess the safety of L606 in up to 60 patients with PAH and patients with PH-ILD transitioning from Tyvaso (nebulizer or dry-powder inhaler) or patients with PAH naïve to prostacyclins. As of January 2024, the open-label was more than one third enrolled and includes some patients who have been successfully treated with L606 for longer than one year and at doses comparable to 25 to 27 breaths of Tyvaso, four times daily. We anticipate that the open-label study will be fully enrolled in 2024. We are preparing to initiate a global placebo-controlled efficacy study in PH-ILD in late 2024.

PRINT Technology

Our proprietary PRINT particle engineering technology allows us to engineer and manufacture highly uniform drug particles with precise control over the size, three-dimensional geometric shape and chemical composition of the particles. By controlling these physical and chemical parameters of particles, PRINT enables us to engineer desirable pharmacological benefits into product candidates, including prolonged duration of drug release, increased drug loading, more convenient routes of administration, the ability to create novel combination products, enhanced storage and stability and the potential to reduce adverse side effects. We believe that our PRINT technology can be applied to a wide range of therapeutic areas, molecule types, routes of administration and novel or generic products. Our manufacturing equipment and materials used in the production of our drug particles are proprietary and protected by our patent portfolio and trade secret know-how.

YUTREPIA leverages PRINT® technology to produce dry-powder drug particles that enhance deep-lung delivery. YUTREPIA drug particles are uniform in size (~1µm) and shape having been engineered for enhanced aerosolization and deep-lung deposition. In vitro studies suggest that the uniformity of size and shape allow our inhaled particles to target delivery into the lungs with less deposition in the upper airways. The dry-powder formulation aerosolizes into free-flowing particles upon inhalation, allowing for the use of a low-effort inhaler. The figures below depict YUTREPIA, with the figure on the left showing size and shape consistency among particles and the figure on the right showing their trefoil shape:



Development, Regulatory and Commercial Strategy

We intend to develop and commercialize a pipeline of drugs by applying our expertise in the development of cardio-pulmonary medicines and leveraging the advantages of our proprietary PRINT technology. We believe that our PRINT technology can be applied to a wide range of therapeutic areas, molecule types, routes of administration and novel or generic products. To date, our pipeline has focused on the development of improved and differentiated drug products containing FDA-approved active pharmaceutical ingredients ("APIs") with established efficacy and safety profiles, which we believe are eligible for the 505(b)(2) regulatory pathway to seek marketing approval in the U.S. The 505(b)(2) regulatory pathway can be capital efficient and potentially enable a shorter time to approval, subject to certain risks associated with this regulatory pathway. If our product candidates receive marketing approval, we plan to commercialize them in the U.S. either by ourselves or through partnership or licensing arrangements with other pharmaceutical companies. Outside of the U.S., we may pursue regulatory approval and commercialization of our product candidates in collaboration with pharmaceutical companies with regional expertise.

We intend to manufacture our product candidates using a combination of in-house capabilities and external contract manufacturing organizations ("CMOs"), depending on the program requirements. For example, our current plans are for the dry powder formulation of YUTREPIA to be manufactured internally using PRINT Technology and for CMOs to

produce, package and distribute YUTREPIA finished goods on a commercial scale. Conversely, L606 is planned to be manufactured exclusively by CMOs using the proprietary formulation methods provided by Pharmosa.

We intend to focus our commercial efforts initially on the U.S. market in the treatment of PAH and PH-ILD. We currently employ a targeted sales force for Treprostinil Injection, calling on physicians involved in the treatment of PAH in the U.S., as well as key stakeholders involved in the distribution and reimbursement of Treprostinil Injection. Strategically, we believe that our commercial presence in the field will enable an efficient launch of YUTREPIA if and when we obtain final approval, leveraging existing relationships and further validating our reputation as a company committed to supporting PAH and PH-ILD patients. Our commercial efforts focus on the highly concentrated target market of PAH and PH-ILD centers of excellence and high prescribers of approved therapies. Our physician call points within these sites of care will include cardiologists, pulmonologists and their supporting staff. We believe that we can effectively commercialize YUTREPIA, if approved, with our specialty field team and other support functions, like medical science liaisons and reimbursement specialists to support the proper conveying of scientific, medical, and healthcare economic information regarding our products.

Manufacturing and Supply

We operate from a 45,000 square foot facility in Morrisville, North Carolina in which we design, formulate and manufacture engineered drug particles using PRINT particle fabrication lines as well as supportive activity including research and development, analytical development, quality control and production of mold templates that enable our production processes. Our three operational PRINT particle fabrication lines are located within class ISO7 clean rooms that operate under applicable ISO and current good manufacturing practices (cGMP) air quality and environmental requirements. Our current operational fabrication lines are scaled and capable of producing the necessary materials to support our clinical trials and, if approved, initial commercial demand for YUTREPIA.

In August 2021, the FDA completed an on-site Pre-Approval Inspection (PAI) of our Morrisville, North Carolina facility in connection with the review of the YUTREPIA NDA. The 5-day PAI concluded with no Form 483 Inspectional Observations issued. This was our first inspection of the Morrisville site by the FDA. We utilize contract manufacturers to finish production and package our drug product for clinical and commercial use.

We depend on third-party suppliers and CMOs for commercial inventory and clinical supplies of YUTREPIA, including active pharmaceutical ingredients which are used in our product candidates. For example, we currently rely on a sole supplier, LGM Pharma, LLC, for treprostinil, the active pharmaceutical ingredient of YUTREPIA, and we currently rely on a sole supplier, Plastiape S.p.A (“Plastiape”), for RS00 Model 8 DPI, the device used to administer YUTREPIA. We also rely on a sole supplier, Lonza Tampa LLC, for encapsulation and packaging services for YUTREPIA. If and when we receive final marketing approval for YUTREPIA, we may, from time to time, rely on third-party CMOs to manufacture, package and distribute some or all of our supply of YUTREPIA on a commercial scale.

Supply of Treprostinil Injection is managed directly by our partner Sandoz, who retains the ANDA, manages inventory and records gross revenue on product sales. Sandoz is either the manufacturer or contracted party for the entire supply chain. We collaborate with Sandoz on a regular basis to plan appropriate inventory production and management based on the demand for Treprostinil Injection and observations in the field. Additionally, we have contracted with our manufacturing partner Chengdu to supply the RG 3mL Medication Cartridge for use with CADD-MS® 3 (MS-3) ambulatory infusion pumps and enable subcutaneous administration of Treprostinil Injection. In addition, the pumps used to administer Treprostinil Injection are currently all manufactured by Smiths Medical, with whom we have no contractual relationship other than an agreement to continue to support the CADD-MS 3 pump through January 1, 2025. We have also entered into an agreement with Sandoz and Mainbridge for the development of a new pump for the subcutaneous administration of treprostinil.

L606 is manufactured exclusively by CMOs using the proprietary liposomal formulation methods provided by Pharmosa. Under the License Agreement, Pharmosa will manufacture clinical and commercial supplies of L606 and support Liquidia in establishing a redundant global supply chain. The nebulizer used to administer L606 will be manufactured by a third party. We are continuing to evaluate several options for the nebulizer that we will plan to use for L606.

Our Collaboration and Licensing Agreements

Pharmosa License Agreement

In June 2023, we entered into a License Agreement with Pharmosa pursuant to which we were granted an exclusive license in North America to develop and commercialize L606, an inhaled, sustained-release formulation of treprostinil currently being evaluated in a clinical trial for the treatment of PAH and PH-ILD, and a non-exclusive license for the manufacture, development and use (but not commercialization) of such licensed product in most countries outside North America (the "Pharmosa License Agreement").

Under the terms of the Pharmosa License Agreement, we will be responsible for development, regulatory and commercial activities of L606 in North America. Pharmosa will manufacture clinical and commercial supplies of the liposomal formulation through its global supply chain and support us in establishing a redundant global supply chain. In consideration for these exclusive rights, we paid Pharmosa an upfront license fee of $10 million and will pay Pharmosa potential development milestone payments tied to PAH and PH-ILD indications of up to $30 million, potential sales milestones of up to $185 million and two tiers of low, double-digit royalties on net sales of L606. Pharmosa will also receive a $10 million milestone payment for each additional indication approved after PAH and PH-ILD and each additional product approved under the license. We also retain the first right to negotiate for development and commercialization of L606 in Europe and other territories should Pharmosa seek a partner, subject to satisfaction of certain conditions as set forth in the Pharmosa License Agreement.

Concurrently with the execution of the Pharmosa License Agreement, we also entered into an Asset Transfer Agreement with Pharmosa pursuant to which Pharmosa will transfer its inventory of physical materials.

Sandoz Promotion Agreement

Liquidia PAH entered into a Promotion Agreement with Sandoz on August 1, 2018, as amended on May 8, 2020, September 4, 2020, November 18, 2022, and March 10, 2023, which engaged Liquidia PAH on an exclusive basis to promote the appropriate use of Sandoz's treprostinil, Treprostinil Injection, referred to as the "Product" in the Promotion Agreement, for the treatment of PAH in the United States, including its commonwealths, territories, possessions and military bases. Liquidia PAH works jointly with Sandoz on commercial strategy for Treprostinil Injection and on identifying, manufacturing and developing medical devices, including pumps and cartridges, that may be used to administer the Product. Sandoz retains all rights in and to the Product. Sandoz is the holder of the ANDA for the Product. As the ANDA holder, Sandoz maintains responsibility for compliance with FDA regulatory and healthcare laws including any regulatory communications with the FDA or any other regulatory authorities.

Under the Promotion Agreement, Sandoz retains responsibility for: the specifications, manufacture and supply, distribution and future development of treprostinil; regulatory submission and interactions with the FDA pertaining to treprostinil, including maintaining all necessary regulatory approvals; reporting to the FDA or other regulatory authorities on matters relating to manufacturing, sale or promotion, such as any safety events involving treprostinil; internally reviewing and, as it determines appropriate, approving promotional materials developed by Liquidia PAH, and making submissions to the FDA's Office of Prescription Drug Promotion; handling safety activities including adverse event reporting, and initiating and managing any recalls of treprostinil.

Liquidia PAH's activities and obligations related to regulatory matters conducted under the Promotion Agreement include: promotional and non-promotional activities, including sales and marketing activities for treprostinil, and engagement of healthcare professionals for advisory boards; developing, with prior written approval from Sandoz, marketing and educational materials consistent with FDA approved labeling and applicable laws; notifying Sandoz of notices from governmental authorities about adverse event reports or regulatory inquiries related to the safety of treprostinil, product complaints or alleged defects, and unsolicited requests for off-label medical information; providing certain data and information to Sandoz in order to fulfill its transparency and reporting obligations under the Physician Payment Sunshine Act; complying with applicable laws relevant to the activities conducted under the Promotion Agreement; establishing a compliance program and mechanism for disclosure of any violations of Liquidia PAH policies

and procedures and submission of an annual report and certification to Sandoz of its compliance activities; and managing, with oversight and participation from Sandoz, negotiations and arrangements for managed care activities.

Under the Promotion Agreement, Sandoz and Liquidia PAH also agreed to enter into an agreement with Mainbridge for the development of a new pump for the subcutaneous administration of treprostinil. With respect to the agreement with Mainbridge, Sandoz and Liquidia PAH have agreed to split all development costs and milestone payments evenly.

Liquidia PAH paid Sandoz an initial payment of $10 million on August 1, 2018 and, upon the successful quality release by Sandoz of 9,000 units of the Product on August 3, 2018, Liquidia PAH paid Sandoz an additional $10 million as further consideration for the right to conduct the activities as contemplated in the Promotion Agreement and to receive a portion of the "Net Profits" (as defined in the Promotion Agreement). The portion of Net Profits are allocated to Liquidia PAH currently through December 31, 2028 is as follows: (i) for that portion of aggregate Net Profits less than or equal to $500 million, Liquidia PAH shall receive 50% of all such Net Profits; and (ii) for that portion of aggregate Net Profits greater than $500 million, Liquidia PAH shall receive 75% of all such Net Profits. After December 31, 2028, the portion of Net Profits allocated to Liquidia PAH shall be as follows: (i) if aggregate Net Profits as of December 31, 2028 were less than $500 million, Liquidia PAH shall receive 50% of all Net Profits; and (ii) if aggregate Net Profits as of December 31, 2028 were greater than or equal to $500 million, Liquidia PAH shall receive 75% of all Net Profits.

The Promotion Agreement expires December 31, 2032, subject to certain renewal periods. Liquidia PAH and Sandoz may terminate the Promotion Agreement for cause upon a number of customary events, such as a material breach of the Promotion Agreement that remains uncured, complete withdrawal of marketing approval of the Product or upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings with respect to the other party. Further, either party may terminate the Promotion Agreement upon written notice to the other party at any time after the current term in the event Sandoz is then procuring 100% of its supply of Product from a single third party upon (a) expiration of the supply agreement with such third party and (b) Sandoz's failure, after exercise of commercially reasonable efforts, to secure continued supply of the Product from such third party or other third parties within 12 months of the termination of such supply agreement. Liquidia PAH and Sandoz also each have a right to terminate the Promotion Agreement on not more than 90 days' written notice in the event that Net Profits in the last calendar year are less than $5 million.

Sandoz may terminate the Promotion Agreement on not more than 90 days' written notice after the conclusion of any full 12-month calendar year in the event that Net Profits in such calendar year are less than or equal to 10% of the net sales in such calendar year; *provided*, *however*, that Sandoz may not terminate the Promotion Agreement in such instance if both (x) Net Profits or the profit margin were adversely affected in such calendar year by any temporary event or circumstance and (z) the joint steering committee makes a determination that such profit margin deficiency is not likely to continue in the subsequent calendar year. Sandoz may also terminate the Promotion Agreement upon a change of control of Liquidia PAH.

Liquidia PAH may terminate the Promotion Agreement on not more than 90 days' written notice after the conclusion of any full 12-month calendar year in the event that Liquidia PAH's share of the Net Profits in such calendar year are less than or equal to Liquidia PAH's operating expenses relating to the Product for such calendar year; *provided*, *however*, that Liquidia PAH may not terminate the Promotion Agreement in such instance if both (x) Net Profits or its operating expenses relating to the Product were adversely affected in such calendar year by a temporary event or circumstance and (z) the joint steering committee makes a determination that Liquidia PAH's share of the Net Profits is not likely to continue to be less than its operating expenses relating to the Product in the subsequent calendar year.

The University of North Carolina at Chapel Hill

In December 2008, we entered into the Amended and Restated License Agreement with The University of North Carolina at Chapel Hill ("UNC") for the use of certain patent rights and technology relating to initial innovations of our PRINT technology (the "UNC License"). Under the terms of the UNC License, we have an exclusive license to such patent rights and technology for our drug products. The UNC License grants us the right to grant sublicenses to the technology as well as control the litigation of any infringement claim instituted by or against us in respect of the licensed patent rights. We are also responsible for the costs of all expenses associated with the prosecution and maintenance of

the patents and patent applications. Such filings and prosecution will be carried out by UNC and in UNC's name but under our control.

Under the UNC License, we are required to pay UNC royalties equal to a low single digit percentage of all net sales of our drug products whose manufacture, use or sale includes any use of the technology or patent rights covered by the UNC License, as well as tiered royalty percentages ranging in the low single digits of sales by our sublicensees for any product covered by rights under a sublicense agreement granted pursuant to the UNC License. Under the UNC License, we are also required to pay UNC certain fees other than royalties that we collect and are attributable to UNC sublicensed intellectual property. We also reimburse UNC for its costs of procuring and maintaining the patents we license from UNC. Effective November 2017, we satisfied all substantive milestones associated with our UNC License other than semi-annual and annual reporting-based milestones that continue through the term of the UNC License. The UNC License expires (i) on the expiration of the last to expire patent included in the patent rights or (ii) if no patents mature from such patent rights, in December 2028.

We have the right to terminate the UNC License upon a specified period of prior written notice. UNC may terminate the UNC License in certain circumstances, including if we fail to pay royalty or other payments on time or if we fail to sublicense in accordance with the terms of the UNC License. Upon termination of the UNC License, we must pay any royalty obligations due upon termination.

Aerie Pharmaceuticals

We have exclusively licensed our PRINT technology to Aerie Pharmaceuticals, Inc., which in 2017 acquired most of the assets of Envisia Therapeutics, Inc., an entity which we formed in 2013, for broad usage in the design and commercialization of small molecule and biologic ophthalmic therapies. In November 2022, Alcon completed its acquisition of Aerie Pharmaceuticals to help bolster Alcon's presence in the ophthalmic pharmaceutical space and as a result, retains Aerie's direct license to the use of PRINT.

GlaxoSmithKline

In March 2023, we and GSK entered into a Research License Agreement (the "GSK License Agreement") which supersedes and replaces our prior agreements with GSK. Pursuant to the GSK License Agreement, the Company has granted to GSK a non-exclusive, non-sublicensable (except to affiliates), royalty free license to use our PRINT technology for the sole purpose of conducting pre-clinical research and pre-clinical development of inhaled formulations of GSK's Molecules in the Field and in the Territory (capitalized terms are as defined in the GSK License Agreement). The Company and GSK will each own and retain all rights, title, and interest in and to all inventions, discoveries and other subject matter (including Know-How (as defined in the GSK License Agreement)) together with all intellectual property rights therein which are owned or controlled by such party as of the date of the GSK License Agreement or which are invented or acquired by or on behalf of such party independent of the GSK License Agreement.

Liquidia is fully enabled to apply PRINT to any inhaled formulation other than certain identified GSK proprietary molecules. Under the terms of the new agreement, GSK will be required to seek an expanded license before it may use PRINT for clinical or commercial purposes.

Unless earlier terminated, the GSK License Agreement will continue in effect until the later of (i) the expiration of the last-to-expire Valid Claim (as defined in the GSK License Agreement) included within the Liquidia Technology (as defined in the GSK License Agreement) and (ii) all Arising PRINT Improvements (as defined in the GSK License Agreement) and Liquidia Know-How (as defined in the GSK License Agreement) are in the public domain. GSK may terminate the Agreement upon at least thirty days' prior written notice to the Company. The GSK License Agreement may also be terminated by either party for a material breach by the other party, subject to notice and cure provisions, or in the event of the other party's insolvency. In the GSK License Agreement, each party made customary representations and warranties and agreed to customary covenants, including, without limitation, with respect to indemnification, for transactions of this type.

Intellectual Property

The proprietary nature and protection of our product candidates, their methods of use and our platform technology that enables our product candidates are an important part of our business strategy of rapidly developing and commercializing new medicines that address areas of significant unmet medical needs.

Our policy is to seek patent protection of our proprietary product candidates and technology by filing U.S., international and certain foreign patent applications covering certain of our proprietary technology, inventions, improvements and product candidates that are important to the growth and protection of our business. We also rely on a combination of trade secrets, know-how, trademarks and contractual restrictions to protect aspects of our business that are not amenable to patent protection or where we do not consider patent protection to be adequate or applicable.

Our success depends, in part, on our ability to obtain and maintain patent and other protection for our product candidates, enabling technology, inventions and know-how and our ability to defend and enforce these patents, preserve the proprietary nature of our trade secrets and trademarks and operate our business without infringing valid and enforceable patent and other proprietary rights of third parties. Where possible, we pursue both composition-of-matter patents and method-of-use patents for our product candidates. We are also pursuing patents covering our proprietary PRINT micro- and nano-particle fabrication technology.

We are the owner or exclusive licensee of patents and applications relating to our proprietary technology platform and our product candidates and are pursuing additional patent protection for these and for our other product candidates and technology developments.

We have a total of 156 patents and pending patent applications in our patent portfolio which protect our PRINT technology and drug products in development. As of December 31, 2023, we were the sole owner of 20 patents in the United States and 41 patents in foreign jurisdictions, as well as nine additional pending patent applications, including provisional patent applications, in the United States, Europe, Japan and other jurisdictions. In addition to the patents and patent applications owned solely by us, our patent portfolio also includes 76 patents and 10 patent applications licensed from third parties. As of December 31, 2023, we had an exclusive, worldwide license from UNC to 19 U.S. patents and 52 foreign patents, as well as three additional patent applications in the United States or selected foreign jurisdictions. Five of the patents in the portfolio licensed from UNC are jointly owned by us. Also, as of December 31, 2023, we had an exclusive, worldwide license from Pharmosa Biopharm to two U.S. patents and two foreign patents, as well as eight additional patent applications in the United States or selected foreign jurisdictions. YUTREPIA is specifically protected by 20 issued patents in the United States, the longest-lived of which will expire in 2037.

We hold multiple U.S. trademark registrations and have numerous pending trademark applications. Issuance of a federally registered trademark creates a rebuttable presumption of ownership of the mark; however, it is subject to challenge by others claiming first use in the mark in some or all the areas in which it is used. Federally registered trademarks have a perpetual life so long as they are maintained and renewed on a timely basis and used properly as trademarks, subject to the rights of third parties to seek cancellation of the trademarks if they claim priority or confusion of usage. We believe our patents and trademarks are valuable and would provide us certain benefits in marketing our products.

Competition

The pharmaceutical industry is intensely competitive, subject to rapid and significant technological change and places emphasis on the value of proprietary products. While we believe that our technologies and experience provide us with a competitive advantage, our competitors include organizations such as major multinational pharmaceutical companies, established biotechnology companies, biopharmaceutical companies and generic drug companies. Many of our competitors have greater financial and other resources than we have, such as more commercial resources, larger research and development staffs and more extensive marketing and manufacturing organizations. As a result, these companies may obtain marketing approval more rapidly than we are able and may be more effective in selling and marketing their products. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaboration arrangements with large, established companies.

Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future. Our competitors may succeed in developing, acquiring or licensing, on an exclusive basis, technologies and drug products that are more effective or less costly than products that we are currently developing or that we may develop, which could render our products obsolete and non-competitive. We expect any products that we develop and commercialize to compete on the basis of, among others, efficacy, safety, convenience of administration and delivery, price and the availability of reimbursement from government and other third-party payors. We also expect to face competition in our efforts to recruit and retain qualified personnel, establish clinical trial sites and secure patient enrollment in our clinical trials, and identify appropriate collaborators to help commercialize any approved products in our target commercial markets.

Competition in PAH

Our products and development programs directed toward the treatment of PAH compete with several approved classes of drugs that target the prostacyclin pathway, the nitric oxide pathway and the endothelin pathway. We also expect continued development by competitors of new mechanisms of action that may be approved during the period of time that our products are being commercialized. Drugs targeting each of the clinically validated pathways may be used alone or in combination with each other to treat patients with PAH. Drugs targeted to the prostacyclin pathway, like Treprostinil Injection and YUTREPIA, are usually added to oral therapies targeting different mechanisms and their use could be impacted by changes in pricing or medical information Specifically, PDE-5 inhibitors, such as tadalafil, marketed by United Therapeutics, and sildenafil, marketed by Pfizer Inc., now compete with generic versions of both tadalafil and sildenafil; endothelin receptor antagonists, such as bosentan and macitentan, both marketed by Actelion Pharmaceuticals Ltd ("Actelion") and ambrisentan, marketed by Gilead Sciences, Inc, compete with generic version of bosentan and ambrisentan; and soluble guanylate cyclase (sGC) stimulator, such as riociguat marketed by Bayer, has seen increased since its U.S. approval in 2013.

Competition with prostacyclin-targeted treatments in PAH

Within the prostacyclin pathway, our products face competition in PAH from specific products and development programs described below.

The Treprostinil Injection product faces competition primarily from the continued use of the branded Remodulin® sold by United Therapeutics as well as additional generic treprostinil products offered by Teva, Par Pharmaceutical, Dr. Reddy's and Alembic. Generic drug prices may decline dramatically as competitors seek to secure preferential utilization though the specialty pharmacy and hospital distribution channels in which parenteral prostacyclin products are sold. Other parenteral agents that utilize the prostacyclin pathway include parenteral epoprostenol, which is marketed by multiple companies as generic and branded products.

We expect United Therapeutics to continue to defend its leadership position vigorously through, among other actions, life cycle management, marketing agreements with third-party payors, and pharmacy benefits managers. In February 2021, United Therapeutics announced the commercial launch of the Remunity® pump for Remodulin®, which uses a small subcutaneous pump for patients starting or on a stable dose of Remodulin and can use prefilled Remodulin cassettes. The Remunity pump also has a water-resistant casing, which may be considered more convenient than the CADD-MS3 currently used to deliver treprostinil subcutaneously. During 2023, United Therapeutics terminated the RemoPro program, a prodrug form of Remodulin that may decrease site pain currently associated with subcutaneous Remodulin. However, United Therapeutics maintains intellectual property that could lead to improved product profiles using prodrugs. Similarly, Corsair Pharma, a former partner of United Therapeutics, is developing a prodrug and transdermal patch intended to provide continuous and consistent blood levels of treprostinil comparable to an infusion pump.

In addition to continuously infused treprostinil products, use of Treprostinil Injection may face competition from other orally delivered products in the prostacyclin pathway, including Orenitram®, sold by United Therapeutics, and Uptravi®, a selective IP agonist sold by Janssen Pharmaceuticals/Actelion. These oral products are perceived to be more convenient than infused products, although their use is targeted earlier in a patient's disease progression.

Systemically delivered treatments also compete with localized, inhaled treatments in PAH

In addition to oral and parenteral options, we expect that our products for the treatment of PAH will face competition from the following inhaled prostacyclin analog therapies that are either currently marketed or in clinical development.

- Tyvaso (treprostinil), marketed by United Therapeutics, has been approved for the treatment of PAH in the United States since 2009. Tyvaso is the reference listed drug in our NDA for YUTREPIA. Following patent litigation, United Therapeutics and Watson Pharmaceuticals reached a settlement whereby Watson Pharmaceuticals will be permitted to enter the market with a generic version of Tyvaso beginning on January 1, 2026.

- Tyvaso DPI (treprostinil) is a dry-powder formulation of treprostinil, licensed from MannKind by United Therapeutics, that was approved for the treatment of PAH in the United States in May 2022.

- Treprostinil Palmitil Inhalation Powder (TPIP), is a dry-powder formulation of a treprostinil prodrug being developed by Insmed. A Phase 1 study demonstrated that TPIP was generally safe and well tolerated, with a pharmacokinetic profile that supports once-daily dosing. Insmed initiated Phase 2 trials studying patients diagnosed with PAH. If the TPIP clinical program is successful in demonstrating less frequent dosing with similar efficacy and safety to YUTREPIA and Tyvaso DPI, then TPIP has the potential to be viewed as a more attractive option and may take market share rapidly.

- Ventavis® (iloprost) is the only other inhaled prostacyclin analog and marketed by Actelion, a division of Johnson & Johnson. Approved for the treatment of PAH in the United States since 2004, Ventavis is administered six to nine times per day via a nebulizer. Ventavis is still available to patients though utilization has significantly dwindled due the more frequent and burdensome treatment regimen.

New mechanisms of action may also compete or combine with inhaled treprostinil in the future

There are also a variety of investigational PAH therapies in the later stages of development that target new or clinically-validated mechanism of actions (MOAs) that may benefit patients. The approval of some or any of these could change the treatment paradigm and impact the utilization of treprostinil products and the prostacyclin pathway at large. We believe that new MOAs may slow or reverse the disease progression of PAH having the net impact of increasing the diagnosed prevalent population by extending patient lives and increasing the potential addressable population for treprostinil-based therapies.

- Merck & Co’s injectable sotatercept is an investigational, potential first-in-class molecule that targets the proliferation of cells in the pulmonary vasculature and is being reviewed by the FDA for approval in 2024. If approved, we currently expect that the drug will be used as it was studied: on-top of dual and triple background therapy that included prostacyclin analogs.

- Aerovate Therapeutics is developing an inhaled dry-powder formulation of imatinib in a Phase 2/3 adaptive trial design to treat PAH. The hypothesis for potential efficacy is in-part based on an earlier Phase 3 study of an oral formulation of imatinib in which the higher of two doses improved 6-min walk distance and hemodynamics, but was associated with high discontinuation rates and adverse events, particularly an excess of subdural hematomas. In 2013, Novartis chose not to pursue the development of oral imatinib for PAH.

- Gossamer Bio is developing an inhaled dry-powder formulation of seralutinib in a Phase 3 trial to treat PAH. Seralutinib is in the same drug class as oral imatinib, but is hoped to be more selective than imatinib which was discontinued due to systemic toxicity. Results from Phase 2 study met primary endpoint with greater effects in patients with more severe disease.

Competition in PH-ILD

Unlike PAH, there is less competition from competing products and MOAs to treat PH-ILD patients. Inhaled treprostinil is the only approved treatment and route of delivery. In April 2021, United Therapeutics announced that Tyvaso was approved by FDA as the first and only treatment for patients with PH-ILD. Tyvaso DPI is also indicated to treat PH-ILD. Insmed is studying TPIP in a small open-label study of PH-ILD and we expect other programs to initiate trials given the very clear unmet needs of this patient group.

Human Capital

As of March 1, 2024, we employed 136 salaried and nine hourly employees, 144 of whom are located in the United States and one of whom is located in Germany. We have no collective bargaining agreements with our employees, and we have not experienced any work stoppages. We consider our relations with our employees to be good.

We believe that our future success largely depends upon our continued ability to attract and retain highly skilled employees. We provide our employees with competitive salaries and bonuses, opportunities for equity ownership, development programs that enable continued learning and growth and a robust employment package that promotes well-being across all aspects of their lives, including health care, retirement planning and paid time off. Much of our success is rooted in the diversity of our teams and our commitment to equity and inclusion. We value diversity at all levels.

Facilities

Our corporate headquarters is located in Morrisville, North Carolina, and consist of approximately 45,000 square feet of space under a lease that expires on October 31, 2026 and includes an option for us to renew the lease for an additional five years through October 31, 2031, as amended. The primary use of this location is general office, laboratory, research and development and light manufacturing. We believe that our facilities are adequate for our current needs. However, we will seek additional space as needed to accommodate our growth.

Corporate Information

We were incorporated in Delaware on June 17, 2020. Our principal executive offices are located at 419 Davis Drive, Suite 100, Morrisville, North Carolina 27560 and our telephone number is (919) 328-4400. Our website is www.liquidia.com. The information on or that can be accessed through our website is not incorporated by reference into this Annual Report on Form 10-K, and you should not consider any such information as part of this Annual Report on Form 10-K or in deciding whether to purchase our common stock. This Annual Report and all of our filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including copies of annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, are available free of charge through our website on the date we file those materials with, or furnish them to, the U.S. Securities and Exchange Commission (SEC). Such filings are also available to the public on the internet at the SEC's website at www.sec.gov.

Government Regulation

Government Regulation and Product Approval

Government authorities in the United States at the federal, state and local level and in other countries, extensively regulate, among other things, the research, development, testing, manufacture, (including manufacturing changes), quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, marketing, export and import of products such as those we are developing. The processes for obtaining regulatory approvals in the United States and in foreign countries, along with subsequent compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources.

U.S. Drug Development Process

In the United States, the FDA regulates drugs under the United States Federal Food, Drug, and Cosmetic Act (FDCA) and the FDA's implementing regulations.

Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval may subject an applicant to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, untitled or warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests, animal studies and formulation studies according to Good Laboratory Practices regulations;
- submission to the FDA of an Investigational New Drug application (IND) which must become effective before human clinical studies may begin;
- approval by an independent institutional review board, or IRB, at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical studies according to Good Clinical Practice (GCP), regulations, to establish the safety and efficacy of the proposed drug for its intended use;
- preparation and submission to the FDA of an NDA, containing the results of product development, preclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the drug product, proposed labeling and other relevant information, to request approval to market the drug product;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug product, or components thereof, are produced to assess compliance with cGMP to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity;
- satisfactory completion of FDA audits of clinical trial sites to assure compliance with GCPs and the integrity of clinical data;
- FDA review and approval of the NDA;
- payment of fees, including annual program fees for each drug product on the market; and
- ongoing compliance with any post approval requirements, including risk evaluation and mitigation strategy (REMS) and post approval studies required by the FDA.

The testing and approval process requires substantial time, effort and financial resources, and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all.

Once a pharmaceutical product candidate is identified for development, it enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. When a sponsor wants to proceed to test the product candidate in humans, it must submit an IND in order to conduct clinical trials.

An IND sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data and any available clinical data or literature, to the FDA as part of the IND. The sponsor must also include a protocol

detailing, among other things, the objectives of the initial clinical study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated if the initial clinical study lends itself to an efficacy evaluation. Some preclinical testing may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions related to a proposed clinical study and places the study on a clinical hold within that 30-day time period. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical study can begin. Clinical holds also may be imposed by the FDA at any time before or during clinical studies due to safety concerns or non-compliance, and may be imposed on all product candidates within a certain pharmaceutical class. The FDA also can impose partial clinical holds, for example, prohibiting the initiation of clinical studies of a certain duration or for a certain dose.

All clinical studies must be conducted under the supervision of one or more qualified investigators in accordance with GCP regulations. These regulations include the requirement that all research subjects provide informed consent in writing before their participation in any clinical study. Further, an IRB must review and approve the plan for any clinical study before it commences at any institution, and the IRB must conduct continuing review and reapprove the study at least annually. An IRB considers, among other things, whether the risks to individuals participating in the clinical study are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the information regarding the clinical study and the consent form that must be provided to each clinical study subject or his or her legal representative and must monitor the clinical study until completed.

Each new clinical protocol and any amendments to the protocol must be submitted for FDA review, and to the IRBs for approval. Protocols detail, among other things, the objectives of the clinical study, dosing procedures, subject selection and exclusion criteria and the parameters to be used to monitor subject safety.

Information about certain clinical trials must be submitted within specific timeframes to the National Institutes of Health (NIH) for public dissemination on their ClinicalTrials.gov website.

Human clinical studies are typically conducted in three sequential phases that may overlap or be combined:

- *Phase 1.* The product is initially introduced into a small number of healthy human subjects or patients and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion and, if possible, to gain early evidence on effectiveness. In the case of some products for severe or life-threatening diseases, especially when the product is suspected or known to be unavoidably toxic, the initial human testing may be conducted in patients.

- *Phase 2.* Involves clinical studies in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage and schedule.

- *Phase 3.* Clinical studies are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical study sites. These clinical studies are intended to establish the overall risk/benefit relationship of the product and provide an adequate basis for product labeling.

Progress reports detailing the results of the clinical studies must be submitted at least annually to the FDA and safety reports must be submitted to the FDA and the investigators for serious and unexpected suspected adverse events. Phase 1, Phase 2 and Phase 3 testing may not be completed successfully within any specified period, if at all. The FDA or the sponsor may suspend or terminate a clinical study at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical study at its institution if the clinical study is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients.

There are FDA-imposed limitations on communications about investigational drugs. The FDA prohibits companies from making promotional claims of safety or effectiveness of the drug for a use for which it is under investigation, and from "commercialization" of the drug before it is approved for commercial marketing and distribution, and otherwise regulates communications about products in clinical trials. FDA law prohibits "misbranding" of drugs and establishes

related rules and policies on communications about promotional and non-promotional (educational, scientific) communications. Interactions with or communications directed to healthcare professionals (HCPs), patients or patient- or disease-advocates or advocacy groups, and payors, are subject to heightened scrutiny by the FDA. Relative to non-promotional communications, for example, there are specific and limited FDA accommodations for non-promotional, truthful and non-misleading sharing of information regarding products in development and off-label uses including dissemination of peer-reviewed reprints, support of independent continuing medical education (CME) and healthcare economic discussions with payors. In a competitive environment, a company's communications about products in development may also be subject to heightened scrutiny.

Concurrent with clinical studies, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

U.S. Review and Approval Processes

Assuming successful completion of the required clinical testing, the results of product development, preclinical studies and clinical studies, along with descriptions of the manufacturing process, analytical tests conducted on the drug, proposed labeling and other relevant information, are submitted to the FDA as part of an NDA for a new drug, requesting approval to market the product.

The submission of an NDA is subject to the payment of a substantial application user fee although a waiver of such fee may be obtained under certain limited circumstances. For example, the agency will waive the application fee for the first human drug application that a small business or its affiliate submits for review. The sponsor of an approved NDA is also subject to annual program user fees.

In addition, under the Pediatric Research Equity Act of 2003 (PREA) an NDA application (or a supplement to an application) for a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration must contain a Pediatric Assessment. If so, the submission must contain data from pediatric studies that are adequate to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective, unless the applicant has obtained a waiver or deferral. PREA applies only to products developed for diseases that occur in both adult and pediatric populations, and generally does not apply to products with Orphan Drug Designation or to ANDAs for generic drugs.

A sponsor who is planning to submit a marketing application for a drug product that is subject to the PREA requirements must submit an initial Pediatric Study Plan (PSP). The FDA encourages all applications to submit the PSP as soon as possible in the drug development process, and to discuss the plan with FDA at critical points in the development process. For products intended for life-threatening or severely debilitating illnesses, applicants are encouraged to discuss the PSP at the Pre-IND meeting and End-of-Phase 1 meeting. For products not intended for such illnesses, the FDA recommends that sponsors submit and discuss the PSP no later than the End-of-Phase 2 (EOP2) meeting. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information. The FDA and the sponsor must reach agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from preclinical studies, early phase clinical studies or other clinical development programs. The sponsor may submit a request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of data or full or partial waivers. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of data or full or partial waivers. It is critical that sponsors are in compliance with the PREA, as non-compliance may result in the FDA considering the drug product misbranded solely on that basis.

The FDA also may require submission of a REMS to mitigate any identified or suspected serious risks. The REMS could include medication guides, physician communication plans, assessment plans and elements to assure safe use, such as restricted distribution methods, patient registries or other risk minimization tools.

The FDA reviews all NDAs submitted to ensure that they are sufficiently complete for substantive review before it accepts them for filing. The FDA may request additional information rather than accept an application for filing. In this event, the application must be re-submitted with the additional information. The re-submitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review.

The FDA reviews an NDA to determine whether a product is safe and effective for its intended use, which includes assessment of preclinical and clinical data; proposed labeling; CMC data; and an assessment of whether the manufacturing processes and facilities meet the appropriate requirements and comply with the applicable regulations (including cGMP requirements and adequate assurance for consistent commercial production of the product within required specifications). There are numerous FDA personnel assigned to review different aspects of an NDA, exercising judgment, discretion, and interpretation of data relative to the review process.

The FDA may approve an NDA only if, among other things, the methods used in, and the facilities and controls used for, the manufacture processing, packing and testing of the product are adequate to ensure and preserve its identity, strength, quality and purity.

Before approving an NDA, the FDA often will inspect the facility or facilities where the product is or will be manufactured.

The FDA may refer the NDA to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions. An advisory committee is a panel of experts, including clinicians and other scientific experts, who provide advice and recommendations when requested by the FDA. The FDA is not bound by the recommendation of an advisory committee, but it considers such recommendations when making decisions.

Additionally, before approving an NDA, the FDA will typically inspect one or more clinical sites to assure clinical data supporting the submission were developed in compliance with GCP.

The approval process is lengthy and difficult, and the FDA may refuse to approve an NDA if the applicable regulatory criteria are not satisfied, or may require additional preclinical, clinical or CMC data or other data and information. Even if such data and information are submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Data obtained from clinical studies, as well as other types of supporting data, are not always conclusive and the FDA may interpret data differently than an applicant interprets the same data.

After the FDA's evaluation of an application, the FDA may issue an approval letter or a complete response letter to indicate that the review cycle is complete and that the application is not ready for approval. A complete response letter generally contains a statement of specific conditions that must be met to secure final approval of the application and may require additional clinical or preclinical testing for the FDA to reconsider the application. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical studies. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the application, addressing all of the deficiencies identified in the letter, or withdraw the application, or request an opportunity for a hearing.

Even with submission of additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

If a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require post-approval studies, including Phase 4 clinical studies, to further assess safety and effectiveness after approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further testing requirements and FDA review and approval.

New Drug Applications

Most drug products obtain FDA marketing approval pursuant to an NDA (described above) for innovator products, or an abbreviated new drug application, or ANDA, for generic products. Relevant to ANDAs, the U.S. Drug Price Competition and Patent Term Restoration Act of 1984, as amended (the "Hatch-Waxman Act"), amendments to the FDCA established a statutory procedure for submission and FDA review and approval of ANDAs for generic versions of branded drugs previously approved by the FDA (such previously approved drugs are also referred to as listed drugs). Because the safety and efficacy of listed drugs have already been established by the brand company (sometimes referred to as the innovator), the FDA does not require new human clinical trials to establish safety and efficacy of generic products. Rather, a generic manufacturer is typically required to conduct bioequivalence studies of its test product against the listed drug. The bioequivalence studies for orally administered, systemically available drug products assess the rate and extent to which the active pharmaceutical ingredient is absorbed into the bloodstream from the drug product and becomes available at the site of action. Bioequivalence is established when there is an absence of a significant difference in the rate and extent for absorption of the generic product and the listed drug. For some drugs, including locally acting drugs such as topical anti-fungals, other means of demonstrating bioequivalence may be required by the FDA, especially where rate and/or extent of absorption are difficult or impossible to measure. In addition to the bioequivalence data, an ANDA must contain patent certifications and chemistry, manufacturing, labeling and stability data.

A third alternative is a special type of NDA, commonly referred to as a 505(b)(2) NDA, which enables the applicant to rely, in part, on the FDA's findings of safety and efficacy of an existing product, or published literature, in support of its application. 505(b)(2) NDAs often provide an alternate path to FDA approval for new or improved formulations or new uses of previously approved products. Section 505(b)(2) permits the filing of an NDA where at least some of the information required for approval comes from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference. The applicant may rely upon the FDA's findings with respect to certain preclinical or clinical studies conducted for an approved product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. The FDA may then approve the new product candidate for all or some of the label indications for which the referenced product has been approved, as well as for any new indication sought by the 505(b)(2) applicant.

In seeking approval for a drug through an NDA, including a 505(b)(2) NDA, applicants are required to list with the FDA certain patents of the applicant or that are held by third parties whose claims cover the applicant's product. Upon approval of an NDA, each of the patents listed in the application for the drug is then published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (the "Orange Book"). Any subsequent applicant who files an ANDA seeking approval of a generic equivalent version of a drug listed in the Orange Book or a 505(b)(2) NDA referencing a drug listed in the Orange Book must make one of the following certifications to the FDA concerning patents: (1) the patent information concerning the reference listed drug product has not been submitted to the FDA; (2) any such patent that was filed has expired; (3) the date on which such patent will expire; or (4) such patent is invalid, unenforceable or will not be infringed upon by the manufacture, use or sale of the drug product for which the application is submitted. This last certification is known as a paragraph IV certification. A notice of the paragraph IV certification must be provided to each owner of the patent that is the subject of the certification and to the holder of the approved NDA to which the ANDA or 505(b)(2) application refers. The applicant may also elect to submit a "section viii" statement certifying that its proposed label does not contain (or carves out) any language regarding the patented method-of-use rather than certify to a listed method-of-use patent.

If the reference NDA holder or patent owners assert a patent challenge directed to one of the Orange Book listed patents within 45 days of the receipt of the paragraph IV certification notice, the FDA is prohibited from approving the application until the earlier of 30 months from the receipt of the paragraph IV certification expiration of the patent, settlement of the lawsuit or a decision in the infringement case that is favorable to the applicant. The ANDA or 505(b)(2) application also will not be approved until any applicable non-patent exclusivity listed in the Orange Book for the branded reference drug has expired as described in further detail below. Thus approval of a 505(b)(2) NDA or ANDA can be prevented until all the listed patents claiming the referenced product have expired, until any non-patent exclusivity, such as exclusivity for obtaining approval of a new chemical entity, listed in the Orange Book for the referenced product has expired, and, in the case of a Paragraph IV certification and subsequent patent infringement suit, until the earlier of 30 months, settlement of the lawsuit or a decision in the infringement case that is favorable to the ANDA or 505(b)(2) applicant.

The FDA may issue tentative approval of an application if the application meets all conditions for approval but cannot receive effective approval because the listed patents, the 30-month stay or another period of regulatory exclusivity, as applicable, has not expired. If tentative approval is granted, then once such listed patents, 30-month stay or other regulatory exclusivity have expired or, in the case of patents that are subject to a patent infringement suit, been found to be invalid or not infringed, the applicant may seek final approval by submitting an amendment that, among other things, includes a safety update and any other changes, if any, in the conditions under which the product was tentatively approved. Prior to granting final approval, the FDA must review and approve any changes reflected in the amendment and may consider any other new information that has come to its attention. An amendment requesting final approval is generally subject to either a 2-month or 6-month review cycle, depending on the information submitted in the amendment.

Combination Products

Medical products containing a combination of new drugs, biological products, or medical devices are regulated as "combination products" in the United States. A combination product generally is defined as a product comprised of components from two or more regulatory categories, such as drug/device, device/biologic or drug/biologic. The term combination product includes: (i) a product comprised of two or more regulated components (i.e., drug/device, biologic/device, drug/biologic or drug/device/biologic, that are physically, chemically or otherwise combined or mixed and produced as a single entity); (ii) two or more separate products packaged together in a single package or as a unit and comprised of drug and device products, device and biological products or biological and drug products; (iii) a drug, device or biological product packaged separately that according to its investigational plan or proposed labeling is intended for use only with an approved individually specified drug, device or biological product where both are required to achieve the intended use, indication or effect and where upon approval of the proposed product the labeling of the approved product would need to be changed, such as to reflect a change in intended use, dosage form, strength, route of administration, or significant change in dose; or (iv) any investigational drug, device or biological product packaged separately that according to its proposed labeling is for use only with another individually specified investigational drug, device, or biological product where both are required to achieve the intended use, indication or effect.

Each constituent part of a combination product is subject to the requirements established by the FDA for that type of constituent part, whether a new drug, biologic or device. In order to facilitate pre-market review of combination products, the FDA designates one of its centers to have primary jurisdiction for the pre-market review and regulation of the overall product based upon a determination by FDA of the primary mode of action of the combination product, and typically one application, such as for a drug/device combination product assigned to the FDA's Center for Drug Evaluation and Research (CDER) an NDA, will be made.

A device with the primary purpose of delivering or aiding in the delivery of a drug and distributed containing a drug (i.e., a "prefilled delivery system") is typically evaluated by CDER using drug authorities and device authorities, as necessary.

A device with the primary purpose of delivering or aiding in the delivery of a drug and that is distributed without the drug (i.e., unfilled) is typically evaluated by the FDA's Center for Devices and Radiological Health and CDER, respectively, unless the intended use of the two products, through labeling, creates a combination product.

The FDA has indicated that dry powder inhalers, such as our lead product candidate, YUTREPIA, are drug/device combination products.

Post-Approval Requirements

Drugs manufactured or distributed pursuant to FDA approvals are subject to extensive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping (including certain electronic record and signature requirements), periodic reporting, drug supply chain security surveillance and tracking requirements, product sampling and distribution, advertising and promotion and reporting of certain adverse experiences, deviations and other problems with the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims are subject to prior FDA review and approval. There are also, under The Prescription Drug User Fee Act, continuing, annual FDA "program fee" requirements for products once they are approved, as well as new application fees for supplemental applications with clinical data.

The FDA strictly regulates labeling, advertising, promotion and other types of information on products that are placed on the market. Products may be promoted only for the approved indications and in accordance with the provisions of the approved label. Further, manufacturers must continue to comply with cGMP requirements, which are extensive and require considerable time, resources and ongoing investment to ensure compliance. In addition, changes to the manufacturing process generally require prior FDA approval before being implemented and other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further FDA review and approval.

Manufacturers and certain other entities involved in the manufacturing and distribution of approved products are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP and other laws. The cGMP requirements apply to all stages of the manufacturing process, including the production, processing, sterilization, packaging, labeling, storage and shipment of the product. Manufacturers must establish validated systems to ensure that products meet specifications and regulatory standards and test each product batch or lot prior to its release. Combination products are subject to FDA regulation to ensure the quality of both the constituent parts and the finished product.

Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance.

The FDA may impose a number of post-approval requirements as a condition of approval of an application. For example, the FDA may require post-marketing testing, including Phase 4 clinical trials, and surveillance to further assess and monitor the product's safety and effectiveness after commercialization.

The FDA may withdraw a product approval if compliance with regulatory requirements is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, problems with manufacturing processes, or failure to comply with regulatory requirements, may result in restrictions on the product or even complete withdrawal of the product from the market.

Potential implications include required revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- warning letters or holds on post-approval clinical trials;

- refusal of the FDA to approve pending NDAs or supplements to approved NDAs, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising, and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. As a compliance best practice and risk mitigation measure, pharmaceutical companies typically train their sales force regarding the limitations on promotion of products relative to their approved indications for use and concerns regarding potential "off-label promotion." However, a physician may use products off-label when, in the physician's independent professional medical judgment, he or she deems it appropriate. Recent court decisions have impacted FDA's enforcement activity regarding off-label promotion in the light of First Amendment considerations; however, there are still significant risks in this area in part due to the potential for False Claims Act exposure. Further, the FDA has not materially changed its position on off-label promotion following legal setbacks on First Amendment grounds and the U.S. Department of Justice has consistently asserted in False Claims Act briefings that "speech serves as a conduit for violations of the law is not constitutionally protected."

The distribution of commercial prescription drugs is subject to the Drug Supply Chain Security Act (DSCSA), which regulates the distribution of the products at the federal level, and sets certain standards for federal or state registration and compliance of entities in the supply chain and regulation of manufacturers and repackagers, wholesale distributors, third-party logistics providers, and dispensers. The DSCSA preempts certain previously enacted state pedigree laws and upon taking effect superseded the pedigree requirements of the Prescription Drug Marketing Act (PDMA). Trading partners within the drug supply chain must now ensure certain product tracing requirements are met, and are required to exchange transaction information, transaction history, and transaction statements. Product identifier information (an aspect of the product tracing scheme) is also now required. Many states still have in place licensure and other requirements for manufacturers and distributors of drug products. The distribution of product samples continues to be regulated under the PDMA, and some states also impose regulations on drug sample distribution.

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the approval, manufacturing and marketing of products regulated by the FDA. In addition to new legislation, FDA regulations, guidance and policies are often revised or reinterpreted by the agency in ways that may significantly affect our business and our product candidates. It is impossible to predict whether further legislative or FDA regulation or policy changes will be enacted or implemented and what the impact of such changes, if any, may be.

Patent Term Restoration

Depending upon the timing, duration and specifics of FDA approval of the use of our product candidates, some of our U.S. patents may be eligible for limited patent term extension (PTE) under the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years as compensation for patent term effectively 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 review 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. Extensions are not granted as a matter of right and the extension must be applied for prior to expiration of the patent and within a sixty-day period from the date the product is first approved for commercial marketing. The USPTO, in consultation with the FDA, reviews and approves the application for any PTE or restoration. In the future, we may apply for PTEs, defined as the length of the regulatory review of products covered by our granted patents, for some of our currently owned or licensed applications and patents to add patent life beyond their current expiration dates. Such extensions will depend on the length of the regulatory review; however, there can be no assurance that any such extension will be granted to us.

Marketing Exclusivity

Market exclusivity provisions under the FDCA can also delay the submission or the approval of certain applications. The specific scope varies, but fundamentally the FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an ANDA or a 505(b)(2) NDA submitted by another company for another version of such drug where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement.

The FDCA also provides three years of marketing exclusivity for an NDA, 505(b)(2) NDA or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example, for new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the conditions of use associated with the new clinical investigations and does not prohibit the FDA from approving applications for drugs containing the original active agent. This three-year exclusivity does not preclude submission of the ANDA or Section 505(b)(2) NDA for such a product but prevents the FDA from giving final approval to such product. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical studies necessary to demonstrate safety and effectiveness.

Under the FDCA, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States or, if it affects more than 200,000 individuals in the United States, there is no reasonable expectation that the cost of developing and making a drug product available in the United States for this type of disease or condition will be recovered from sales of the product. Orphan designation must be requested before submitting an NDA. After the FDA grants orphan designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan designation does not convey any advantage in or shorten the duration of the regulatory review and approval process. If a product that has orphan designation subsequently receives either the first FDA approval for the disease or condition for which it has such designation or, if not the first FDA approval for such drug for the treatment of such disease or condition, such drug is clinically superior to any already approved or licensed drug that is the same drug for such disease or condition, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications to market the same drug or biological product for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan exclusivity or inability to manufacture the product in sufficient quantities. The designation of such drug also entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. Competitors, however, may receive approval of different products for the indication for which the orphan product has exclusivity or obtain approval for the same product but for a different indication for which the orphan product has exclusivity. If an orphan designated product receives marketing approval for an indication broader than what is designated, it may not be entitled to orphan exclusivity. In addition, exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

Pediatric exclusivity is another type of exclusivity in the United States. Pediatric exclusivity, if granted, provides an additional six months to the term of any existing regulatory exclusivity, including the non-patent exclusivity periods described above. This six-month exclusivity may be granted based on the voluntary completion of a pediatric clinical study that “fairly responds” to an FDA-issued “Written Request” for such a clinical study.

Pharmaceutical Coverage, Pricing and Reimbursement

In the United States, sales of any products for which we may receive regulatory approval for commercial sale will depend in part on the availability of coverage and reimbursement from third-party payors. Third-party payors include government authorities, managed care providers, private health insurers and other organizations.

Significant uncertainty exists as to the coverage and reimbursement status of any products for which we may obtain regulatory approval. Some of the additional requirements and restrictions on coverage and reimbursement levels imposed by third-party payors influence the purchase of healthcare services and products. The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for establishing the reimbursement rate that such a payor will pay for the product. Third-party payors may limit coverage to specific drugs on an approved list, or formulary, which might not include all of the FDA-approved drugs for a particular indication, or place drugs at certain formulary levels that result in lower reimbursement levels. Moreover, a payor'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. Further, one payor's determination to provide coverage does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement may differ significantly from payor to payor as there is no uniform policy of coverage and reimbursement for drug products among third-party payors.

Reimbursement may also impact the demand for drug products that obtain marketing approval. If coverage for a drug product is obtained by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Further, third party payors require onerous prior approvals or implement other forms of restricted access that make it difficult for patients to utilize our drug products. Patients who are prescribed medications for the treatment of their conditions, and their prescribing physicians, generally rely on third-party payors to reimburse all or part of the costs associated with their prescription drugs. Prescribing physicians are unlikely to use or prescribe drug products unless coverage is provided and reimbursement is adequate to cover all or a significant portion of the cost of those drug products. If reimbursement is not available, or is available only to limited levels, a drug product which has obtained marketing approval may not be successfully commercialized.

Third-party payors 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. In order to obtain and maintain coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of any products, in addition to the costs required to obtain regulatory approvals. Our product candidates may not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit.

The U.S. government and state legislatures have shown significant interest in implementing cost containment programs to limit the growth of government-paid healthcare costs, including price controls, restrictions on reimbursement and coverage and requirements for substitution of generic products for branded prescription drugs. There has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices. For example, U.S. federal prosecutors have issued subpoenas to pharmaceutical companies seeking information about pricing practices in connection with an investigation into pricing practices being conducted by the DOJ. Several state attorneys general also have commenced drug pricing investigations and filed lawsuits against pharmaceutical companies, and the U.S. Senate has publicly investigated a number of pharmaceutical companies relating to price increases and pricing practices. Proposed legislation has been designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. Federal budget proposals have included measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. It is possible that President Biden may issue Executive Orders with the potential to change a number of prior executive branch actions on drug pricing. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Adoption of government controls and measures, and tightening of restrictive policies in jurisdictions with existing controls and measures, could exclude or limit our drugs and product candidates from coverage and limit payments for pharmaceuticals. We continue to monitor the potential impact of proposals to lower prescription drug costs at the federal

and state level, and anticipate that current and future U.S. federal and state legislative proposals may result in additional downward pressure on drug pricing and reimbursement, which could have a significant impact on our business.

The Inflation Reduction Act of 2022 (the "IRA"), which includes certain new tax measures, was signed into law in August 2022. The IRA contains two main tax provisions, a new corporate alternative minimum tax imposed on certain corporations meeting average annual financial statement income of more than $1 billion during a three-year tax period, and an excise tax imposed upon share repurchases by certain publicly traded corporations. The IRA is effective for tax years beginning after December 31, 2022; we are evaluating the provisions of the IRA but currently do not believe these provisions will have a material impact on our consolidated financial statements. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation, and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). Failure to comply with requirements under the drug price negotiation program or pay the identified rebates is subject to an excise tax and/or a civil monetary penalty. The IRA permits the Secretary of the Department of Health and Human Services (HHS) to implement many of these provisions through guidance, as opposed to regulation, for the initial years. For that and other reasons, it is currently unclear how the IRA will be effectuated and the impact of the IRA on the pharmaceutical industry and on generic drug pricing cannot yet be fully determined.

In addition, we expect that the increased emphasis on managed care and cost containment measures in the United States by third-party payors and government authorities to continue and will place pressure on pharmaceutical pricing and coverage. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Other Healthcare Laws and Compliance Requirements

Healthcare providers, physicians and third-party payors often play a primary role in the recommendation and prescription of any drug products for which we may obtain marketing approval, or for which we may provide contracted promotional services to third parties. Our current and future arrangements with healthcare providers, physicians, third-party payors and customers, and our sales, marketing and educational activities, may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations (at the federal and state level) that may constrain our business or financial arrangements and relationships through which we market, sell, or distribute drug products.

Among the laws and regulations that may affect our ability to operate and may present risk to our business are those, at the federal and state level, on topics including: anti-kickback, false claims, and other healthcare fraud, waste, and abuse matters; drug pricing and price reporting; advertising, promotion, and other types of communications regarding pharmaceutical products; limitations on and transparency regarding financial relationships with healthcare professionals; and data privacy and security. *See Item 1A. Risk Factors – General Risks Related to Healthcare Regulation.*

Healthcare Reform

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. There have been a number of federal and state proposals during the last few years regarding the pricing of pharmaceutical and biopharmaceutical products, limiting coverage and reimbursement for drugs and other medical products, government control and other changes to the healthcare system in the United States including the Patient Protection and Affordable Care Act (ACA).

In the future, there may continue to be additional proposals relating to the reform of the U.S. healthcare system, some of which could further limit the prices we will be able to charge for our product candidates, or the amounts of reimbursement available for our product candidates. If future legislation were to impose direct governmental price controls or access restrictions, it could have a significant adverse impact on our business. Managed care organizations, as well as Medicaid and other government agencies, continue to seek price discounts. Some states have implemented, and other states are considering, measures to reduce costs of the Medicaid program, and some states are considering implementing measures that would apply to broader segments of their populations that are not Medicaid-eligible. Due to the volatility in the current economic and market dynamics, we are unable to predict the impact of any unforeseen or

unknown legislative, regulatory, payor or policy actions, which may include cost containment and healthcare reform measures. Such policy actions could have a material adverse impact on our profitability.

These and other healthcare reform initiatives may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on our financial operations. 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 our product candidates or additional pricing pressures.

Foreign Regulation of Drugs

In order to market any product outside of the United States, we will need to comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding development, approval, commercial sales and distribution of our products, and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of our products, if approved. Whether or not we obtain FDA approval for a product, we must obtain the necessary approvals by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies between countries and jurisdictions and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries and jurisdictions might differ from and be longer than that required to obtain FDA approval. Regulatory approval in one country or jurisdiction does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country or jurisdiction may negatively impact the regulatory process in others.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this Annual Report on Form 10-K, including our financial statements and the related notes thereto, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the information contained under the heading "Cautionary Note Regarding Forward-Looking Statements" before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our common stock could decline and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. We may update these risk factors in our periodic and other filings with the SEC.

The following is a summary of the principal risk factors described in this section:

- We expect to incur significant expenses and operating losses for the foreseeable future as we advance our product candidates through clinical trials, seek regulatory approval and pursue commercialization of any approved product candidates. The future viability of our company may depend on our ability to raise additional capital to finance our future operations.
- We have a history of losses and our future profitability remains uncertain.
- We are primarily dependent on the success of our product candidates, YUTREPIA and L606, and these product candidates may fail to receive final marketing approval (in a timely manner or at all) or may not be commercialized successfully.
- United Therapeutics has initiated multiple lawsuits against us in which it has claimed that YUTREPIA is infringing its patents, a separate lawsuit against us that we and a former United Therapeutics employee, who later joined us as an employee, conspired to misappropriate certain trade secrets of United Therapeutics and engaged in unfair or deceptive trade practices, and a separate lawsuit against the FDA seeking to challenge the FDA's acceptance of our amended NDA for YUTREPIA. Final judgment was entered by Judge Andrews of the U.S. District Court for the District of Delaware in one of the lawsuits finding that one of the three asserted United Therapeutics' patents is both valid and infringed and ordering that the effective date of any final approval by the FDA of YUTREPIA shall be a date which is not earlier than the expiration date of the infringed patent, which will be in 2027. The Patent Trial and Appeal Board, or the PTAB, found that this same patent was

unpatentable, and on December 20, 2023, the United States Court of Appeals for the Federal Circuit affirmed this decision by the PTAB. However, although the PTAB's decision has now been affirmed on appeal, Judge Andrews may need to lift the injunction in his order before we are able to obtain final FDA approval for YUTREPIA, and there are no assurances whether and when Judge Andrews would do so. Even if Judge Andrews was to lift his existing injunction, United Therapeutics is currently seeking injunctive relief in two additional lawsuits. These lawsuits, and other lawsuits that United Therapeutics may file in the future, may result in our company being further delayed in its efforts to commercialize YUTREPIA or result in substantial damage claims against us if we launch YUTREPIA and we are later found to infringe.

- Liquidia PAH does not hold the FDA regulatory approval for Treprostinil Injection, the RG Cartridge or pumps used to administer Treprostinil Injection and is dependent on Sandoz, Chengdu and the pump manufacturers to manufacture and supply Treprostinil Injection, the RG Cartridge and pumps used to administer Treprostinil Injection, respectively, in compliance with FDA requirements, and is more broadly dependent on their FDA and healthcare compliance relative to Treprostinil Injection, the RG Cartridge and the pumps used to administer Treprostinil Injection, respectively.
- Treprostinil Injection is presently administered subcutaneously via Smiths Medical's CADD-MS 3 infusion pump. Smiths Medical no longer manufactures the CADD-MS 3 infusion pump and has indicated its intention to discontinue service and maintenance of CADD-MS 3 infusion pumps on January 1, 2025. In addition, should components of the CADD-MS 3 pump become unavailable before January 1, 2025, Smiths Medical's ability to service and maintain such pumps may terminate earlier than anticipated. For instance, we are aware of a shortage of a critical component of the CADD-MS 3 infusion pump that may cause the number of CADD-MS 3 infusion pumps available for the administration of Treprostinil Injection to be depleted prior to January 1, 2025. In the event the specialty pharmacies are unable to access sufficient quantities of operable pumps or in the event we are unable to identify or develop a new pump prior to the current pumps becoming unavailable, the commercial success of Treprostinil Injection may be adversely affected.
- Sales of Treprostinil Injection are dependent on market acceptance of generic treprostinil for parenteral administration and the medical devices used for administration of Treprostinil Injection, including the Smiths Medical infusion pumps, any future pumps that we develop, and the RG Cartridge, by patients, health care providers and by third-party payors, while interactions with these persons and entities are subject to compliance requirements. The commercial success of Treprostinil Injection may also be impacted by increasing generic competition which may result in declining prices for Treprostinil Injection.
- We expect that we will need further financing for our existing business and future growth, which may not be available on acceptable terms, if at all. Failure to obtain funding on acceptable terms and on a timely basis may require us to curtail, delay or discontinue our product development efforts or other operations. The failure to obtain further financing may also prevent us from capitalizing on other potential product candidates or indications which may be more profitable than YUTREPIA and/or L606 or for which there may be a greater likelihood of success.
- We face significant competition from large pharmaceutical companies, among others, in developing our products and in gaining regulatory approval to bring them to market in time to achieve commercial success, and our operating results will suffer if we are unable to compete effectively, including if one or more such products have a superior product profile to YUTREPIA and/or L606.
- Our financing facility with Healthcare Royalty Partners IV, L.P., or HCR, requires mutual agreement of both HCR and us in order to draw down on the facility. HCR may not agree to make additional advances pursuant to the facility. Failure to receive further funding from HCR may result in our having insufficient financing for our existing business plan. Our financing facility with HCR also contains operating and financial covenants that restrict our business and financing activities, and is subject to acceleration in specified circumstances, which may result in HCR taking possession and disposing of any collateral.
- Our products may not achieve market acceptance.
- Our product candidates are based on proprietary, novel technology, which have not been used to manufacture any products that have been previously approved by the FDA, making it difficult to predict the time and cost of development and of subsequently obtaining final regulatory approval. In addition, we may experience unexpected challenges as we ramp up our manufacturing capacity to meet demand or during commercial manufacturing, which may result in our inability to supply sufficient quantities of product to meet demand.
- Our business and operations may be adversely affected by the effects of health epidemics, including the COVID-19 pandemic.

- We may not be able to build a commercial operation, including establishing and maintaining marketing and sales capabilities or entering into agreements with third parties to market and sell our drug products.
- We depend on third parties for clinical and commercial supplies, including single suppliers for the active ingredient, the device, encapsulation and packaging of YUTREPIA and single suppliers for the drug product and device for L606. In the event of any disruption in these supplies, our ability to develop and commercialize, and the timeline for commercialization of, YUTREPIA and/or L606 may be adversely affected.
- We rely on third parties to conduct our preclinical studies and clinical trials.
- We may become involved in litigation to protect our intellectual property, to enforce our intellectual property rights or to defend against claims of intellectual property infringement by third parties, which could be expensive, time-consuming and may not be successful.
- We depend on skilled labor, and our business and prospects may be adversely affected if we lose the services of our skilled personnel, including those in senior management, or are unable to attract new skilled personnel.
- We expect that the market price of our common stock may be volatile, and you may lose all or part of your investment.
- As a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting and any failure to do so may adversely affect investor confidence in us and, as a result, the trading price of our shares.

Risks Related to our Financial Position and Need for Additional Capital

We expect to incur significant expenses and operating losses for the foreseeable future as we advance our product candidates through clinical trials, seek regulatory approval and pursue commercialization of any approved product candidates. The future viability of our company may depend on our ability to raise additional capital to finance our future operations.

We are subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations, and the ability to secure additional capital to fund operations. We expect to incur significant expenses and may incur significant operating losses for the foreseeable future as we advance product candidates through clinical trials, seek regulatory approval and pursue commercialization of any approved product candidates. In addition, if we obtain marketing approval for any of our product candidates, we would incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. These efforts require significant amounts of capital, adequate personnel and infrastructure, and extensive compliance-reporting capabilities. If we have not received full FDA approval and begun product sales of YUTREPIA or are unable to access additional capital by the date of issuance of our second quarter 2024 financial statements, there could be substantial doubt about our ability to continue as a going concern as of that date. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Even if our development efforts are successful, it is uncertain when, if ever, we will realize significant revenue from product sales. The future viability of our company may depend on our ability to raise additional capital to finance our future operations. We may seek additional funding through public or private financings, debt financing or collaboration. Our inability to obtain funding, when needed, would have a negative impact on our financial condition and ability to pursue our business strategies.

We have a history of losses and our future profitability remains uncertain.

We have incurred net losses of $78.5 million during the year ended December 31, 2023, and $41.0 million and $34.6 million during the years ended December 31, 2022 and 2021, respectively. We also had negative operating cash flows for each of these periods. As of December 31, 2023, we had an accumulated deficit of $429.1 million.

Since our incorporation, we have invested heavily in the development of our product candidates and technologies, as well as in recruiting management and scientific personnel. To date, we have not commenced the commercialization of our product candidates and all of our revenue has been derived from up-front fees and milestone payments made to us in connection with licensing and collaboration arrangements we have entered into and the Promotion Agreement, under which we share in the profit derived from the sale of Treprostinil Injection in the United States. These up-front fees and

milestone payments have been, and combined with revenue generated from Treprostinil Injection may continue to be, insufficient to match our operating expenses. We expect to continue to devote substantial financial and other resources to the clinical development of our product candidates and, as a result, must generate significant revenue to achieve and maintain profitability or raise additional capital to fund clinical development. We may continue to incur losses and negative cash flow and may never transition to profitability or positive cash flow.

We may need further financing for our existing business and future growth, which may not be available on acceptable terms, if at all. Failure to obtain funding on acceptable terms and on a timely basis may require us to curtail, delay or discontinue our product development efforts or other operations. The failure to obtain further financing may also prevent us from capitalizing on other potential product candidates or indications which may be more profitable than YUTREPIA and/or L606 or for which there may be a greater likelihood of success.

We may need to raise additional funds to meet our future funding requirements for the continued research, development and commercialization of our product candidates and technology. In the event that funds generated from our operations are insufficient to fund our future growth, we may raise additional funds through the issuance of equity or debt securities or by borrowing from banks or other financial institutions. We cannot assure you that we will be able to obtain such additional financing on terms that are acceptable to us, or at all. Global and local economic conditions could negatively affect our ability to raise funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of such securities may include liquidation or other preferences that adversely affect your rights as a stockholder. Such financing, even if obtained, may be accompanied by restrictive covenants that may, among others, limit our ability to pay dividends or require us to seek consent for payment of dividends, or restrict our freedom to operate our business by requiring consent for certain actions.

If we need additional financing and fail to obtain financing on terms that are favorable to us, we will not be able to implement our growth plans, and we may be required to significantly curtail, delay or discontinue one or more of our research, development or manufacturing programs or the commercialization of any approved product. Furthermore, if we need additional financing and fail to obtain additional financing on terms that are acceptable to us, we may forgo or delay the pursuit of opportunities presented by other potential product candidates or indications that may later prove to have greater commercial potential than the product candidates and indications that we have chosen to pursue.

Our financing facility with HCR requires mutual agreement of both HCR and us in order to draw down on our financing facility, contains operating and financial covenants that restrict our business and financing activities, and is subject to acceleration in specified circumstances, which may result in HCR taking possession and disposing of any collateral.

Our financing facility with Healthy Care Royalty Partners, L.P. (“HCR”) contains restrictions that limit our flexibility in operating our business. Under the terms of the Revenue Interest Financing Agreement, amended, (the “RIFA”), HCR has agreed to pay us an aggregate investment amount of up to $100.0 million (the “Investment Amount”). Under the terms of the RIFA, $32.5 million of the Investment Amount was funded in January 2023 at the initial closing, $10.0 million of the Investment Amount was funded in July 2023 in connection with our entry into a license agreement with Pharmosa, $25.0 million of the Investment Amount was funded in January 2024, and additional tranches of $10.0 million and $22.5 million of the Investment Amount will be funded fifteen business days after the mutual agreement of HCR and us to fund such amount. In the event we and HCR do not mutually agree to the funding of the third and/or fourth tranche of the Investment Amount, we will be unable to draw the full amount of the Investment Amount. In addition, under the terms of the RIFA, we may not, among other actions, without the prior written consent of HCR, (a) pay any dividends or make any other distribution or payment or redeem, retire or purchase any capital stock, except in certain prescribed circumstances, (b) create, incur, assume, or be liable with respect to any indebtedness except certain permitted indebtedness, or make or permit any payment on any indebtedness, except under certain limited circumstances, or (c) make any sale, transfer, out-license, lease or other disposition of any property or any economic interest, other than certain limited exceptions. Additionally, we are required (i) during the period from January 1, 2024 through December 31, 2024, to maintain at all times a minimum cash balance of $7.5 million, and (ii) during all periods after December 31, 2024, to maintain at all times a minimum cash balance of $15.0 million. Our obligations under the RIFA are collateralized by all of our assets and property, subject to limited exceptions.

If we breach certain of our covenants in the RIFA and are unable to cure such breach within the prescribed period or are not granted waivers in relation to such breach, it may constitute an event of default under the RIFA, giving HCR the right to require us to repay the then outstanding obligations immediately, and HCR could, among other things, foreclose on the collateral granted to them to collateralize such indebtedness, which includes our intellectual property, if we are unable to pay the outstanding debt immediately.

Our management has broad discretion in using the net proceeds from our financing facility with HCR and prior equity offerings and may not use them effectively.

We are using the net proceeds of our financing facility with HCR, our January 2024 private placement, our December 2023 public equity offering and prior public and private equity offerings to support the development and commercialization of YUTREPIA, including the potential commercial launch of YUTREPIA in the event of final FDA approval, the commercialization of Treprostinil Injection, the development and servicing of pumps for the administration of Treprostinil Injection, the development of L606, and for general corporate purposes. Our management has broad discretion in the application of such proceeds and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our equity. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business, diminish cash flows available to service our obligations to HCR, cause the value of our equity to decline and delay the development of our product candidates. Pending their use, we may invest such proceeds in short-term, investment-grade, interest-bearing securities, which may not yield favorable returns.

Our ability to use our net operating loss carry forwards and certain other tax attributes may be limited.

Under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an "ownership change", generally defined as a greater than 50.0% change (by value) in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research tax credits, to offset its post-change income may be limited. With our April 2022 public equity offering, our 2021 private placement, the closing of the RareGen acquisition in November 2020, our July 2020 public equity offering, our December 2019 private placement, issuances under our prior at-the-market facility, our March 2019 follow-on equity offering and our July 2018 initial public offering, as well as other past transactions, we may have already triggered an "ownership change" limitation. We have not completed a formal study to determine if any "ownership changes" within the meaning of IRC Section 382 have occurred. If "ownership changes" within the meaning of Section 382 of the Code have occurred, and if we earn net taxable income, our ability to use our net operating loss carryforwards and research and development tax credits generated since inception to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us and could require us to pay U.S. federal income taxes earlier than would be required if such limitations were not in effect. Similar rules and limitations may apply for state income tax purposes.

Changes to existing tax laws, or challenges to our tax positions could adversely affect our business and financial condition.

The tax regimes to which we are subject or under which we operate are unsettled and may be subject to significant change. The issuance of additional guidance related to existing or future tax laws, or changes to tax laws or regulations proposed or implemented by the current or a future U.S. presidential administration, Congress, or taxing authorities in other jurisdictions could materially affect our tax obligations.

For example, beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures in the year incurred and instead requires taxpayers to capitalize and subsequently amortize such expenditures over five years for research activities conducted in the United States and over 15 years for research activities conducted outside the United States. In January 2024, the U.S. House of Representatives passed the Tax Relief for American Families and Workers Act, which would retroactively repeal for 2022 and 2023, and defer until 2026, the requirement to capitalize research and development expenditures for research activities conducted in the United States. Uncertainty exists as to whether the bill will be enacted into law. As another example, in August 2022, the Inflation Reduction Act of 2022 was enacted, and, among other things, included a new 15% alternative minimum tax on the

adjusted financial statement income of certain large corporations for tax years beginning after December 31, 2022. To the extent that such changes have a negative impact on us, including as a result of related uncertainty, these changes could adversely impact our business, results of operations and financial position.

In addition, U.S. federal, state and local tax laws are extremely complex and subject to various interpretations. Although we believe that our tax estimates and positions are reasonable, there can be no assurance that our tax positions will not be challenged by relevant tax authorities. If the relevant tax authorities assess additional taxes on us, this could result in adjustments to, or impact the timing or amount of, taxable income, deductions or other tax allocations, which may adversely affect our results of operations and financial position.

We are a late-stage clinical biopharmaceutical company with no approved products and no historical revenue from the sale of our own products, which may make it difficult for you to evaluate our business, financial condition and prospects.

We are a late-stage clinical biopharmaceutical company with no history of commercial operations upon which you can evaluate our prospects other than the activities we have undertaken with respect to the Promotion Agreement with Sandoz. Drug product development involves a substantial degree of uncertainty. Our operations to date have been limited to engaging in promotional and nonpromotional activities under the Promotion Agreement with Sandoz, developing our PRINT technology, undertaking preclinical studies and clinical trials for our product candidates and collaborating with pharmaceutical companies, including GSK, to expand the applications for our PRINT technology through licensing as well as joint product development arrangements. We have not obtained final marketing approval for any of our product candidates and, accordingly, have not demonstrated an ability to generate revenue from our own pharmaceutical products or successfully overcome the risks and uncertainties frequently encountered by companies undertaking drug product development. Consequently, your ability to assess our business, financial condition and prospects may be significantly limited. Further, the net losses that we incur may fluctuate significantly from quarter-to-quarter and year-to-year, such that a period-to-period comparison of our results of operations may not be a good indication of our future performance. Other unanticipated costs may also arise.

Liquidia PAH does not hold the FDA regulatory approval for Treprostinil Injection and is dependent on Sandoz to manufacture and supply Treprostinil Injection in compliance with FDA requirements, and is more broadly dependent on Sandoz's FDA and healthcare compliance relative to Treprostinil Injection.

Sandoz holds the FDA approval, or the ANDA, for and controls Treprostinil Injection and is responsible among other things for the compliant manufacture, distribution, labeling, and advertising of Treprostinil Injection. Our role is one of a specialized service provider to Sandoz. As a result, we are dependent on Sandoz to manufacture and supply Treprostinil Injection, and dependent on Sandoz for the continued FDA compliance of Treprostinil Injection. We do not have control over Sandoz's compliance with laws and regulations applicable to drug manufacturers and ANDA holders (for example, applicable current good manufacturing practices, or cGMPs; FDA labeling, promotional labeling, and advertising requirements; pharmacovigilance and adverse event reporting; and other ongoing FDA reporting and submission requirements), nor over its compliance with healthcare compliance and fraud, waste, and abuse laws, or similar regulatory requirements and other laws and regulations, such as those related to environmental health and safety matters. In addition, we have no control over the ability of Sandoz to maintain adequate quality control, quality assurance and qualified personnel, or other personnel with roles related to the regulatory compliance of Treprostinil Injection and its labeling, promotion, and advertising or of Sandoz's activities in relation to government healthcare programs. If the FDA or a comparable foreign regulatory authority finds deficiencies with the manufacture or quality assurance of Treprostinil Injection or identifies safety or efficacy concerns related to Treprostinil Injection, or if Sandoz otherwise is unable to comply with applicable laws, regulations and standards, Sandoz's ability to manufacture, sell and supply Treprostinil Injection could be limited.

Sandoz's ability to consistently manufacture and supply Treprostinil Injection in a timely manner may also be interrupted by production shortages or other supply interruptions, including as a result of the ongoing COVID-19 pandemic. Our share of net profits under the Promotion Agreement is reduced by certain manufacturing costs and other write-offs related to Sandoz's inability to sell Treprostinil Injection, including in the event that Treprostinil Injection expires prior to sale. Currently, Treprostinil Injection expires 24 months after the date of manufacture.

Sales of Treprostinil Injection are dependent on market acceptance of generic treprostinil for parenteral administration by patients, health care providers and by third-party payors, while interactions with these persons and entities are subject to compliance requirements. The commercial success of Treprostinil Injection may also be impacted by increasing generic competition which may result in declining prices for Treprostinil Injection.

Our ability to sell Treprostinil Injection is dependent on market acceptance of generic treprostinil for parenteral administration by patients, health care providers and by third-party payors. If Treprostinil Injection does not achieve an adequate level of acceptance, we may not generate sufficient revenue to offset our cost of revenue.

At the same time, arrangements with healthcare providers, physicians, third-party payors and customers, and our sales, marketing and educational activities, may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain our business or financial arrangements and relationships.

The degree of market acceptance of Treprostinil Injection will depend on a number of factors, including:

- the efficacy, safety and potential advantages compared to alternative treatments;
- our ability to offer Treprostinil Injection for sale at competitive prices (generic drug prices, after initial generic entry, have been observed to decline with the entrance of additional generic competition);
- the convenience and ease of administration compared to alternative treatments;
- product labeling or product insert requirements of the FDA or foreign regulatory authorities, including any limitations or warnings contained in a product's approved labeling, including any black box warning;
- the willingness of the target patient population to try new treatments, including the generic version of a brand, and of physicians to prescribe such treatments;
- our ability to hire and retain sales and marketing personnel and their ability to support Sandoz under the Promotion Agreement;
- the strength of Sandoz's manufacturing and distribution support;
- the requirement by third-party payors to use generic treprostinil for parenteral administration in place of Remodulin;
- the availability of third-party coverage and adequate reimbursement for Treprostinil Injection;
- the prevalence and severity of any side effects;
- any restrictions on the use of Treprostinil Injection together with other medications;
- our and Sandoz's ability to maintain relationships with the specialty pharmacies; and
- the services provided by specialty pharmacies related to use of Treprostinil Injection.

Our business may also be impacted by the need to maintain compliant operations (including oversight and monitoring of personnel and our activities) in relation to interactions with the persons and parties noted above, relative to FDA and healthcare law requirements, and with consideration of government and industry compliance best practices.

Medical devices, which we do not control, are necessary for the administration of Treprostinil Injection.

In order for Treprostinil Injection to be administered to patients, patients must use certain other medical equipment, including pumps, cartridges and infusion sets. We do not manufacture or control such medical equipment, which is manufactured by third parties and owned and dispensed by specialty pharmacies, hospitals or other third parties. Our ability to serve patients is dependent upon the ability of specialty pharmacies to maintain sufficient inventory of such medical equipment to provide to patients. If manufacturers cease to manufacture or support medical equipment or if specialty pharmacies are unable to obtain or maintain sufficient inventories of such medical equipment, our sales may be adversely impacted.

We have worked with Chengdu to develop the RG Cartridge, which received FDA 510(k) clearance in March 2021. The ability of patients to administer Treprostinil Injection through subcutaneous injection is dependent on the continued availability of the RG Cartridge. Our ability to sell the Treprostinil Injection for subcutaneous administration is dependent on market acceptance of the RG Cartridge by patients, health care providers and by third-party payors. If the RG Cartridge does not achieve an adequate level of acceptance or if the RG Cartridge experiences any quality problems,

recalls or other adverse events, our ability to provide Treprostinil Injection to patients who receive treprostinil through subcutaneous injection will be limited. The degree of market acceptance of the RG Cartridge will depend on a number of factors, including:

- the efficacy, safety, quality and potential advantages or disadvantages compared to alternative cartridges;
- Chengdu's ability to offer the RG Cartridge for sale at competitive prices;
- the strength of Chengdu's manufacturing and distribution support; and
- Chengdu's ability to maintain regulatory approvals necessary to manufacture and sell the RG Cartridge in the United States.

In addition, to administer Treprostinil Injection through subcutaneous injection, patients currently must use the CADD-MS 3 infusion pump manufactured by Smiths Medical. Smiths Medical no longer manufactures the CADD-MS 3 infusion pump and has indicated that they will no longer support the CADD-MS 3 infusion pump after January 1, 2025. Moreover, in the event components of the CADD-MS 3 infusion pump become unavailable prior to January 1, 2025, Smiths Medical may be unable to service pumps that require a replacement of such components. For instance, there is a shortage of a critical component of the CADD-MS 3 infusion pump that has caused the number of CADD-MS 3 infusion pumps available for the administration of Treprostinil Injection to be limited. Due to this limitation in the availability of pumps, specialty pharmacies are not currently placing new patients on subcutaneous Treprostinil Injection therapy in order to preserve the available pumps for those patients already receiving subcutaneous administration of Treprostinil Injection. Until we are able to obtain a pump to replace the CADD-MS 3, the number of patients that can receive subcutaneous administration of Treprostinil Injection will continue to be constrained, which would continue to adversely affect sales of Treprostinil Injection.

We are seeking to work with third parties to develop or procure other pumps that can be used to administer Treprostinil Injection in the future. For example, we have entered into an agreement with Sandoz and Mainbridge to develop a new pump that can be used to administer Treprostinil Injection in the future. Such pumps will require FDA 510(k) clearance before they can be sold. There is no guarantee that we or our partners will receive FDA 510(k) clearance for any such pumps or, even if they do receive FDA 510(k) clearance for any such pumps, that they will do so in a timely manner. If we are unable to identify, develop and obtain any required FDA clearance for new pumps for the subcutaneous and intravenous administration of Treprostinil Injection prior to the unavailability of the CADD-MS 3, we may no longer be able to serve patients with Treprostinil Injection through the subcutaneous route of administration.

Failure by us or third parties to successfully develop or supply the medical equipment or to obtain or maintain regulatory approval or clearance of such medical equipment could negatively impact the market acceptance of and sales of Treprostinil Injection.

We maintain our cash at financial institutions, often in balances that exceed federally insured limits.

Our cash is held in non-interest-bearing and interest-bearing accounts at multiple banking institutions that may exceed the Federal Deposit Insurance Corporation, or the FDIC insurance limits. If such banking institutions were to fail, we could lose all or a portion of those amounts held in excess of such insurance limitations. For example, the FDIC took control of Silicon Valley Bank, where we previously held all of our cash and cash equivalents, on March 10, 2023. The Federal Reserve subsequently announced that account holders would be made whole, and we were able to move substantially all of our cash and cash equivalents to another financial institution. However, the FDIC may not make all account holders whole in the event of future bank failures. In addition, even if account holders are ultimately made whole with respect to a future bank failure, account holders' access to their accounts and assets held in their accounts may be substantially delayed. Any material loss that we may experience in the future or inability for a material time period to access our cash and cash equivalents could have an adverse effect on our ability to pay our operational expenses or make other payments, which could adversely affect our business.

Risks Related to the Commercialization of our Product Candidates and Generic Treprostinil Injection

United Therapeutics has initiated lawsuits against us in which it claims that YUTREPIA is infringing its patents and that we have misappropriated its trade secrets and has initiated a lawsuit against the FDA challenging the FDA's acceptance of our amended NDA for YUTREPIA for review, which may result in our company being further delayed in its efforts to commercialize YUTREPIA.

We are developing YUTREPIA under the 505(b)(2) regulatory pathway with Tyvaso as the reference listed drug. Accordingly, under the Hatch-Waxman Amendments to the Food, Drug and Cosmetic Act, we were required to, in the NDA for YUTREPIA, certify that patents listed in the Orange Book for Tyvaso are invalid, unenforceable or will not be infringed by the manufacture, use or sale of YUTREPIA. Two of these patents are U.S. Patent No. 9,604,901 (the "'901 Patent"), entitled "Process to Prepare Treprostinil, the Active Ingredient in Remodulin®", and U.S. Patent No. 9,593,066 (the "'066 Patent"), entitled "Process to Prepare Treprostinil, the Active Ingredient in Remodulin®", both of which are owned by United Therapeutics. A notice of the paragraph IV certification was required to be provided to United Therapeutics as the owner of the patents that are the subject of the certification to which the NDA for YUTREPIA refers. In June 2020, United Therapeutics, as the holder of such patents, asserted a patent challenge directed to the '901 Patent and the '066 Patent by filing a complaint against us in the U.S. District Court for the District of Delaware (Case No. 1:20-cv-00755-RGA) (the "Original Hatch-Waxman Litigation").

In July 2020, the U.S. Patent and Trademark Office (the "USPTO") issued U.S. Patent No. 10,716,793 (the "'793 Patent"), entitled "Treprostinil Administration by Inhalation", to United Therapeutics. In July 2020, United Therapeutics filed an amended complaint in the Original Hatch-Waxman Litigation asserting infringement of the '793 Patent by the practice of YUTREPIA.

In June 2021, the Court held a claim construction hearing. Based on the Court's construction of the claim terms, United Therapeutics filed a stipulation of partial judgment with respect to the '901 Patent in December 2021 under which United Therapeutics agreed to the entry of judgment of our non-infringement of the '901 Patent. United Therapeutics did not file an appeal with respect to the '901 Patent.

Trial proceedings in the Original Hatch-Waxman Litigation were held in March 2022. In August 2022, Judge Andrews, who was presiding over the Original Hatch-Waxman Litigation, issued an opinion that claims 1, 2, 3, 6 and 9 of the '066 Patent were invalid, that the remaining asserted claims of the '066 Patent were not infringed by us, and that all of the asserted claims of the '793 Patent were both valid and infringed by us, based on the arguments we presented in the Original Hatch-Waxman Litigation. In September 2022, Judge Andrews entered a final judgment in the Original Hatch-Waxman Litigation that incorporated the findings from his opinion and ordered that the effective date of any final approval by the FDA of YUTREPIA shall be a date which is not earlier than the expiration date of the '793 Patent, which will be in 2027. Both we and United Therapeutics appealed Judge Andrews' decision to the United States Court of Appeals for the Federal Circuit. On July 24, 2023, the United States Court of Appeals for the Federal Circuit affirmed Judge Andrews' decision with respect to both the '066 Patent and the '793 Patent.

In March 2020, we filed two petitions for *inter partes* review with the Patent Trial and Appeal Board, or the PTAB, of the USPTO. One petition was for *inter partes* review of the '901 Patent, seeking a determination that the claims in the '901 Patent are invalid, and a second petition is for *inter partes* review of the '066 Patent, seeking a determination that the claims in the '066 Patent are invalid. In October 2020, the PTAB instituted an *inter partes* review of the '901 Patent and concurrently denied institution on the '066 Patent, stating that the '066 petition has not established a reasonable likelihood that it would prevail in showing that at least one of the challenged claims is unpatentable. In October 2021, the PTAB issued a final written decision concluding that seven of the claims in the '901 patent were unpatentable, leaving only the narrower dependent claims 6 and 7, both of which require actual storage at ambient temperature of treprostinil sodium. In November 2021, United Therapeutics submitted a rehearing request with respect to the PTAB's decision in the *inter partes* review of the '901 patent. The rehearing request was denied in June 2022. In August 2022, United Therapeutics appealed the decision of the PTAB with respect to the '901 Patent to the United States Court of Appeals for the Federal Circuit. Oral argument was held in February 2024, and the appeal remains pending.

In January 2021, we filed a petition with the PTAB for *inter partes* review of the '793 Patent, seeking a determination that the claims in the '793 Patent are invalid. In August 2021, the PTAB instituted an *inter partes* review of the '793 Patent, finding that we had demonstrated a reasonable likelihood that we would prevail with respect to showing that at least one challenged claim of the '793 Patent is unpatentable as obvious over the combination of certain prior art cited by us in our petition to the PTAB. In July 2022, the PTAB ruled in our favor, concluding that based on the preponderance of the evidence, all the claims of the '793 Patent have been shown to be unpatentable. In August 2022, United Therapeutics submitted a rehearing request with respect to the PTAB's decision in the inter partes review of the '793 Patent. The rehearing request was denied in February 2023. In April 2023, United Therapeutics appealed the decision of the PTAB with respect to the '793 Patent to the United States Court of Appeals for the Federal Circuit. In December 2023, the United States Court of Appeals for the Federal Circuit affirmed the earlier decision by the PTAB, which found all claims of the '793 Patent to be unpatentable due to the existence of prior art cited by us in inter partes review proceedings. As a result of this decision by the United States Court of Appeals for the Federal Circuit, in December 2023, we filed a motion for Judge Andrews to set aside the injunction he issued in the Original Hatch-Waxman Litigation. The motion has been fully briefed and remains pending. In January 2024, United Therapeutics filed a request for rehearing of the decision by the United States Court of Appeals for the Federal Circuit. The request for rehearing was denied on March 12, 2024. United Therapeutics has the right to file a petition for a writ of certiorari to seek an appeal with the United States Supreme Court, but no such petition has been filed to date.

In connection with an amendment to our NDA filed in July 2023 to add PH-ILD as an indication for YUTREPIA, we provided a new notice of the paragraph IV certification to United Therapeutics as the owner of the patents that are the subject of the certification to which the NDA for YUTREPIA refers. As a result, in September 2023, United Therapeutics filed a second complaint for patent infringement against us in the U.S. District Court for the District of Delaware (Case No. 1:23-cv-00975-RGA) (the "New Hatch-Waxman Litigation"), again asserting infringement by the Company of the '793 Patent. In November 2023, the U.S. Patent and Trademark Office (the USPTO) issued U.S. Patent No. 11,826,327, or the '327 Patent, entitled "Treatment for Interstitial Lung Disease", to United Therapeutics. On November 30, 2023, United Therapeutics filed an amended complaint in the New Hatch-Waxman Litigation asserting infringement of the '327 Patent by the practice of YUTREPIA based on the amended NDA. In January 2024, we filed an answer, counterclaims and a partial motion to dismiss the claims related to the '793 Patent as a result of the decision by the United States Court of Appeals for the Federal Circuit to affirm the PTAB's finding that the '793 patent is unpatentable. In February 2024, United Therapeutics stipulated to the dismissal of the claims in the New Hatch-Waxman Litigation related to the '793 Patent. In February 2024, United Therapeutics also filed a motion seeking a preliminary injunction to prevent us from manufacturing, marketing, storing, importing, distributing, offering for sale, and/or selling YUTREPIA for the treatment of PH-ILD. Briefing on the motion for preliminary injunction is ongoing, and the motion remains pending.

Although we do not believe United Therapeutics is entitled to a new 30-month stay or a preliminary injunction in connection with the New Hatch-Waxman Litigation, it is possible that the Court could rule that a new mandatory 30-month delay has been triggered with respect to the approval of the 505(b)(2) NDA application or that a preliminary injunction is warranted.

In February 2024, United Therapeutics also filed a lawsuit against the FDA, challenging the FDA's acceptance of our amended NDA for review (the "FDA Litigation"). On March 4, 2024, United Therapeutics filed a motion for a temporary restraining order in the FDA Litigation, seeking to enjoin the FDA from approving our NDA for YUTREPIA with respect to the indication to treat PH-ILD. Briefing on the motion for a temporary restraining order is ongoing, and the motion remains pending. Although we do not believe the arguments of United Therapeutics have merit, it is possible that the Court could rule that the FDA must reject the amendment to the YUTREPIA NDA to add PH-ILD to the label, in which case we may be required to later file a supplement to our NDA to add PH-ILD to the label.

In addition, United Therapeutics may seek to assert newly issued patents against us, including U.S. Patent Number 11,723,887, and may seek to enjoin the FDA from granting final approval to YUTREPIA or enjoin us from launching YUTREPIA through one or more additional legal proceedings.

As a result of this litigation, we may be subject to significant delay and incur substantial additional costs in litigation before we are able to commercialize YUTREPIA, if at all. In addition, if United Therapeutics is successful in any of its

appeals or requests for rehearing, we may be unable to commercialize YUTREPIA until the expiration of United Therapeutics' patents, which could materially harm our business. Also, if United Therapeutics is successful in obtaining a preliminary injunction or temporary restraining order in the New Hatch-Waxman Litigation or the FDA Litigation, we could be limited to commercializing YUTREPIA only for the PAH indication for an extended time period.

In December 2021, United Therapeutics filed a complaint in the Superior Court in Durham County, North Carolina, alleging that we and a former United Therapeutics employee, who later joined us as an employee many years after terminating his employment with United Therapeutics, conspired to misappropriate certain trade secrets of United Therapeutics and engaged in unfair or deceptive trade practices. In January 2024, our co-defendant in the lawsuit filed a motion to dismiss all claims. The motion is being briefed and remains pending. Fact discovery in the case has concluded, and expert discovery is in process.

Success in the lawsuits or *inter partes* review proceedings with respect to some patents or some claims in a given patent does not mean that we will be similarly successful upon appeal of those decisions. In addition, success with respect to a given patent or patent claim in one proceeding does not mean we will be similarly successful with respect to that same patent or patent claim in another proceeding.

If, after the appeals process has been completed, we are found to infringe, misappropriate or otherwise violate any United Therapeutics' intellectual property rights, we could be required to obtain a license from United Therapeutics to continue developing and marketing YUTREPIA. However, we may not be able to obtain any required license on commercially reasonable terms or at all. We could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent or to have misappropriated a trade secret of United Therapeutics. In addition, we may be forced to redesign YUTREPIA to avoid infringement.

We face significant competition from large pharmaceutical companies, among others, in developing our products and in gaining regulatory approval to bring them to market in time to achieve commercial success, and our operating results will suffer if we are unable to compete effectively.

We face significant competition from industry players worldwide, including large multi-national pharmaceutical companies, other emerging or smaller pharmaceutical companies, as well as universities and other research institutions. Many of our competitors have substantially greater financial, technical and other resources, such as a larger research and development staff and more experience in manufacturing and marketing, than we do. As a result, these companies may obtain marketing approval for their product candidates more quickly than we are able to and/or be more successful in commercializing their products, including generic treprostinil products, than us. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaboration arrangements with large, established companies. We may also face competition as a result of advances in the commercial applicability of new technologies and greater availability of capital for investment in such technologies. Our competitors may also invest heavily in the discovery and development of novel drug products that could make our product candidates less competitive or may file FDA citizen petitions or other correspondence with the FDA which may delay the approval process for our product candidates. Furthermore, our competitors may succeed in developing, acquiring or licensing, on an exclusive basis, pharmaceutical products that are easier to develop, more effective or less costly than any product candidates that we are currently developing or that we may develop. Our competitors may also succeed in asserting existing patents or developing new patents, including patents that may issue from patent applications that are currently being pursued by United Therapeutics, to which we do not have a license, in an attempt to prevent us from marketing our products. These competitors may also compete with us in recruiting and retaining qualified sales personnel.

Any new drug product that competes with a prior approved drug product must demonstrate advantages in safety, efficacy, tolerability or convenience in order to overcome price competition and to be commercially successful. Our products, if and when approved, are expected to face competition from drug products that are already on the market, as well as those in our competitors' development pipelines. We expect that our lead program, YUTREPIA, an inhaled treprostinil therapy for the treatment of PAH and PH-ILD, and L606, a nebulized, liposomal formulation of treprostinil

for treatment of PAH and PH-ILD, will face competition from the following inhaled prostacyclin analog therapies that are either currently marketed or in clinical development:

- Tyvaso (treprostinil), marketed by United Therapeutics, has been approved for the treatment of PAH in the United States since 2009 and for PH-ILD since 2021. Tyvaso is the reference listed drug in our NDA for YUTREPIA. Following patent litigation, United Therapeutics and Watson Pharmaceuticals reached a settlement whereby Watson Pharmaceuticals will be permitted to enter the market with a generic version of Tyvaso beginning on January 1, 2026.

- Tyvaso DPI (treprostinil), licensed from MannKind by United Therapeutics, is a dry-powder formulation of treprostinil that was approved for the treatment of PAH and PH-ILD in the United States in May 2022.

- Treprostinil Palmitil Inhalation Powder (TPIP), is a dry-powder formulation of a treprostinil prodrug being developed by Insmed. Insmed announced the completion of an initial Phase 1 study in February 2021 which demonstrated that TPIP was generally safe and well tolerated, with a pharmacokinetic profile that supports once-daily dosing. Insmed initiated Phase 2 trials studying patients diagnosed with PAH and PH-ILD in May 2021 and December 2022, respectively. If the TPIP clinical program is successful in demonstrating less frequent dosing with similar efficacy and safety to YUTREPIA and Tyvaso DPI, then TPIP has the potential to be viewed as a more attractive option and may take market share rapidly.

- Ventavis® (iloprost), marketed by Actelion, a division of Johnson & Johnson, has been approved for the treatment of PAH in the United States since 2004.

In addition to these other inhaled treprostinil therapies, we expect that YUTREPIA and L606 will also face competition from other treprostinil-based drugs, including Orenitram, which is administered orally, and Remodulin, which is administered parenterally, both of which are marketed by United Therapeutics. Branded pharmaceutical companies such as United Therapeutics continue to defend their products vigorously through, among other actions, life cycle management, marketing agreements with third-party payors, pharmacy benefits managers and generic manufacturers. These actions add increased competition in the generic pharmaceutical industry, including competition for Treprostinil Injection.

Additionally, even though Sandoz launched the first-to-file fully substitutable generic treprostinil for parenteral administration in March 2019 that is sold primarily through the specialty pharmacies, Teva Pharmaceutical Industries Ltd. launched a generic treprostinil for parenteral administration in October 2019 that is sold primarily through a specialty pharmacy and to hospitals, Par Pharmaceutical, Inc. launched a generic treprostinil for parenteral administration after receiving approval in September 2019 that is sold primarily to hospitals, Dr. Reddy's Laboratories Inc. launched a generic treprostinil for parenteral administration in April 2023, and Alembic received approval in February 2021 for generic treprostinil for parenteral administration. Such increased competition may result in a smaller than expected commercial opportunity for us.

Generic drug prices may, and often do, decline, sometimes dramatically, especially as additional generic pharmaceutical companies (including low-cost generic producers outside of the United States) receive approvals and enter the market for a given product. The goals established under the Generic Drug User Fee Act, and increased funding of the FDA's Office of Generic Drugs, have led to more and faster generic approvals, and consequently increased competition for generic products. The FDA has stated that it has established new steps to enhance competition, promote access and lower drug prices and is approving record-breaking numbers of generic applications. The FDA's changes may benefit our competitors. Our ability to sell Treprostinil Injection and earn revenue is affected by the number of companies selling competitive products, including new market entrants, and the timing of their approvals.

In addition to treprostinil-based therapies, other classes of therapeutic agents for the treatment of PAH include the following:

- ***IP-agonists***, such as selexipag, marketed by Actelion, and ralinepeg, licensed from Arena Pharmaceuticals, Inc. by United Therapeutics, which is currently in clinical development.

- ***Endothelin receptor antagonists***, such as bosentan and macitentan, both marketed by Actelion, and ambrisentan, marketed by Gilead. Generic versions of bosentan and ambrisentan are currently available.

- ***PDE-5 inhibitors***, such as tadalafil, marketed by United Therapeutics, and sildenafil, marketed by Pfizer Inc. Generic versions of both tadalafil and sildenafil are currently available.

- ***Soluble guanylate cyclase (sGC) stimulator***, such as riociguat marketed by Bayer.

We are also aware of several other agents in clinical development that are exploring mechanisms of action which, if approved, could impact the standard of care for treating PAH and/or PH-ILD in the United States, including programs from Merck & Co. Inc., Gossamer Bio, Inc. and Aerovate Therapeutics, Inc., among others. For example, Merck & Co's injectable sotatercept is an investigational, potential first-in-class molecule that targets the proliferation of cells in the pulmonary arterial wall and is being reviewed by the FDA for approval in 2024. If approved, it is possible that it may be used prior to prostacyclin therapies, which may have an adverse effect on the market potential for YUTREPIA and/or L606.

There are a number of competitors seeking marketing approval and/or regulatory exclusivity with respect to products that are or would be competitive to our product candidate. Thus, we face the risk that one of our competitors will be granted marketing approval and/or regulatory exclusivity before we are able to obtain FDA approval for our product candidate. In that case, as stated above, there is the possibility that such a competitor would be able to prevent us from obtaining approval of and marketing our product candidate until the expiration of the competitor's term of FDA regulatory exclusivity, which could be a term of three years for so-called New Clinical Investigation exclusivity, or could conceivably be for longer periods of time if the competitor is successful in being granted other forms of FDA regulatory exclusivity which might include, for example, Orphan Disease Designation exclusivity (seven years), New Chemical Entity exclusivity (five years), or Pediatric exclusivity (six months beyond other existing exclusivities or patent terms). United Therapeutics has been granted New Clinical Investigation exclusivity for Tyvaso through March 31, 2024 for the indication of treatment of PH-ILD to improve exercise ability. Until the expiration of this exclusivity, we will be unable to receive FDA approval for YUTREPIA for the indication of treatment of PH-ILD to improve exercise ability. In the event United Therapeutics sought and was able to obtain one or more regulatory exclusivities with respect to Tyvaso DPI, it could significantly delay our ability to obtain final approval for YUTREPIA. Even if the FDA does not recognize any new regulatory exclusivity for United Therapeutics, United Therapeutics could challenge the FDA's decision and seek an injunction to prevent approval of YUTREPIA in on or more indications until such challenge has been decided.

In addition, if one of our competitors is granted marketing approval before we are able to obtain FDA approval for our product candidates, as was the case with respect to the approval of United Therapeutics' Tyvaso DPI product, such competitors will be able to detail and market their products before we are able to do so, which may place us at a competitive disadvantage in the marketplace.

One or more products that are competitive with YUTREPIA could also obtain approval for additional indications or broader conditions of use. These additional indications and broader conditions of use could be protected by one or more regulatory exclusivities, preventing YUTREPIA from obtaining approval for the same indications or conditions of use. For instance, United Therapeutics is currently studying Tyvaso for the treatment of idiopathic pulmonary fibrosis, an indication for which it has received an orphan drug designation. Thus, even if YUTREPIA is approved, such competitive products could have a broader label than the initial label for YUTREPIA. If YUTREPIA has a narrower label than other competitive products, it may affect our ability to compete with such products.

The ability of competitors to utilize other regulatory incentive programs could also expedite their FDA review and approval timeline, which could result in their products reaching the market before our product candidate, and which could create further potential implications on exclusivity as noted above. For example, when a Priority Review Voucher is redeemed in connection with an NDA, the FDA's goal review period would generally be expedited to six months, although this timeframe is not guaranteed.

If we are unable to maintain our competitive position, our business and prospects will be materially and adversely affected.

Our products may not achieve market acceptance.

We are currently focused on developing drug products that can be approved under abbreviated regulatory pathways in the United States, such as the 505(b)(2) regulatory pathway, which allows us to rely on existing knowledge of the safety and efficacy of the relevant reference listed drugs to support our applications for approval in the United States. While we believe that it will be less difficult for us to convince physicians, patients and other members of the medical community to accept and use our drug products as compared to entirely new drugs, our drug products may nonetheless fail to gain sufficient market acceptance by physicians, patients, other healthcare providers and third-party payors. If any of our drug products fail to achieve sufficient market acceptance, we may not be able to generate sufficient revenue to become profitable. The degree of market acceptance of our drug products, if and when they are approved for commercial sale, will depend on a number of factors, including but not limited to:

- the timing of our receipt of marketing approvals, the terms of such approvals and the countries in which such approvals are obtained;
- the safety, efficacy, reliability and ease of administration of our drug products;
- the prevalence and severity of undesirable side effects and adverse events;
- the extent of the limitations or warnings required by the FDA or comparable regulatory authorities in other countries to be contained in the labeling of our drug products;
- the clinical indications for which our drug products are approved;
- the availability and perceived advantages of alternative therapies;
- any publicity related to our drug products or those of our competitors;
- the quality and price of competing drug products;
- our ability to obtain third-party payor coverage and sufficient reimbursement;
- the willingness of patients to pay out of pocket in the absence of third-party payor coverage; and
- the selling efforts and commitment of our commercialization collaborators.

If our drug products, if and when approved, fail to receive a sufficient level of market acceptance, our ability to generate revenue from sales of our drug products will be limited, and our business and results of operations may be materially and adversely affected.

We may not be able to build a commercial operation, including establishing and maintaining marketing and sales capabilities or entering into agreements with third parties to market and sell our drug products.

In order to market and sell any of our drug products, if and when approved, we will be required to build our marketing and sales capabilities with respect to such products. With the acquisition of Liquidia PAH, we acquired a sales force to market generic treprostinil in accordance with the Promotion Agreement. In addition, we have recently significantly increased the size of our sales force in anticipation of a potential launch of YUTREPIA. We cannot assure you that we will be successful in further building or effectively managing our marketing and sales capabilities or be able to do so in a cost-effective manner. In addition, we may enter into collaboration arrangements with third parties to market our drug products. We may face significant competition for collaborators. In addition, collaboration arrangements may be time-consuming to negotiate and document. We cannot assure you that we will be able to negotiate collaborations for the marketing and sales of our drug products on acceptable terms, or at all. Even if we do enter into such collaborations, we cannot assure you that our collaborators will be successful in commercializing our products. If we or our collaborators are unable to successfully commercialize our drug products, whether in the United States or elsewhere, our business and results of operations may be materially and adversely affected.

As we seek to establish a commercial operation with respect to YUTREPIA in anticipation of potential approval from the FDA, we also continue to evaluate and develop additional drug candidates, including L606. There can be no assurance that we will be able to successfully manage the balance of our research and development operations with our commercial activities. Potential investors should be aware of the problems, delays, expenses and difficulties frequently

encountered by companies balancing development of product candidates, which can include problems such as unanticipated issues relating to clinical trials and receipt of approvals from the FDA and foreign regulatory bodies, with commercialization efforts, which include problems relating to managing manufacturing and supply, reimbursement, marketing problems, and other additional costs.

There are risks involved with building and expanding our sales, marketing, and other commercialization capabilities. For example, recruiting and training a sales force is expensive and time-consuming. If the commercial launch of a drug candidate for which we recruit or have recruited a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may impact our efforts to commercialize our drug candidates on our own and generate product revenues include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel over a large geographic area;
- the costs and time associated with the initial and ongoing training of sales and marketing personnel on legal and regulatory compliance matters and monitoring their actions;
- understanding and training relevant personnel on the limitations on, and the transparency and reporting requirements applicable to, remuneration provided to actual and potential referral sources;
- the clinical indications for which the products are approved and the claims that we may make for the products;
- limitations or warnings, including distribution or use restrictions, contained in the products' approved labeling;
- the inability of sales personnel to obtain access to physicians or to effectively promote any future drugs;
- our ability to appropriately market, detail and distribute products in light of any healthcare provider facility closures, quarantine, travel restrictions and other governmental restrictions caused by COVID-19;
- the lack of complementary drugs to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines;
- any distribution and use restrictions imposed by the FDA or to which we agree;
- liability for sales and marketing personnel who fail to comply with the applicable legal and regulatory requirements;
- our ability to maintain a healthcare compliance program including effective mechanisms for compliance monitoring; and
- unforeseen costs and expenses associated with creating a sales and marketing organization.

In the future, we may choose to participate in sales activities with collaborators for some of our drug candidates. However, there are also risks with entering into these types of arrangements with third parties to perform sales, marketing and distribution services. For example, we may not be able to enter into such arrangements on terms that are favorable to us. Our drug revenues or the profitability of these drug revenues to us are likely to be lower than if we were to market and sell any drug candidates that we develop ourselves. In addition, we likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our drug candidates effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our drug candidates. Further, our business, results of operations, financial condition and prospects will be materially adversely affected.

We may be exposed to claims and may not be able to obtain or maintain adequate product liability insurance.

Our business is exposed to the risk of product liability and other liability risks that are inherent in the development, manufacture, clinical testing and marketing of pharmaceutical products. These risks exist even if a product is approved for commercial sale by the FDA or comparable regulatory authorities in other countries and manufactured in licensed facilities. Our current product candidates, YUTREPIA and L606, and Treprostinil Injection are designed to affect important bodily functions and processes. Any side effects, manufacturing defects, misuse or abuse associated with our products could result in injury to a patient or even death.

Claims that are successfully brought against us could have a material and adverse effect on our financial condition and results of operations. Further, even if we are successful in defending claims brought against us, our reputation could suffer. Regardless of merit or eventual outcome, product liability claims may also result in, among others:

- a decreased demand for our products;
- a withdrawal or recall of our products from the market;
- a withdrawal of participants from our ongoing clinical trials;
- the distraction of our management's attention from our core business activities to defend such claims;
- additional costs to us; and
- a loss of revenue.

Our insurance may not provide adequate coverage against our potential liabilities. Furthermore, we, our collaborators or our licensees may not be able to obtain or maintain insurance on acceptable terms, or at all. In addition, our collaborators or licensees may not be willing to indemnify us against these types of liabilities and may not themselves be sufficiently insured or have sufficient assets to satisfy any product liability claims. To the extent that they are uninsured or uninsurable, claims or losses that may be suffered by us, our collaborators or our licensees may have a material and adverse effect on our financial condition and results of operations.

Risks Related to the Development and Regulatory Approval of our Product Candidates

We are primarily dependent on the success of our product candidate, YUTREPIA, for which we received tentative approval from the FDA, and this product candidate may fail to receive final marketing approval (in a timely manner or at all) or may not be commercialized successfully.

We do not have any products approved for marketing in any jurisdiction and we have never generated any revenue from sales of our own products. Our ability to generate revenue from sales of our own products and achieve profitability depends on our ability, alone or with strategic collaboration partners, to successfully complete the development of, and obtain the regulatory and marketing approvals necessary to commercialize, one or more of our product candidates. We expect that a substantial portion of our efforts and expenditure over the next few years will be devoted to our product candidate, YUTREPIA, a proprietary inhaled dry powder formulation of treprostinil for the treatment of PAH and PH-ILD, and L606, a nebulized, liposomal formulation of treprostinil for treatment of PAH and PH-ILD.

We received tentative approval of our NDA for YUTREPIA for the treatment of PAH in November 2021. However, our receipt of tentative approval does not mean that we will receive final approval of our NDA for YUTREPIA in a timely manner or at all or that we will receive approval for other indications, such as PH-ILD. Expectations related to final FDA approval and projected product launch timelines are impacted by ongoing litigation following lawsuits filed by United Therapeutics. Judge Andrews issued an order in the Original Hatch-Waxman Litigation enjoining the FDA from issuing a final approval for the YUTREPIA NDA until the expiration of the '793 Patent in 2027. In December 2023, the United States Court of Appeals for the Federal Circuit affirmed the earlier decision by the PTAB, which found all claims of the '793 Patent to be unpatentable due to the existence of prior art cited by us in inter partes review proceedings. Although the PTAB's decision has now been affirmed on appeal, Judge Andrews may need to lift his injunction before we are able to obtain final FDA approval for YUTREPIA. In December 2023, we filed a motion with Judge Andrews to set aside his injunction as a result of the decision by the United States Court of Appeals for the Federal Circuit. However, there are no assurances whether and when Judge Andrews would do so. In connection with an amendment to our NDA filed on July 24, 2023 to add PH-ILD as an indication for YUTREPIA, we provided a new notice of the paragraph IV certification to United Therapeutics as the owner of the patents that are the subject of the certification to which the NDA for YUTREPIA refers. As a result, in September 2023, United Therapeutics filed the New Hatch-Waxman Litigation, again asserting infringement by the Company of the '793 Patent, which lawsuit was amended on November 30, 2023, to add claims asserting infringement of the '327 Patent. Although the claims related to the '793 Patent were subsequently withdrawn and we do not believe United Therapeutics is entitled to a new 30-month stay or preliminary injunction in connection with the New Hatch-Waxman Litigation, it is possible that the Court could rule that a new mandatory 30-month delay has been triggered with respect to the approval of the 505(b)(2) NDA application or that we are enjoined from launching YUTREPIA for the treatment of PH-ILD. In February 2024, United Therapeutics also commenced the FDA Litigation, seeking to enjoin the FDA from approving our NDA for YUTREPIA with respect

to the indication to treat PH-ILD. Although we do not believe United Therapeutics is entitled to any injunction or temporary restraining order in the FDA Litigation, it is possible that the Court could rule that the FDA must reject the amendment to the YUTREPIA NDA to add PH-ILD to the label, in which case we may be required to later file a supplement to our NDA to add PH-ILD to the label.

In addition, a drug product that is granted tentative approval, like YUTREPIA, may be subject to additional review before final approval, particularly if tentative approval was granted more than three years before the earliest lawful approval date. The FDA's tentative approval of YUTREPIA for the treatment of PAH was based on information available to FDA at the time of the tentative approval letter (i.e., information in the application and the status of current good manufacturing practices of the facilities used in the manufacturing and testing of the drug product) and is therefore subject to change on the basis of new information that may come to FDA's attention. In addition, the FDA has not yet issued any approval for YUTREPIA for the treatment of PH-ILD, which remains under review. A new drug product may not be marketed until the date of final approval.

Expectations for YUTREPIA and/or L606 also may be impacted by competing products, including Tyvaso® DPI. *See Item 1A. Risk Factors - We face significant competition from large pharmaceutical companies, among others, in developing our products and in gaining regulatory approval to bring them to market in time to achieve commercial success, and our operating results will suffer if we are unable to compete effectively.*

We cannot assure you that we will receive final marketing approval for YUTREPIA or L606 or, even if we do receive final marketing approval, the indications for which they will be approved. The FDA or comparable regulatory authorities in other countries may delay, limit or deny final approval of our product candidate for various reasons. For example, such authorities may disagree with the design, scope or implementation of our clinical trials, or with our interpretation of data from our preclinical studies or clinical trials. Further, there are numerous FDA personnel assigned to review different aspects of an NDA, and uncertainties can be presented by their ability to exercise judgment and discretion during the review process. During the course of review prior to final approval, the FDA may request or require additional preclinical, clinical, chemistry, manufacturing, and control (CMC) or other data and information or conduct additional inspections. If any additional issues were identified in such information requests or inspections, we may be delayed in obtaining final approval or may be unable to obtain final approval. Furthermore, responses to FDA's requests may be time-consuming and expensive. Status as a combination product, as is the case for YUTREPIA and L606, may complicate or delay the FDA review process. Product candidates that the FDA deems to be combination products, such as YUTREPIA and L606, or that otherwise rely on innovative drug delivery systems, may face additional challenges, risks and delays in the product development and regulatory approval process. Additionally, the FDA could delay approval of YUTREPIA and/or L606 even if approvable after completing its review. For example, if a competing product comprised of an inhaled dry-powder formulation of treprostinil, such as Tyvaso DPI, is granted regulatory exclusivity, that could delay the final approval of YUTREPIA until said exclusivity expires. Moreover, the applicable requirements for approval may differ from country to country.

If we successfully obtain marketing approvals for YUTREPIA and/or L606, we cannot assure you that they will be commercialized in a timely manner or successfully, or at all. For example, they may not achieve a sufficient level of market acceptance, or we may not be able to effectively build our marketing and sales capabilities or scale our manufacturing operations to meet commercial demand. The successful commercialization of YUTREPIA and L606 will also, in part, depend on factors that are beyond our control. Therefore, we may not generate significant revenue from the sale of such products, even if approved. Any delay or setback we face in the commercialization of YUTREPIA and/or L606 may have a material and adverse effect on our business and prospects, which will adversely affect your investment in our company.

Our preclinical studies and clinical trials may not be successful and delays in such preclinical studies or clinical trials may cause our costs to increase and significantly impair our ability to commercialize our product candidates. Results of previous clinical trials or interim results of ongoing clinical trials may not be predictive of future results.

Before we are able to commercialize our drug products, we are required to undertake extensive preclinical studies and clinical trials to demonstrate that our drug products are safe and effective for their intended uses. However, we cannot assure you that our drug products will, in preclinical studies and clinical trials, demonstrate safety and efficacy as

necessary to obtain marketing approval. Due to the nature of drug product development, many product candidates, especially those in early stages of development, may be terminated during development. Although we believe we have completed clinical development for YUTREPIA, we have not yet obtained final approval for or commercialized any of our own product candidates and as a result do not have a track record of successfully bringing our own product candidates to market. Furthermore, YUTREPIA and L606 have, to date, been tested only in relatively small study populations and, accordingly, the results from our earlier clinical trials may be less reliable than results achieved in larger clinical trials, if required. Additionally, the outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and preliminary and interim results of a clinical trial do not necessarily predict final results.

Preclinical studies and clinical trials may fail due to factors such as flaws in trial design, dose selection and patient enrollment criteria. The results of preclinical studies and early clinical trials may not be indicative of the results of subsequent clinical trials. Product candidates may, in later stages of clinical testing, fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and earlier clinical trials. Moreover, there may be significant variability in safety or efficacy results between different trials of the same product candidate due to factors including, but not limited to, changes in trial protocols, differences in the composition of the patient population, adherence to the dosing regimen and other trial protocols and amendments to protocols and the rate of drop-out among patients in a clinical trial. If our preclinical studies or clinical trials are not successful and we are unable to bring our product candidates to market as a result, our business and prospects may be materially and adversely affected.

Furthermore, conducting preclinical studies and clinical trials is a costly and time-consuming process. The length of time required to conduct the required studies and trials may vary substantially according to the type, complexity, novelty and intended use of the product candidate. A single clinical trial may take up to several years to complete. Moreover, our preclinical studies and clinical trials may be delayed or halted due to various factors, including, among others:

- delays in raising the funding necessary to initiate or continue a clinical trial;
- delays in manufacturing sufficient quantities of product candidates for clinical trials;
- delays in reaching agreement on acceptable terms with prospective contract research organizations (CROs) and clinical trial sites;
- delays in obtaining institutional review board approval at clinical trial sites;
- delays in recruiting suitable patients to participate in a clinical trial;
- delays in patients' completion of clinical trials or their post-treatment follow-up;
- regulatory authorities' interpretation of our preclinical and clinical data; and
- unforeseen safety issues, including a high and unacceptable severity, or prevalence, of undesirable side effects or adverse events caused by our product candidates or similar drug products or product candidates.

If our preclinical studies or clinical trials are delayed, the commercialization of our product candidates will be delayed and, as a result, we may incur substantial additional costs or not be able to recoup our investment in the development of our product candidates, which would have a material and adverse effect on our business.

Clinical trials and data analysis can be expensive, time-consuming and difficult to design and implement. If we are unsuccessful in obtaining regulatory approval for our products, or any required clinical studies of our products do not provide positive results, we may be required to delay or abandon development of such products, which would have a material adverse impact on our business.

Continuing product development requires additional and extensive clinical testing. Human clinical trials are very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. The clinical trial process is also time-consuming. We cannot provide any assurance or certainty regarding when we might receive regulatory approval for our products, including YUTREPIA and L606. Furthermore, failure can occur at any stage of the process, and we could encounter problems that cause us to abandon an NDA filed with the FDA or

repeat clinical trials. The commencement and completion of clinical trials for any current or future development product candidate may be delayed by several factors, including:

- unforeseen safety issues;
- determination of dosing issues;
- lack of effectiveness during clinical trials;
- slower than expected rates of patient recruitment;
- inability to monitor patients adequately during or after treatment; and
- inability or unwillingness of medical investigators to follow our clinical protocols or amendments to our protocols.

In addition, the FDA or an independent IRB may suspend our clinical trials at any time if it appears that we are exposing participants to unacceptable health risks or if the FDA finds deficiencies in our IND submissions or the conduct of these trials. Therefore, we cannot provide any assurance or predict with certainty the schedule for future clinical trials. Although clinical data is an essential part of NDA filings, NDAs must also contain a range of additional data including CMC data to meet FDA standards for approval. In the event we do not ultimately receive final regulatory approval for YUTREPIA and/or L606, we may be required to terminate development of these product candidates.

The marketing approval processes of the FDA and comparable regulatory authorities in other countries are unpredictable and our product candidates may be subject to multiple rounds of review or may not receive marketing approval.

Pursuing marketing approval for a pharmaceutical product candidate (for example, through the NDA process) is an extensive, lengthy, expensive and inherently uncertain process. We cannot assure you that any of our product candidates will receive marketing approval. Regulatory authorities may delay, limit or deny approval of our product candidates for many reasons, including, but not limited to, the following:

- the FDA or comparable regulatory authorities may, for a variety of reasons, take the view that the data collected from our preclinical and clinical trials and human factors testing, or data that we otherwise submit or reference to support an application, are not sufficient to support approval of a product candidate;

- the FDA or comparable regulatory authorities in other countries may ultimately conclude that our manufacturing processes or facilities or those of our third-party manufacturers do not sufficiently demonstrate compliance with cGMP to support approval of a product candidate, or that the drug CMC data or device biocompatibility data for our product candidates otherwise do not support approval;

- we may be unable to demonstrate to the satisfaction of the FDA or comparable regulatory authorities in other countries that our product candidate is safe and effective for its proposed indication, or that its clinical and other benefits outweigh its safety risks;

- the approval policies of the FDA or comparable regulatory authorities in other countries may change in a manner that renders our data insufficient for approval.

Even if we obtain marketing approval, the FDA or comparable regulatory authorities in other countries may approve our product candidates for fewer or more limited indications than those for which we requested approval or may include safety warnings or other restrictions that may negatively impact the commercial viability of our product candidates. Likewise, regulatory authorities may grant approval contingent on the performance of costly post-marketing clinical trials or other studies or the conduct of an expensive risk evaluation and mitigation strategies, or REMS, which could significantly reduce the potential for commercial success or viability of our product candidates. We also may not be able to find acceptable collaborators to manufacture our drug products, if and when approved, in commercial quantities and at acceptable prices, or at all.

We may encounter difficulties in enrolling patients in our clinical trials.

We may not be able to commence or complete clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials.

Patient enrollment may be affected by, among others:

- the severity of the disease under investigation;
- the design of the clinical trial protocol and amendments to a protocol;
- the size and nature of the patient population;
- eligibility criteria for the clinical trial in question;
- the perceived risks and benefits of the product candidate under clinical testing, including a high and unacceptable severity, or prevalence, of undesirable side effects or adverse events caused by our product candidates or similar products or product candidates;
- the existing body of safety and efficacy data in respect of the product candidate under clinical testing;
- the proximity of patients to clinical trial sites;
- the number and nature of competing therapies and clinical trials; and
- other environmental factors such as the ongoing COVID-19 pandemic or other natural or unforeseen disasters.

Any negative results we may report in clinical trials of our product candidates may also make it difficult or impossible to recruit and retain patients in other clinical trials of that same product candidate.

We expect that if we initiate, as we are currently contemplating, a clinical trial of YUTREPIA in pediatric patients, we may encounter difficulties enrolling patients in such a trial because of the limited number of pediatric patients with this disease. Furthermore, we are aware of a number of therapies for PAH that are being developed or that are already available on the market, and we expect to face competition from these investigational drugs or approved drugs for potential subjects in our clinical trials, including planned clinical trials for YUTREPIA and L606, which may delay enrollment in our planned clinical trials.

Delays or failures in planned patient enrollment or retention may result in increased costs, program delays, or both. We may, as a result of such delays or failures, be unable to carry out our clinical trials as planned or within the timeframe that we expect or at all, and our business and prospects may be materially and adversely affected as a result.

Product candidates that the FDA deems to be combination products, such as YUTREPIA and L606, or that otherwise rely on innovative drug delivery systems, may face additional challenges, risks and delays in the product development and regulatory approval process.

The FDA has indicated that it considers YUTREPIA, which is delivered by a DPI, and L606, which is delivered by a next generation nebulizer, to be drug-device combination products. Accordingly, the medical devices used to administer the products were, or in the case of L606 will be, evaluated as part of our NDA filing. When evaluating products that utilize a specific drug delivery system or device, the FDA will evaluate the characteristics of that delivery system and its functionality, as well as the potential for undesirable interactions between the drug and the delivery system, including the potential to negatively impact the safety or effectiveness of the drug. The FDA review process can be more complicated for combination products, and may result in delays, particularly if novel delivery systems are involved. We rely on third parties for the design and manufacture of the delivery systems for our products, including the DPI for YUTREPIA and the nebulizer for L606, and in some cases for the right to refer to their data on file with the FDA or other regulators. Quality or design concerns with the delivery system, or commercial disputes with these third parties, could delay or prevent regulatory approval and commercialization of our product candidates.

We are pursuing the FDA 505(b)(2) pathway for our current product candidates. If we are unable to rely on the 505(b)(2) regulatory pathway to apply for marketing approval of our product candidates in the United States, seeking approval of these product candidates through the 505(b)(1) NDA pathway would require full reports of investigations of safety and effectiveness, and the process of obtaining marketing approval for our product candidates would likely be significantly longer and more costly.

We are currently focused on developing drug products that can be approved under abbreviated regulatory pathways in the United States, such as the 505(b)(2) regulatory pathway, which permits the filing of an NDA where at least some of the information required for approval comes from studies that were not conducted by or for the applicant and for which the applicant has not obtained a right of reference. Section 505(b)(2), if applicable to us for a particular product candidate, would allow an NDA we submit to the FDA to rely in part on data in the public domain or the FDA's prior conclusions regarding the safety and effectiveness of approved compounds, which could expedite the development program for a product candidate by potentially decreasing the amount of clinical data that we would need to generate in order to obtain FDA approval. We have pursued this pathway for our current product candidate, YUTREPIA, and are pursuing this pathway for L606. Even if the FDA allows us to rely on the 505(b)(2) regulatory pathway for a given product candidate, we cannot assure you that marketing approval will be obtained in a timely manner, or at all.

The FDA may require us to perform additional clinical trials to support any change from the reference listed drug, which could be time-consuming and substantially delay our receipt of marketing approval. Also, as has been the experience of others in our industry, our competitors may file citizens' petitions or other correspondence with the FDA to contest approval of our NDA, which may delay or even prevent the FDA from approving any NDA that we submit under the 505(b)(2) regulatory pathway. If an FDA decision or action relative to our product candidate, or the FDA's interpretation of Section 505(b)(2) more generally, is successfully challenged, it could result in delays or even prevent the FDA from approving a 505(b)(2) application for our product candidates. Even if we are able to utilize the 505(b)(2) regulatory pathway, a drug approved via this pathway may be subject to the same post-approval limitations, conditions and requirements as any other drug.

In addition, we may face Hatch-Waxman litigation in relation to our NDAs submitted under the 505(b)(2) regulatory pathway, which may further delay or prevent the approval of our product candidates. The pharmaceutical industry is highly competitive, and 505(b)(2) NDAs are subject to special requirements designed to protect the patent rights of sponsors of previously approved drugs that are referenced in a 505(b)(2) NDA. If the previously approved drugs referenced in an applicant's 505(b)(2) NDA are protected by patent(s) listed in the Orange Book, the 505(b)(2) applicant is required to make a claim after filing its NDA or certain types of amendments to its NDA that each such patent is invalid, unenforceable or will not be infringed. The patent holder may thereafter bring suit for patent infringement, which will trigger a mandatory 30-month delay (or the shorter of dismissal of the lawsuit or expiration of the patent(s)) in approval of the 505(b)(2) NDA application. In addition, in the event the court in any such lawsuit finds that any claims of any of the asserted patents are both valid and infringed, the court would likely issue an injunction prohibiting approval of the product at issue until the expiration of the patent(s) found to have been infringed. For example, the YUTREPIA NDA was filed under the 505(b)(2) regulatory pathway with Tyvaso as the reference listed drug. Under the Hatch-Waxman Act, as a result of the litigation commenced by United Therapeutics in June 2020, the FDA was automatically precluded from approving the YUTREPIA NDA for up to 30 months. In August 2022, prior to the expiration of the 30-month stay, the Court found that the asserted claims of one of the patents, the '793 Patent, were both valid and infringed by the Company and ordered that the effective date of any final approval by the FDA of YUTREPIA shall be a date which is not earlier than the expiration date of the '793 Patent. In December 2023, the United States Court of Appeals for the Federal Circuit affirmed the earlier decision by the PTAB, which found all claims of the '793 Patent to be unpatentable due to the existence of prior art cited by us in inter partes review proceedings. As a result of this decision by the United States Court of Appeals for the Federal Circuit, we have filed a motion with Judge Andrews seeking to set aside his injunction blocking final regulatory approval of YUTREPIA by the FDA. However, there are no assurances whether and when Judge Andrews would do so.

In connection with an amendment to our NDA filed in July 2023 to add PH-ILD as an indication for YUTREPIA, we provided a new notice of the paragraph IV certification to United Therapeutics as the owner of the patents that are the subject of the certification to which the NDA for YUTREPIA refers. As a result, in September 2023, United Therapeutics filed the New Hatch-Waxman Litigation, again asserting infringement by the Company of the '793 Patent,

which lawsuit was amended on November 30, 2023, to add claims asserting infringement of the '327 Patent. Although the claims related to the '793 Patent were subsequently withdrawn and we do not believe United Therapeutics is entitled to a new 30-month stay in connection with the New Hatch-Waxman Litigation, it is possible that the Court could rule that a new mandatory 30-month delay has been triggered with respect to the approval of the 505(b)(2) NDA application.

In addition, United Therapeutics may seek to assert newly issued patents against us, including U.S. Patent Number 11,723,887, and may seek to enjoin the FDA from granting final approval to YUTREPIA or enjoin us from launching YUTREPIA.

It is also not uncommon for a manufacturer of an approved product, such as United Therapeutics, to file a citizen petition or other correspondence with the FDA seeking to delay approval of, or impose additional approval requirements for, pending competing products or to take other actions, such as engaging in litigation with the FDA to enjoin approval of a competing product. If successful, such petitions, correspondence or litigation can significantly delay, or even prevent, the approval of the new product. For example, United Therapeutics is currently pursuing litigation under the Administrative Procedures Act, seeking to require the FDA to reject our amendment to the YUTREPIA NDA to add PH-ILD to the label. Even if the FDA ultimately denies such a petition or the actions requested in such correspondence and prevails in any related litigation, the FDA may substantially delay approval while it considers and responds to the petition or correspondence and is engaged in litigation or the FDA may be temporarily enjoined by a court from granting approval until the court has ruled on United Therapeutics' requests.

If the FDA determines that any of our product candidates do not qualify for the 505(b)(2) regulatory pathway, we would need to reconsider our plans and might not be able to commercialize our product candidates in a cost-efficient manner, or at all. If we were to pursue approval under the 505(b)(1) NDA pathway, we would be subject to more extensive requirements and risks such as conducting additional clinical trials, providing additional data and information or meeting additional standards for marketing approval. As a result, the time and financial resources required to obtain marketing approval for our product candidates would likely increase substantially and further complications and risks associated with our product candidates may arise. Also, new competing products may reach the market faster than ours, which may materially and adversely affect our competitive position, business and prospects.

We may be unable to continually develop a pipeline of product candidates, which could affect our business and prospects.

A key element of our long-term strategy is to continually develop a pipeline of product candidates by developing products for the treatment of pulmonary hypertension and proprietary innovations to FDA-approved drug products using our PRINT technology. If we are unable to identify suitable product candidates for the treatment of pulmonary hypertension or off-patent drug products for which we can develop proprietary innovations using our PRINT technology or are otherwise unable to expand our product candidate pipeline, whether through licensed or co-development opportunities, and obtain marketing approval for such product candidates within the timeframes that we anticipate, or at all, our business and prospects may be materially and adversely affected.

We have conducted, and may in the future conduct, clinical trials for our product candidates outside the United States and the FDA may not accept data from such trials.

Although the FDA may accept data from clinical trials conducted outside the United States in support of safety and efficacy claims for our product candidates, if not conducted under an IND, this is subject to certain conditions set out in 21 C.F.R. § 312.120. For example, in order for the FDA to accept data from such a foreign clinical trial, the study must have been conducted in accordance with Good Clinical Practice (GCP) including review and approval by an independent ethics committee and obtaining the informed consent from subjects of the clinical trials. The FDA must also be able to validate the data from the study through an onsite inspection if the agency deems it necessary. In addition, foreign clinical data submitted to support FDA applications should be applicable to the U.S. population and U.S. medical practice. Other factors that may affect the acceptance of foreign clinical data include differences in clinical conditions, study populations or regulatory requirements between the United States and the foreign country.

Risks Related to Our Dependence on Third Parties

We depend on third parties for clinical and commercial supplies, including single suppliers for the active ingredient, the device, encapsulation and packaging of YUTREPIA and single suppliers for the active ingredient, bulk product manufacturing and packaging of L606.

We depend on third-party suppliers for clinical and commercial supplies for the supply of materials and components necessary for clinical and commercial production of YUTREPIA and L606, including the active pharmaceutical ingredients which are used in our product candidates. These supplies may not always be available to us at the standards we require or on terms acceptable to us, or at all, and we may not be able to locate alternative suppliers in a timely manner, or at all. If we are unable to obtain necessary clinical or commercial supplies, our manufacturing operations and clinical trials and the clinical trials of our collaborators may be delayed or disrupted and our business and prospects may be materially and adversely affected as a result.

For example, we currently rely on a sole supplier for treprostinil, the active pharmaceutical ingredient of YUTREPIA, which sources treprostinil from a manufacturer in South Korea, with whom we have a long-term supply agreement. If our supplier is unable to supply treprostinil to us in the quantities we require, or at all, or otherwise defaults on its supply obligations to us, or if it ceases its relationship with us, we may not be able to obtain alternative supplies of treprostinil from other suppliers on acceptable terms, in a timely manner, or at all. We also rely on a sole supplier for encapsulation and packaging services, with whom we have a long-term contract. Furthermore, YUTREPIA is administered using the RS00 Model 8 DPI, which is manufactured by Plastiape, which is located in Italy. In the event of any prolonged disruption to our supply of treprostinil, the encapsulation and packaging services, or the manufacture and supply of RS00 Model 8 DPI, our ability to develop and commercialize, and the timeline for commercialization of, YUTREPIA may be adversely affected.

We also rely upon Chengdu for the manufacture and supply of RG Cartridges for the subcutaneous administration of Treprostinil Injection and upon Smiths Medical for ongoing servicing and support of the CADD-MS 3, CADD Legacy and CADD-Solis infusion pumps. In the event of any disruption to our supply of RG Cartridges or any disruption in the availability of parts or servicing for the CADD-MS 3, CADD Legacy and CADD-Solis infusion pumps, sales of Treprostinil Injection may be adversely affected.

In addition, Smiths Medical has indicated that they will no longer support the CADD MS-3 after January 1, 2025. We are relying upon Mainbridge for the development of new pumps for the subcutaneous administration of Treprostinil Injection to replace the CADD MS-3. In the event of any failure of Mainbridge to successfully develop such a pump, sales of Treprostinil Injection may be adversely affected.

For L606, we rely upon single sources of supply for the active pharmaceutical ingredient, manufacture of bulk drug product and packaging. Some of these suppliers are located in Taiwan. Although we are working to establish a secondary supply chain outside of Taiwan, if hostilities were to break out between Taiwan and China, we may be unable to secure a supply of L606. Also, we are currently evaluating devices to use for the administration of L606. If we are unable to identify a device to use for our L606 program, establish an agreement with the manufacturer of that device for the supply of such devices or obtain adequate quantities of that device in a timely manner or at all, we may be unable to successfully develop L606 or to do so in a timely manner.

If we are unable to establish or maintain licensing and collaboration arrangements with other pharmaceutical companies on acceptable terms, or at all, we may not be able to develop and commercialize additional product candidates using our PRINT technology.

We have collaborated, and may consider collaborating, with, among others, pharmaceutical companies to expand the applications for our PRINT technology through licensing as well as joint product development arrangements. In addition, if we are able to obtain marketing approval for our product candidates from regulatory authorities, we may enter into strategic relationships with collaborators for the commercialization of such products.

Collaboration and licensing arrangements are complex and time-consuming to negotiate, document, implement and maintain. We may not be successful in our efforts to establish collaboration or other alternative arrangements should we so choose to enter into such arrangements. In addition, the terms of any collaboration or other arrangements that we may enter into may not be favorable to us or may restrict our ability to enter into further collaboration or other arrangements with third parties. For example, collaboration agreements may contain exclusivity arrangements which limit our ability to work with other pharmaceutical companies to expand the applications for our PRINT technology, as is the case in our collaboration agreement with GSK which restricts our ability to use PRINT for inhaled applications with respect to certain identified compounds.

If we are unable to establish licensing and collaboration arrangements or the terms of such agreements we enter into are unfavorable to us or restrict our ability to work with other pharmaceutical companies, we may not be able to expand the applications for our PRINT technology or commercialize our products, if and when approved, and our business and prospects may be materially and adversely affected.

Our collaboration and licensing arrangements may not be successful.

Our collaboration and licensing arrangements, as well as any future collaboration and licensing arrangements that we may enter into, may not be successful. The success of our collaboration and licensing arrangements will depend heavily on the efforts and activities of our collaborators, which are not within our control. We may, in the course of our collaboration and licensing arrangements, be subject to numerous risks, including, but not limited to, the following:

- our collaborators may have significant discretion in determining the efforts and resources that they will contribute;
- our collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing. For example, in July 2018, GSK notified us of its decision to discontinue development of the inhaled antiviral for viral exacerbations in COPD after completion of its related Phase 1 clinical trial and we do not believe that GSK is currently advancing any program under our collaboration;
- our collaborators may independently, or in conjunction with others, develop products that compete directly or indirectly with our product candidates;
- we may grant exclusive rights to our collaborators that would restrict us from collaborating with others. For example, we are currently subject to certain restrictions with regard to our ability to enter into collaboration arrangements to use PRINT for the development of inhaled therapeutics using certain identified compounds pursuant to our collaboration with GSK;
- our collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- disputes may arise between us and our collaborators, which may cause a delay in or the termination of our research, development or commercialization activities;
- our collaboration and licensing arrangements may be terminated, and if terminated, may result in our need for additional capital to pursue further drug product development or commercialization. For example, our development and licensing agreement with G&W Laboratories, Inc., was mutually terminated in April 2018;
- our collaborators may own or co-own certain intellectual property arising from our collaboration and licensing arrangements with them, which may restrict our ability to develop or commercialize such intellectual property; and
- our collaborators may alter the strategic direction of their business or may undergo a change of control or management, which may affect the success of our collaboration arrangements with them.

Risks Related to our Intellectual Property

We may be subject to claims from third parties that our products infringe their intellectual property rights.

The pharmaceutical industry has experienced rapid technological change and obsolescence in the past, and our competitors have strong incentives to stop or delay any introduction of new drug products or related technologies by, among others, establishing intellectual property rights over their drug products or technologies and aggressively enforcing these rights against potential new entrants into the market. We expect that we and other industry participants will be increasingly subject to infringement claims as the number of competitors and drug products grows.

Our commercial success depends in large part upon our ability to develop, manufacture, market and sell our drug products or product candidates without infringing on the patents or other proprietary rights of third parties. It is not always clear to industry participants, including us, what the scope of a patent covers. Due to the large number of patents in issue and patent applications filed in our industry, there is a risk that third parties will claim that our products or technologies infringe their intellectual property rights.

Claims for infringement of intellectual property which are brought against us, whether with or without merit, and which are generally uninsurable, could result in time-consuming and costly litigation, diverting our management's attention from our core business and reducing the resources available for our drug product development, manufacturing and marketing activities, and consequently have a material and adverse effect on our business and prospects, regardless of the outcome. Moreover, such proceedings could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not being issued. We also may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Uncertainties resulting from the initiation and continuation of litigation or other proceedings could also have a material and adverse effect on our ability to compete in the market. Third parties making claims against us could obtain injunctive or other equitable relief against us, which could prevent us from further developing or commercializing our product candidates.

In particular, under the Hatch-Waxman Act, the owner of patents listed on the Orange Book and referenced by an NDA applicant may bring patent infringement suit against the NDA applicant after receipt of the NDA applicant's notice of paragraph IV certification. For example, in June 2020, United Therapeutics asserted a patent challenge directed to the Orange Book listed patents for Tyvaso by filing a complaint against us in the U.S. District Court for the District of Delaware, thereby triggering an automatic 30-month regulatory stay on final approval of the NDA for YUTREPIA. As a result of United Therapeutics' patent challenge, the FDA was prohibited from approving the NDA for YUTREPIA until the expiration of the 30-month stay. In August 2022, prior to the expiration of the 30-month stay, the Court found that the asserted claims of one of the patents, the '793 Patent, were both valid and infringed by the Company and ordered that the effective date of any final approval by the FDA of YUTREPIA shall be a date which is not earlier than the expiration date of the '793 Patent. However, in December 2023, the United States Court of Appeals for the Federal Circuit affirmed the earlier decision by the PTAB, which found all claims of the '793 Patent to be unpatentable due to the existence of prior art cited by us in inter partes review proceedings. As a result of this decision by the United States Court of Appeals for the Federal Circuit, in December 2023, we filed a motion for Judge Andrews to set aside the injunction he issued. If we are unable to have the injunction set aside, we may be subject to significant delay and incur substantial costs in litigation before we are able to commercialize YUTREPIA, if at all.

In addition, in connection with an amendment to our NDA filed in July 2023 to add PH-ILD as an indication for YUTREPIA, a new notice of the paragraph IV certification was provided to United Therapeutics as the owner of the patents that are the subject of the certification to which the NDA for YUTREPIA refers. As a result, United Therapeutics filed the New Hatch-Waxman Litigation, in which it is seeking a preliminary injunction. Although we do not believe United Therapeutics is entitled to a new 30-month stay or preliminary injunction in connection with the New Hatch-Waxman Litigation, it is possible that the Court could rule that a new mandatory 30-month delay has been triggered with respect to the approval of the 505(b)(2) NDA application or that we are enjoined from commercializing YUTREPIA for the treatment of PH-ILD. In addition, United Therapeutics may seek to assert newly issued patents against us, including U.S. Patent Number 11,723,887, and may seek to enjoin the FDA from granting final approval to YUTREPIA or enjoin us from launching YUTREPIA, including through temporary restraining order they are seeking in the FDA Litigation.

In the event of a successful infringement claim against us, including an infringement claim filed in response to a paragraph IV certification, we may be required to pay damages, cease the development or commercialization of our drug products or product candidates, re-engineer or redevelop our drug products or product candidates or enter into royalty or licensing agreements, any of which could have a material and adverse impact on our business, financial condition and results of operations. Any effort to re-engineer or redevelop our products would require additional monies and time to be expended and may not ultimately be successful.

Infringement claims may be brought against us in the future, and we cannot assure you that we will prevail in any ensuing litigation given the complex technical issues and inherent uncertainties involved in intellectual property litigation. Our competitors may have substantially greater resources than we do and may be able to sustain the costs of such litigation more effectively than we can.

Our commercial success depends largely on our ability to protect our intellectual property.

Our commercial success depends, in large part, on our ability to obtain and maintain patent protection and trade secret protection in the United States and elsewhere in respect of our product candidates and PRINT technology. If we fail to adequately protect our intellectual property rights, our competitors may be able to erode, negate or preempt any competitive advantage we may have. To protect our competitive position, we have filed and will continue to file for patents in the United States and elsewhere in respect of our product candidates and PRINT technology. The process of identifying patentable subject matter and filing a patent application is expensive and time-consuming. We cannot assure you that we will be able to file the necessary or desirable patent applications at a reasonable cost, in a timely manner, or at all. Further, since certain patent applications are confidential until patents are issued, third parties may have filed patent applications for subject matters covered by our pending patent applications without us being aware of such applications, and our patent applications may not have priority over patent applications of others. In addition, we cannot assure you that our pending patent applications will result in patents being obtained. Once published, all patent applications and publications throughout the world, including our own, become prior art to our new patent applications and may prevent patents from being obtained or interfere with the scope of patent protection that might be obtained. The standards that patent offices in different jurisdictions use to grant patents are not always applied predictably or uniformly and may change from time to time.

Even if we have been or are able to obtain patent protection for our product candidates or PRINT technology, if the scope of such patent protection is not sufficiently broad, we may not be able to rely on such patent protection to prevent third parties from developing or commercializing product candidates or technology that may copy our product candidates or technology. The enforceability of patents in the pharmaceutical industry involves complex legal and scientific questions and can be uncertain. Accordingly, we cannot assure you that third parties will not successfully challenge the validity, enforceability or scope of our patents. A successful challenge to our patents may lead to generic versions of our drug products being launched before the expiry of our patents or otherwise limit our ability to stop others from using or commercializing similar or identical products and technology. A successful challenge to our patents may also reduce the duration of the patent protection of our drug products or technology. In addition, we cannot assure you that we will be able to detect unauthorized use or take appropriate, adequate and timely actions to enforce our intellectual property rights. If we are unable to adequately protect our intellectual property, our business, competitive position and prospects may be materially and adversely affected.

Even if our patents or patent applications are unchallenged, they may not adequately protect our intellectual property or prevent third parties from designing around our patents or other intellectual property rights. If the patent applications we file or may file do not lead to patents being granted or if the scope of any of our patent applications is challenged, we may face difficulties in developing our product candidates, companies may be dissuaded from collaborating with us, and our ability to commercialize our product candidates may be materially and adversely affected. We are unable to predict which of our patent applications will lead to patents or assure you that any of our patents will not be found invalid or unenforceable or challenged by third parties. The patents of others may prevent the commercialization of product candidates incorporating our technology. In addition, given the amount of time required for the development, clinical testing and regulatory review of new product candidates, any patents protecting our product candidates may expire before or shortly after such product candidates might become approved for commercialization.

Moreover, the issuance of a patent is not conclusive as to the inventorship of the patented subject matter, or its scope, validity or enforceability. We cannot assure you that all of the potentially relevant prior art, that is, any evidence that an invention is already known, relating to our patents and patent applications, has been found. If such prior art exists, it may be used to invalidate a patent or may prevent a patent from being issued.

In addition, we, our collaborators or our licensees may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. As a result, we may miss potential opportunities to seek patent protection or strengthen our patent position.

If we are unable to protect our trade secrets, the value of our PRINT technology and product candidates may be negatively impacted, which would have a material and adverse effect on our competitive position and prospects.

In addition to patent protection, we rely on trade secret protection to protect certain aspects of our intellectual property. We also license trade secrets from Pharmosa with respect to L606. While we require parties who have access to any portion of our trade secrets, such as our employees, consultants, advisers, CROs, CMOs, collaborators and other third parties, to enter into non-disclosure and confidentiality agreements with us, we cannot assure you that these parties will not disclose our proprietary information, including our trade secrets, in breach of their contractual obligations. Enforcing a claim that a party has illegally disclosed or misappropriated a trade secret is difficult, costly and time-consuming, and we may not be successful in doing so. If the steps we have taken to protect our trade secrets are deemed by the adjudicating court to be inadequate, we may not be able to obtain adequate recourse against a party for misappropriating our trade secrets.

Trade secrets can be difficult to protect as they may, over time, be independently discovered by our competitors or otherwise become known despite our trade secret protection. If any of our trade secrets were to be lawfully obtained or independently developed by our competitors, we would have no right to prevent such competitors, or those to whom they communicate such technology or information, from using that technology or information to compete with us. Such competitors could attempt to replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies that fall outside of our intellectual property rights.

If our trade secrets were to be disclosed to or independently developed by our competitors, our competitors may be able to exploit our PRINT technology to develop competing product candidates, and the value of our PRINT technology and our product candidates may be negatively impacted. This would have a material and adverse effect on our competitive position and prospects.

We rely on licenses to intellectual property that are owned by third parties.

We have entered and may, in the future, enter into license agreements with third parties to license the rights to use their technologies in our research, development and commercialization activities. License agreements generally impose various diligence, milestone payments, royalty, insurance and other obligations on us, and if we fail to comply with these obligations, our licensors may have the right to terminate these license agreements. Termination of these license agreements or the reduction or elimination of our licensed rights or the exclusivity of our licensed rights may have an adverse impact on, among others, our ability to develop and commercialize our product candidates. We cannot assure you that we will be able to negotiate new or reinstated licenses on commercially acceptable terms, or at all.

In addition, we license certain patent rights for our PRINT technology from UNC under the UNC License. Under the UNC License, UNC has the right to terminate our license if we materially breach the agreement and fail to cure such breach within the stipulated time. In the event that UNC terminates our license and we have a product that relies on that license, including YUTREPIA, it may bring a claim against us, and if they are successful, we may be required to compensate UNC for the unauthorized use of their patent rights through the payment of royalties.

Similarly, under our license agreement with Pharmosa, Pharmosa has the right to terminate our license if we materially breach the agreement and fail to cure such breach within the stipulated time. In the event that Pharmosa terminates our license and we have a product that relies on that license, including L606, it may bring a claim against us, and if they are

successful, we may be required to compensate Pharmosa for the unauthorized use of their patent rights through the payment of royalties.

Also, the agreements under which we license patent rights may not give us control over patent prosecution or maintenance, so that we may not be able to control which claims or arguments are presented and may not be able to secure, maintain or successfully enforce necessary or desirable patent protection from those patent rights. We do not have primary control over patent prosecution and maintenance for certain of the patents we license, and therefore cannot assure you that these patents and applications will be prosecuted or maintained in a manner consistent with the best interests of our business. We also cannot assure you that patent prosecution and maintenance activities by our licensors, if any, will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents.

Pursuant to the terms of some of our license agreements with third parties, some of our third-party licensors have the right, but not the obligation, in certain circumstances, to control the enforcement of our licensed patents or defense of any claims asserting the invalidity of these patents. Even if we are permitted to pursue such enforcement or defense, we will require the cooperation of our licensors, and we cannot assure you that we will receive such cooperation on commercially acceptable terms, or at all. We also cannot assure you that our licensors will allocate sufficient resources or prioritize their or our enforcement of these patents or defense of these claims to protect our interests in the licensed patents. If we cannot obtain patent protection, or enforce existing or future patents against third parties, our competitive position, business and prospects may be materially and adversely affected.

Further, licenses to intellectual property may not always be available to us on commercially acceptable terms, or at all. In the event that the licenses we rely on are not available to us on commercially acceptable terms, or at all, our ability to commercialize our PRINT technology or product candidates, and our business and prospects, may be materially and adversely affected.

We may not be able to enforce our intellectual property rights throughout the world.

Filing, prosecuting, enforcing and defending patents on our PRINT technology and our product candidates throughout the world may be prohibitively expensive and may not be financially or commercially feasible. In countries where we have not obtained patent protection, our competitors may be able to use our proprietary technologies to develop competing product candidates.

Also, the legal systems of non-U.S. jurisdictions may not protect intellectual property rights to the same extent or in the same manner as the laws of the United States, and we may face significant difficulty in enforcing our intellectual property rights in these jurisdictions. The legal systems of certain developing countries may not favor the enforcement of patents and other intellectual property rights. We may therefore face difficulty in stopping the infringement or misappropriation of our patents or other intellectual property rights in those countries.

We need to protect our trademark, trade name and service mark rights to prevent competitors from taking advantage of our name recognition.

We believe that the protection of our trademark, trade name and service mark rights, such as Liquidia, the Liquidia logo, PRINT, and YUTREPIA, is an important factor in product recognition, protecting our brand, maintaining goodwill and maintaining or increasing market share. We may expend substantial cost and effort in an attempt to register new trademarks, trade names and service marks and maintain and enforce our trademark, trade name and service mark rights. If we do not adequately protect our rights in our trademarks, trade names and service marks from infringement, any name recognition that we have developed in those trademarks could be lost or impaired.

Third parties may claim that the sale or promotion of our products, when and if approved, may infringe on the trademark, trade name and service mark rights of others. Trademark, trade name and service mark infringement problems occur frequently in connection with the sale and marketing of pharmaceutical products. If we become involved in any dispute regarding our trademark, trade name and service mark rights, regardless of whether we prevail, we could be required to engage in costly, distracting and time-consuming litigation that could harm our business. If the

trademarks, trade names and service marks we use are found to infringe upon the trademarks, trade names or service marks of another company, we could be liable for damages and be forced to stop using those trademarks, trade names or service marks, and as a result, we could lose all the name recognition that has been developed in those trademarks, trade names or service marks.

Risks Related to the Manufacturing of our Product Candidates

Our product candidates are based on our proprietary, novel technology, which has not been used to manufacture any products that have been previously approved by the FDA, making it difficult to predict the time and cost of development and of subsequently obtaining final regulatory approval.

Our future success depends on the successful development of our novel PRINT technology and products based on it, including YUTREPIA, and the development of L606 using Pharmosa's proprietary liposomal technology. To our knowledge, no regulatory authority has granted final approval to market or commercialize drugs made using our PRINT technology or Pharmosa's liposomal technology. We may never receive final approval to market and commercialize any product candidate that uses our PRINT technology or Pharmosa's liposomal technology.

Even if we receive final approval to market YUTREPIA and/or L606, we will need to scale up our manufacturing capabilities to effectively commercialize the products. We have never completed a scale up of our PRINT manufacturing process or the manufacturing process for L606, and, if we are unable to do so in an effective and timely manner, our ability to commercialize these products, even if they receive final FDA approval, will be adversely affected.

We may experience unexpected challenges as we ramp up our manufacturing capacity to meet demand or during commercial manufacturing, which may result in our inability to supply sufficient quantities of product to meet demand.

The manufacturing process for our products is complex, due in part to strict regulatory requirements. A failure of our quality control systems in our facilities or those of our CMOs could cause problems to arise in connection with facility operations for a variety of reasons, including equipment malfunction, viral contamination, failure to follow specific manufacturing instructions, protocols and standard operating procedures, problems with raw materials or environmental factors. Such problems could affect production of a single batch or a series of batches, requiring the destruction of products, or could halt manufacturing operations altogether. For instance, as we scale up the manufacture of YUTREPIA, we are adjusting the speed and temperature at which our blister packs are sealed to reduce the risk of the product being exposed to moisture. Our failure to meet required quality standards may result in our failure to timely deliver products to our customers in sufficient quantities to meet demand, which in turn could damage our reputation for quality and service. Any such incident could, among other things, lead to increased costs, lost revenue, damage to our reputation and relationships with patients, health care providers and payers, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches. With respect to our commercial manufacturing, if problems are not discovered before the product is released to the market, we may be subject to regulatory actions, including product recalls, product seizures, injunctions to halt manufacture and distribution, restrictions on our operations, civil sanctions, including monetary sanctions, and criminal actions. In addition, such issues could subject us to litigation, the cost of which could be significant.

Our operations are concentrated in Morrisville, North Carolina and interruptions affecting us or our suppliers due to natural disasters or other unforeseen events could materially and adversely affect our operations.

Most of our current operations are concentrated in Morrisville, North Carolina. In addition, our inventory is warehoused in a limited number of locations. A fire, flood, hurricane, earthquake or other disaster or unforeseen event resulting in significant damage to our facilities or to inventory held by us could significantly disrupt or curtail or require us to cease our operations. It would be difficult, costly and time-consuming to transfer resources from one facility to another, to repair or replace our facility or to replace inventory in the event that it is significantly damaged. In addition, our insurance may not be sufficient to cover all of our losses and may not continue to be available to us on acceptable terms, or at all. In addition, if one of our suppliers experiences a similar disaster or unforeseen event, we could face significant loss of our inventory and significant delays in obtaining our supplies or be required to source supplies from an

alternative supplier and may incur substantial costs as a result. Any significant uninsured loss, prolonged or repeated disruption to operations or inability to operate, experienced by us or by our suppliers, could materially and adversely affect our business, financial condition and results of operations.

In addition, for L606, we rely upon single sources of supply for the active pharmaceutical ingredient and manufacture of bulk drug that are located in Taiwan. Although we are working to establish a secondary supply chain outside of Taiwan, if hostilities were to break out between Taiwan and China, we may be unable to secure a supply of L606, which could limit our ability to continue development of L606 and materially and adversely affect our business, financial condition and results of operations.

Risks Related to our Employees

We depend on skilled labor, and our business and prospects may be adversely affected if we lose the services of our skilled personnel, including those in senior management, or are unable to attract new skilled personnel.

Our ability to continue our operations and manage our potential future growth depends on our ability to hire and retain suitably skilled and qualified employees, including those in senior management, in the long-term. Due to the specialized nature of our work, there is a limited supply of suitable candidates. We compete with other biotechnology and pharmaceutical companies, educational and research institutions and government entities, among others, for research, technical, clinical and sales and marketing personnel. In addition, in order to manage our potential future growth effectively, we will need to improve our financial controls and systems and, as necessary, recruit sales, marketing, managerial and finance personnel. The loss of the services of members of our sales team could seriously harm our ability to successfully implement our business strategy. If we are unable to attract and retain skilled personnel, including in particular Roger Jeffs, our Chief Executive Officer, our business and prospects may be materially and adversely affected.

Risks Related to our Common Stock

Future sales of our common stock or securities convertible into our common stock in the public market could cause our stock price to fall.

Our stock price could decline as a result of sales of a large number of shares of our common stock or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

As of March 11, 2024, 76,027,776 shares of our common stock were outstanding, of which 58,990,106 shares of common stock, or 77.6% of our outstanding shares as of March 11, 2024, are freely tradable without restriction or further registration under the Securities Act of 1933, as amended, or the Securities Act, unless held by our "affiliates," as that term is defined in Rule 144 under the Securities Act ("Rule 144"). The resale of the remaining 17,037,670 shares held by our stockholders as of March 11, 2024 is currently prohibited or otherwise restricted as a result of securities law provisions. Shares issued upon the exercise of stock options outstanding under our equity incentive plans or pursuant to future awards granted under those plans will become available for sale in the public market to the extent permitted by the provisions of applicable vesting schedules, any applicable market standoff and lock-up agreements, and Rule 144 and Rule 701 under the Securities Act.

As of March 11, 2024, the holders of 9,210.134 shares, or 12.1%, of our outstanding shares as of March 11, 2024, have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We have also registered the offer and sale of all shares of common stock that we may issue under our equity compensation plans, including the employee stock purchase plan. Once we register the offer and sale of shares for the holders of registration rights, they can be freely sold in the public market upon issuance or resale (as applicable), subject to lock-up agreements, if any.

We expect that the market price of our common stock may be volatile, and you may lose all or part of your investment.

The trading prices of the securities of pharmaceutical and biotechnology companies have been highly volatile. As such, the trading price of our common stock may be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. The market price for our common stock may be influenced by many factors, including:

- results of any clinical trials of any product candidate we may develop, including L606, or those of our competitors;
- the success of Sandoz's Treprostinil Injection to which we have commercial rights to pursuant to the Promotion Agreement;
- the market acceptance of the RG Cartridge for the subcutaneous administration of Treprostinil Injection;
- whether Mainbridge is able to complete the development of a new pump for the subcutaneous administration of Treprostinil Injection and obtain FDA clearance on a timely basis or at all;
- our cash resources;
- the approvals or success of competitive products or technologies;
- potential approvals of any product candidate we may develop, including YUTREPIA and L606, for marketing by the FDA or equivalent foreign regulatory authorities or any failure to obtain such approvals;
- our involvement in significant lawsuits, such as stockholder litigation, litigation involving the FDA, including the FDA Litigation, or patent litigation, including *inter partes* review proceedings and Hatch-Waxman litigation with originator companies or others which may hold patents, including the ongoing litigation in connection with the patents that United Therapeutics has asserted against us;
- regulatory or legal developments in the United States and other countries;
- the results of our efforts to commercialize any product candidate we may develop, including YUTREPIA and L606, in the event we receive final approval from the FDA;
- developments or disputes concerning patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our product candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license additional product candidates or products;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors and issuance of new or changed securities analysts' reports or recommendations;
- general economic, industry and market conditions; and
- the other factors described in this "Risk Factors" section.

The stock market in general, and market prices for the securities of pharmaceutical companies like ours in particular, have from time to time experienced volatility that often has been unrelated to the operating performance of the underlying companies. These broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our operating performance. Stock prices of many pharmaceutical companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In several recent situations when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders were to bring a lawsuit against us, the defense and disposition of the lawsuit could be costly and divert the time and attention of our management and harm our operating results.

Our principal stockholders and management own a significant percentage of our stock and will be able to exercise significant influence over matters subject to stockholder approval.

Our executive officers, directors and principal stockholders, together with their respective affiliates, beneficially owned 38.9% of our capital stock as of March 1, 2024. Accordingly, our executive officers, directors and principal stockholders have significant influence in determining the composition of our board of directors (the "Board"), and voting on all matters requiring stockholder approval, including mergers and other business combinations, and continue to have significant influence over our operations. This concentration of ownership could have the effect of delaying or preventing a change in our control or otherwise discouraging a potential acquirer from attempting to obtain control of us that you may believe are in your best interests as one of our stockholders. This in turn could have a material adverse effect on our stock price and may prevent attempts by our stockholders to replace or remove the Board or management.

As a public company, we are obligated to develop and maintain proper and effective internal controls over financial reporting and any failure to do so may adversely affect investor confidence in us and, as a result, the trading price of our shares.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock. In addition, any future testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act") or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated financial statements or identify other areas for further attention or improvement.

As required by the Sarbanes Oxley Act and commencing with the fiscal year ended December 31, 2019, we were required to furnish a report by management on, among other things, the effectiveness of our internal controls over financial reporting. See Item 4. Controls and Procedures for additional information.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us difficult, limit attempts by our stockholders to replace or remove our current management and adversely affect our stock price.

Provisions of our certificate of incorporation and bylaws may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our stock. Among other things, the certificate of incorporation and bylaws:

- permit the Board to issue up to 10 million shares of preferred stock, with any rights, preferences and privileges as they may designate;
- provide that the authorized number of directors may be changed only by resolution of our Board;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and may not be taken by written consent;
- create a staggered board of directors such that all members of our Board are not elected at one time;
- allow for the issuance of authorized but unissued shares of our capital stock without any further vote or action by our stockholders; and
- establish advance notice requirements for nominations for election to the Board or for proposing matters that can be acted upon at stockholders' meetings.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law ("DGCL") which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any stockholder owning in excess of 15% of our outstanding stock for a period of three years following the date on which the stockholder obtained such 15% equity interest in us.

The terms of our authorized preferred stock selected by our Board at any point could decrease the amount of earnings and assets available for distribution to holders of our common stock or adversely affect the rights and powers, including voting rights, of holders of our common stock without any further vote or action by the stockholders. As a result, the rights of holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued by us in the future, which could have the effect of decreasing the market price of our common stock.

Any provision of our certificate of incorporation or bylaws or Delaware corporate law that has the effect of delaying or deterring a change in control could limit opportunities for our stockholders to receive a premium for their shares of common stock, and could also affect the price that investors are willing to pay for our common stock.

Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our certificate of incorporation provides that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our stockholders; (iii) any action asserting a claim against us arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws; or (iv) any action asserting a claim against us governed by the internal affairs doctrine; *provided*, that, this provision would not apply to suits brought to enforce a duty or liability created by the Securities Act or Exchange Act. Furthermore, our bylaws designate the federal district courts of the United States as the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have received notice of and consented to the foregoing provisions. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds more favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors or officers. Alternatively, if a court were to find this choice of forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, prospects or results of operations.

Because we do not anticipate paying any cash dividends on our common stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain.

We have never declared or paid cash dividends on our equity securities. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of our existing RIFA with HCR preclude us, and the terms of any future debt or financing agreement may preclude us, from paying dividends. As a result, capital appreciation, if any, of our equity securities will likely be your sole source of gain for the foreseeable future.

An impairment of our long-lived contract acquisition costs and intangible assets, including goodwill, could have a material non-cash adverse impact on our results of operations.

In connection with the accounting for our RareGen acquisition, we have recorded significant amounts of contract acquisition costs, intangible assets, and goodwill. Under GAAP, we must assess, at least annually and potentially more frequently, whether the value of goodwill has been impaired. Contract acquisition costs and amortizing intangible assets will be assessed for impairment in the event of an impairment indicator. The valuation of goodwill depends on a variety of factors, the success of the Company's business, including our ability to obtain regulatory approval for YUTREPIA,

global market and economic conditions, earnings growth and expected cash flows. Impairments may be caused by factors outside the Company's control, such as actions by the FDA, increasing competitive pricing pressures, and various other factors. Significant and unanticipated changes or our inability to obtain or maintain regulatory approvals for our product candidates, including the NDA for YUTREPIA, could require a non-cash charge for impairment in a future period, which may significantly affect our results of operations in the period of such charge.

General Risk Factors

General Risks Related to the Commercialization of our Product Candidates

Our business and operations may be adversely affected by the effects of health epidemics, including the COVID-19 pandemic.

Our business and operations could be adversely affected by health epidemics in regions where we have offices, manufacturing facilities, concentrations of clinical trial sites or other business operations, and could cause significant disruption in the operations of clinical trial sites, contract manufacturers or suppliers and contract research organizations upon whom we rely. For example, starting in December 2019, a novel strain of the coronavirus ("COVID-19") was reported to have surfaced in Wuhan, China and spread to multiple countries, including the U.S. and several European countries. In March 2020, the World Health Organization declared COVID-19 a global pandemic and the U.S. declared the COVID-19 pandemic a national emergency. The COVID-19 pandemic has resulted in travel and other restrictions in order to reduce the spread of the disease, including state and local orders across the United States that, among other things, directed individuals to shelter at their places of residence, directed businesses and governmental agencies to cease non-essential operations at physical locations, prohibited certain non-essential gatherings and events and ordered cessation of non-essential travel. Throughout 2020 and 2021, similar executive orders were issued by state and local governments, and states of emergency had been declared at the state and local level in most jurisdictions throughout the U.S. As recently as April 2022, ports and airports in Shanghai, China have been closed due to another outbreak of COVID-19, resulting in a lockdown of the city and disruption to export and import activities. In the U.S., many of these executive orders have been rescinded, however, we remain vigilant and continue to monitor the ongoing COVID-19 pandemic closely to determine if additional actions are required.

Remote work policies, quarantines, shelter-in-place and similar government orders, shutdowns or other restrictions on the conduct of business operations related to the COVID-19 pandemic may negatively impact productivity and our research and development activities, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on our ability to conduct our business in the ordinary course. In addition, although our employees are accustomed to working remotely, changes in internal controls due to remote work arrangements may result in control deficiencies in the preparation of our financial reports, which could be material.

Such orders may also impact the availability or cost of materials, which would disrupt our supply chain and could affect our ability to conduct ongoing and planned clinical trials and preparatory activities.

The extent to which the COVID-19 pandemic impacts our business and operations, including our clinical development and regulatory efforts, will depend on future developments that are highly uncertain and cannot be predicted with confidence at the time of this Annual Report on Form 10-K, such as the severity and duration of future outbreaks (including from the spread of COVID-19 variants or mutant strains), the duration and effect of business disruptions and the short-term effects, the administration, availability and efficacy of vaccination programs and the ultimate effectiveness of travel restrictions, quarantines, social distancing requirements and business closures in the United States and other countries to contain and treat the disease. We expect the impact of COVID-19 on the FDA's operations will continue to evolve. Accordingly, we do not yet know the full extent of potential delays or impacts on our business, our clinical and regulatory activities, healthcare systems or the global economy as a whole. However, these impacts could adversely affect our business, financial condition, results of operations and growth prospects.

In addition, to the extent the COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks and uncertainties described in this "Risk Factors" section and the "Risk Factors" sections of the documents incorporated by reference herein.

We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability. Our business, financial condition and results of operations could be materially adversely affected by any negative impact on the global economy and capital markets resulting geopolitical tensions.

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the start of the military conflict between Russia and Ukraine. In February 2022, a full-scale military invasion of Ukraine by Russian troops began. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine has led to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions, which has contributed to periods of high inflation globally. We are continuing to monitor inflation, the situation in Ukraine and global capital markets and assessing its potential impact on our business.

The global economy has been, and may continue to be, negatively impacted by Russia's invasion of Ukraine. As a result of Russia's invasion of Ukraine, the U.S., the European Union, the United Kingdom, and other G7 countries, among other countries, have imposed substantial financial and economic sanctions on certain industry sectors and parties in Russia. Broad restrictions on exports to Russia have also been imposed. These measures include: (i) comprehensive financial sanctions against major Russian banks; (ii) additional designations of Russian individuals with significant business interests and government connections; (iii) designations of individuals and entities involved in Russian military activities; and (iv) enhanced export controls and trade sanctions limiting Russia's ability to import various goods. Russian military actions and the resulting sanctions could continue to adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional funds.

In addition, on October 7, 2023, Hamas militants and members of other terrorist organizations infiltrated Israel's southern border from the Gaza Strip and conducted a series of terror attacks on civilian and military targets. Thereafter, Hamas launched extensive rocket attacks on Israeli population and industrial centers located along the Israeli border with the Gaza Strip. Shortly following the attack, Israel's security cabinet declared war against Hamas and launched an aerial bombardment of various targets within the Gaza Strip. The Israeli government subsequently called for the evacuation of over one million residents of the northern part of the Gaza Strip and initiated ground operations in the Gaza Strip. It is possible that other terrorist and/or regional organizations will join the hostilities as well, including Hezbollah in Lebanon, and Palestinian military organizations in the West Bank, resulting in a widening of the conflict. The intensity and duration of Israel's current war against Hamas is difficult to predict as are such war's economic implications on the global economy.

Furthermore, because of current geopolitical tensions, the Biden administration has recently signed multiple executive orders regarding China. One particular executive order titled Advancing Biotechnology and Biomanufacturing Innovation for a Sustainable, Safe, and Secure American Bioeconomy, signed on September 12, 2022, will likely impact the pharmaceutical industry to encourage U.S. domestic manufacturing of pharmaceutical products. Moreover, there have been Congressional legislative proposals, such as the recent bill titled the Biosecure Act, to discourage contracting with Chinese companies on the development or manufacturing of pharmaceutical products. Any additional executive orders or legislative action regarding or potential sanctions on China could materially impact our current manufacturing partners.

Although our business has not been materially impacted by these geopolitical tensions to date, such matters may affect our business and it is impossible to predict the extent to which our operations, or those of our suppliers and manufacturers, will be impacted in the short and long term, or the ways in which such matters may impact our business. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict but could be substantial. Any such disruptions may also magnify the impact of other risks described herein.

If the FDA or comparable regulatory authorities in other countries approve generic versions of our product candidates, or do not grant our product candidates a sufficient period of market exclusivity before approving their generic versions, our ability to generate revenue may be adversely affected.

Once an NDA is approved, the drug product covered will be listed as a reference listed drug in the FDA's Orange Book. In the United States, manufacturers of drug products may seek approval of generic versions of reference listed drugs through the submission of abbreviated new drug applications, or ANDAs. In support of an ANDA, a generic manufacturer is generally required to show that its product has the same active pharmaceutical ingredient(s), dosage form, strength, route of administration and conditions of use or labeling as the reference listed drug and that the generic version is bioequivalent to the reference listed drug. Generic drug products may be significantly less expensive to bring to market than the reference listed drug, and companies that produce generic drug products are generally able to offer them at lower prices. Thus, following the introduction of a generic drug product, a significant percentage of the sales of any reference listed drug may be lost to the generic drug product.

The FDA will not approve an ANDA for a generic drug product until the applicable period of market exclusivity for the reference listed drug has expired. The applicable period of market exclusivity varies depending on the type of exclusivity granted. A grant of market exclusivity is separate from the existence of patent protection and manufacturers may seek to launch generic versions of our drug products following the expiry of their respective marketing exclusivity periods, even if our drug products are still under patent protection at the relevant time.

Any competition that our product candidates may face, if and when such product candidates are approved for marketing and commercialized, from generic versions could substantially limit our ability to realize a return on our investment in the development of our product candidates and have a material and adverse effect on our business and prospects.

We are subject to risks related to information technology systems, including cyber-security risks; successful cyber-attacks or technological malfunctions can result in, among other things, financial losses, the inability to process transactions, the unauthorized release of confidential information and reputational risk, all of which would negatively impact our business, financial condition or results of operations.

Our use of technology is critical to our continued operations. We are susceptible to operational, financial and information security risks resulting from cyber-attacks or technological malfunctions. Successful cyber-attacks or technological malfunctions affecting us, our CMOS or our business partners can result in, among other things, financial losses, the inability to process transactions, the unauthorized release of confidential or proprietary information and reputational risk. As cybersecurity threats continue to evolve, we may be required to use additional resources to continue to modify or enhance protective measures or to investigate security vulnerabilities, which could have a material adverse effect on our business, financial condition or results of operations.

General Risks Related to the Development and Regulatory Approval of our Product Candidates

Even if we obtain marketing approval for our product candidates in the United States, we or our collaborators may not obtain marketing approval for the same product candidates elsewhere.

We may enter into strategic collaboration arrangements with third parties to commercialize our product candidates outside of the United States. In order to market any product candidate outside of the United States, we or our collaborators will be required to comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy. Clinical trials conducted in one country may not be recognized or accepted by regulatory authorities in other countries, and obtaining marketing approval in one country does not mean that marketing approval will be obtained in any other country. Approval processes vary among countries and additional product testing and validation, or additional administrative review periods, may be required from one country to the next.

Seeking marketing approval in countries other than the United States could be costly and time-consuming, especially if additional preclinical studies or clinical trials are required to be conducted. We currently do not have any product candidates approved for sale in any jurisdiction, including non-U.S. markets, and we do not have experience in obtaining marketing approval in non-U.S. markets. We currently also have not identified any collaborators to market our products

outside of the United States and cannot assure you that such collaborators, even if identified, will be able to successfully obtain marketing approval for our product candidates outside of the United States. If we or our collaborators fail to obtain marketing approval in non-U.S. markets, or if such approval is delayed, our target market may be reduced, and our ability to realize the full market potential of our products will be adversely affected.

General Risks Related to Healthcare Regulation

The pharmaceutical industry is subject to a range of laws and regulations in areas including healthcare program requirements and fraud, waste, and abuse; healthcare and related marketing compliance and transparency; and privacy and data security. Our failure to comply with these laws and regulations as they are, or in the future become, applicable to us may have an adverse effect on our business.

Healthcare providers, physicians and third-party payors often play a primary role in the recommendation and prescription of any drug products for which we may obtain marketing approval, or for which we may provide contracted promotional services to third parties. Our current and future arrangements with healthcare providers, physicians, third-party payors and customers, and our sales, marketing and educational activities, may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations (at the federal and state level) that may constrain our business or financial arrangements and relationships through which we market, sell, or distribute drug products.

In addition, we may be subject to transparency laws and patient privacy regulation by both the federal government and the states in which we conduct our business. We also plan to conduct clinical trials and may in the future conduct business in jurisdictions outside of the United States, which may cause us to become subject to transparency law and privacy regulations in those jurisdictions as well.

The laws that may affect our ability to operate include, but are not limited to, the following examples:

- The federal Anti-Kickback Statute, or AKS, prohibits, among other things, persons and entities including pharmaceutical manufacturers from, among other things, knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for or the purchase, lease, or order of, or the arranging for an item or service for which payment may be made, in whole or in part, under federal healthcare programs such as the Medicare and Medicaid programs.

- The federal civil and criminal false claims laws and civil monetary penalty laws impose a range of prohibitions and compliance considerations. For example, the False Claims Act, or the FCA, prohibits individuals or entities from, among other things, knowingly presenting, or causing to be presented, claims for payment to, or approval by, the federal government that are false, fictitious or fraudulent or knowingly making, 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. Claims resulting from a violation of the federal AKS constitute a false or fraudulent claim for purposes of the FCA. Promotion that is deemed to be “off label” can be the basis of FCA exposure.

- Federal law includes provisions (established under the Health Insurance Portability and Accountability Act of 1996) addressing healthcare fraud and false statements relating to healthcare matters. The healthcare fraud statute prohibits knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private payors. The false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Violations of these statutes is a felony and may result in fines, imprisonment or exclusion from governmental programs.

- Privacy and data security laws may apply to our business. Under Section 5(a) of the Federal Trade Commission Act, the Federal Trade Commission 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. Medical data is considered sensitive data that merits stronger safeguards. States may also impose requirements, for example the California Consumer Privacy Act created data privacy obligations for covered companies and providing privacy rights to California residents, including the right to opt out of certain disclosures of their information. In addition, if we engage in business activities outside of the United States, including clinical trials that we plan to conduct outside of the United States, we may become subject to privacy and data security laws in those additional jurisdictions in which we operate or conduct clinical trials.

- The federal physician payment transparency requirements, sometimes referred to as the "Physician Payments Sunshine Act," requires applicable manufacturers of covered drugs, devices, biologics and medical supplies for which payment is available under government healthcare programs to annually report to the Centers for Medicare and Medicaid Services, or the CMS, information related to certain payments or other transfers of value made or distributed to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Payments and transfers of value made to certain other providers such as nurse practitioners and physician assistants will also need to be reported under the Sunshine Act.

- For both investigational and commercialized products, interactions with or communications directed to healthcare professionals, patients or patient- or disease-advocates or advocacy groups, and payors, are subject to heightened scrutiny by the FDA. Relative to nonpromotional communications, for example, there are specific and limited FDA accommodations for nonpromotional, truthful and non-misleading sharing of information regarding products in development and off-label uses including dissemination of peer-reviewed reprints, support of independent continuing medical education, and healthcare economic discussions with payors. In a competitive environment, a company's communications about products in development may also be subject to heightened scrutiny.

- Analogous state laws and regulations, such as state anti-kickback and false claims laws, may apply to items or services reimbursed by any third-party payor, including commercial insurers, and in some cases may apply regardless of payor (i.e., even for self-pay scenarios). Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report pricing and marketing information, including, among other things, information related to payments to physicians and other healthcare providers or marketing expenditures, state and local laws that require the registration of pharmaceutical sales representatives. Many of these state laws differ from each other in significant ways and may not have the same effect, and may apply more broadly or be stricter than their federal counterparts, thus complicating compliance efforts; and

- Price reporting laws require the calculation and reporting of complex pricing metrics to government programs, where such reported prices may be used in the calculation of reimbursements or discounts on our drug products. Participation in such programs and compliance with their requirements may subject us to increased infrastructure costs and potentially limit our ability to price our drug products.

Ensuring that our business and business arrangements with third parties comply with applicable healthcare laws, as well as responding to possible investigations by government authorities, can be time- and resource-consuming and can divert management's attention from the business, even if the government ultimately finds that no violation has occurred.

If our operations are found to be in violation of any of the laws or regulations described above or any other laws or government regulations that apply to us, we may be subject to penalties and potentially, the curtailment or restructuring of our operations as well as additional governmental reporting obligations and oversight, any of which could adversely affect our ability to operate our business and our results of operations.

Recently enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our products and product candidates and affect the prices we may obtain.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval.

In the United States, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively the ACA, is a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose taxes and fees on the health industry and impose additional health policy reforms.

Among the provisions of the ACA of importance to our product candidates are the following:

- establishment of a new pathway for approval of lower-cost biosimilars to compete with biologic products;
- an annual, nondeductible fee payable by any entity that manufactures or imports specified branded prescription drugs and biologic agents;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer point-of-sale discounts off negotiated prices;
- extension of manufacturers' Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order initiating a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. For example, the Budget Control Act of 2011, enacted in August 2011, required sequestration that included aggregate reductions of Medicare payments to providers, which went into effect on April 1, 2013 and, due to subsequent legislative amendments, will remain in effect through 2032, unless additional Congressional action is taken. Under current legislation, the actual reduction in Medicare payments will increase in future years of the sequester. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers, including hospitals, and an increase in the statute of limitations period for the government to recover overpayments to providers from three to five years.

Further, in March 2021, the American Rescue Plan Act of 2021 was signed into law, which, among other things, eliminated the statutory cap on drug manufacturers' Medicaid Drug Rebate Program rebate liability, effective January 1, 2024. Under current law enacted as part of the ACA, drug manufacturers' Medicaid Drug Rebate Program rebate liability is capped at 100% of the average manufacturer price for a covered outpatient drug. We expect that other healthcare reform measures that may be adopted in the future may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and in additional downward pressure on the price

that we receive for any approved product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to price our products at what we consider to be a fair or competitive price, generate revenue, attain profitability, or commercialize our product candidates, if approved.

Moreover, there has recently been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products. Individual states in the United States have become increasingly active in implementing regulations designed to contain pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures. Most significantly, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or the IRA, into law. This statute marks the most significant action by Congress with respect to the pharmaceutical industry since adoption of the ACA in 2010. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), with prices that can be negotiated subject to a cap; imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation; and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). The IRA permits the Secretary of the Department of Health and Human Services, or HHS, to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has and will continue to issue and update guidance as these programs are implemented. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although the Medicare drug price negotiation program is currently subject to legal challenges. Further, the Biden administration released an additional executive order on October 14, 2022, directing HHS to submit a report within 90 days on how the Center for Medicare and Medicaid Innovation can be further leveraged to test new models for lowering drug costs for Medicare and Medicaid beneficiaries. In response to the executive order, on February 14, 2023, HHS released a report outlining three new models for testing by the CMS Innovation Center which will be evaluated on their ability to lower the cost of drugs, promote accessibility and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future. Legally mandated price controls on payment amounts by third-party payors or other restrictions could harm our ability to price our products appropriately, which could negatively impact our business, results of operations, financial condition and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our product candidates, if approved, or put pressure on our product pricing, which could negatively affect our business, results of operations, financial condition and prospects. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA or foreign regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be. In addition, increased scrutiny by Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

General Risks Related to Our Dependence on Third Parties

We rely on third parties to conduct our preclinical studies and clinical trials.

We currently rely on, and plan to continue to rely on, third-party contract research organizations, or CROs, to monitor and manage data for our preclinical studies and clinical trials. However, we are responsible for ensuring that each of our trials is conducted in accordance with the applicable regulatory standards and our reliance on CROs does not relieve us of our regulatory responsibilities.

The CROs on which we rely are required to comply with FDA regulations (and the regulations of comparable regulatory authorities in other countries) regarding GCP. Regulatory authorities enforce GCP standards through periodic inspections. If any of the CROs on which we rely fail to comply with the applicable GCP standards, the clinical data generated in our clinical trials may be deemed unreliable. While we have contractual agreements with these CROs, we have limited influence over their actual performance and cannot control whether or not they devote sufficient time and resources to our preclinical studies and clinical trials. A failure to comply with the applicable regulations in the conduct of the preclinical studies and clinical trials for our product candidates may require us to repeat such studies or trials,

which would delay the process of obtaining marketing approval for our product candidates and have a material and adverse effect on our business and prospects.

Some of our CROs have the ability to terminate their respective agreements with us if, among others, it can be reasonably demonstrated that the safety of the patients participating in our clinical trials warrants such termination. If any of our agreements with our CROs is terminated, and if we are not able to enter into agreements with alternative CROs on acceptable terms or in a timely manner, or at all, the clinical development of our product candidates may be delayed and our development expenses could be increased.

General Risks Related to Legal Compliance Matters

Even if we obtain regulatory approval for a product candidate, our products and business will remain subject to ongoing regulatory obligations and review.

If our product candidates are approved, they will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, drug supply chain security surveillance and tracking, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies and submission of safety, efficacy and other post-market information, including both federal and state requirements in the United States and comparable requirements outside of the United States. Accordingly, we and others with whom we work must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control. Any regulatory approvals that we may receive for our product candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the product candidate. The FDA may also require a REMS as a condition of approval of our product candidates, which could include requirements for a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. We will also be required to report certain adverse reactions and production problems, if any, to the FDA or other regulatory agencies and to comply with requirements concerning advertising and promotion for our products. Promotional communications with respect to prescription drugs are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved label. As such, we may not promote our products for indications or uses for which they do not have FDA or other regulatory agency approval. The holder of an approved NDA must also submit new or supplemental applications and obtain FDA approval for certain changes to the approved product, product labeling, or manufacturing process. We could also be asked to conduct post-marketing clinical studies to verify the safety and efficacy of our product candidates in general or in specific patient subsets. An unsuccessful post-marketing study or failure to complete such a clinical study could result in the withdrawal of marketing approval. Furthermore, any new legislation addressing drug safety issues could result in delays in product development or commercialization or increased costs to assure compliance. Foreign regulatory authorities impose similar requirements. If a regulatory agency discovers previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or disagrees with the promotion, marketing or labeling of a product, such regulatory agency may impose restrictions on that product or us, including requiring withdrawal of the product from the market. If we fail to comply with applicable regulatory requirements, a regulatory agency or enforcement authority may, among other things:

- issue warning letters asserting that we are in violation of the law;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend any of our ongoing clinical trials;
- refuse to approve pending applications or supplements to approved applications submitted by us or our strategic partners;
- restrict the marketing or manufacturing of our products;
- seize or detain products, or require a product recall;
- refuse to permit the import or export of our product candidates; or
- refuse to allow us to enter into government contracts.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our product candidates. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected.

We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business, prospects, financial condition and results of operations.

Environmental, social and governance matters may impact our business and reputation.

Governmental authorities, non-governmental organizations, customers, investors, external stakeholders and employees are increasingly sensitive to environmental, social and governance, or ESG, concerns, such as diversity and inclusion, climate change, water use, recyclability or recoverability of packaging, and plastic waste. This focus on ESG concerns may lead to new requirements that could result in increased costs associated with developing, manufacturing and distributing our products. Our ability to compete could also be affected by changing customer preferences and requirements, such as growing demand for more environmentally friendly products, packaging or supplier practices, or by failure to meet such customer expectations or demand. While we strive to improve our ESG performance, we risk negative stockholder reaction, including from proxy advisory services, as well as damage to our brand and reputation, if we do not act responsibly, or if we are perceived to not be acting responsibly in key ESG areas, including equitable access to medicines and vaccines, product quality and safety, diversity and inclusion, environmental stewardship, support for local communities, corporate governance and transparency, and addressing human capital factors in our operations. If we do not meet the ESG expectations of our investors, customers and other stakeholders, we could experience reduced demand for our products, loss of customers, and other negative impacts on our business and results of operations.

Climate change or legal, regulatory or market measures to address climate change may negatively affect our business, results of operations, cash flows and prospects.

We believe that climate change has the potential to negatively affect our business and results of operations, cash flows and prospects. We are exposed to physical risks (such as extreme weather conditions or rising sea levels), risks in transitioning to a low-carbon economy (such as additional legal or regulatory requirements, changes in technology, market risk and reputational risk) and social and human effects (such as population dislocations and harm to health and well-being) associated with climate change. These risks can be either acute (short-term) or chronic (long-term).

The adverse impacts of climate change include increased frequency and severity of natural disasters and extreme weather events such as hurricanes, tornados, wildfires (exacerbated by drought), flooding, and extreme heat. Extreme weather and sea-level rise pose physical risks to our facilities as well as those of our suppliers. Such risks include losses incurred as a result of physical damage to facilities, loss or spoilage of inventory, and business interruption caused by such natural disasters and extreme weather events. Other potential physical impacts due to climate change include reduced access to high-quality water in certain regions and the loss of biodiversity, which could impact future product development. These risks could disrupt our operations and its supply chain, which may result in increased costs.

New legal or regulatory requirements may be enacted to prevent, mitigate, or adapt to the implications of a changing climate and its effects on the environment. These regulations, which may differ across jurisdictions, could result in us being subject to new or expanded carbon pricing or taxes, increased compliance costs, restrictions on greenhouse gas emissions, investment in new technologies, increased carbon disclosure and transparency, upgrade of facilities to meet new building codes, and the redesign of utility systems, which could increase our operating costs, including the cost of electricity and energy used by us. Our supply chain would likely be subject to these same transitional risks and would likely pass along any increased costs to us.

General Risks Related to our Intellectual Property

We may become involved in litigation to protect our intellectual property or enforce our intellectual property rights, which could be expensive, time-consuming and may not be successful.

Competitors may infringe our patents or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, we may engage in litigation to, among others, enforce or defend our intellectual property rights, determine the validity or scope of our intellectual property rights and those of third parties, and protect our trade secrets. Such actions may be time-consuming and costly and may divert our management's attention from our core business and reduce the resources available for our clinical development, manufacturing and marketing activities, and consequently have a material and adverse effect on our business and prospects, regardless of the outcome.

In addition, in an infringement proceeding, a court may decide that a patent owned by, or licensed to, us is invalid or unenforceable, or may refuse to stop the other party from using the technology in question on the ground that our patents do not cover such technology. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that our confidential information may be compromised by disclosure.

Patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. While various extensions may be available, the life of a patent, and the protection it affords, is limited. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized.

We intend to seek extensions of patent terms in the United States and, if available, in other countries where we prosecute patents. In the United States, the Hatch-Waxman Act permits patent owners to request a patent term extension, based on the regulatory review period for a product, of up to five years beyond the normal expiration of the patent, which is limited to one patent claiming the approved drug product or use in an indication (or any additional indications approved during the period of extension). However, the applicable authorities, including the FDA and the USPTO, in the United States, and comparable regulatory authorities in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or grant more limited extensions than we had requested. In such event, our competitors may be able to take advantage of our investment in development and clinical trials by referencing our preclinical and clinical data in their marketing approval applications with the FDA to launch their drug product earlier than might otherwise be the case.

General Risks Related to the Manufacturing of our Product Candidates

Our facilities are subject to extensive and ongoing regulatory requirements and failure to comply with these regulations may result in significant liability.

Our company and our facilities are subject to payment of fees, registration and listing requirements, ongoing review and periodic inspections by the FDA and other regulatory authorities for compliance with quality system regulations, including the FDA's cGMP requirements. These regulations cover all aspects of the manufacturing, testing, quality control and record-keeping of our drug products. Furthermore, the facilities where our product candidates are manufactured may be subject to additional inspections by the FDA before we can obtain final marketing approval and remain subject to periodic inspection even after our product candidates have received marketing approval. Suppliers of components and materials, such as active pharmaceutical ingredients, used to manufacture our drug products are also required to comply with the applicable regulatory standards.

The manufacture of pharmaceutical products is complex and requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. We and any contract

manufacturers that we may engage in the future must comply with cGMP requirements. Manufacturers of pharmaceutical products often encounter difficulties in production, particularly in scaling up and validating initial production and contamination controls. These problems include difficulties with production costs and yields, quality control, including stability of the product, quality assurance testing, operator error, shortages of qualified personnel, as well as compliance with strictly enforced federal, state and foreign regulations. Furthermore, if microbial, viral or other contaminations are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination.

Compliance with these regulatory standards often requires significant expense and effort. If we or our suppliers are unable to comply with the applicable regulatory standards or take satisfactory corrective steps in response to adverse results of an inspection, this could result in enforcement action, including, among others, the issue of a public warning letter, a shutdown of or restrictions on our or our suppliers' manufacturing operations, delays in approving our drug products and refusal to permit the import or export of our drug products. Any adverse regulatory action taken against us could subject us to significant liability and harm our business and prospects.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk Management and Strategy

Integrated Risk Management

Management is responsible for the day-to-day management of the Company's risk exposure, subject to the direction and objectives established by our Board of Directors (the "Board"). As an important component of the Company's risk management process, management reviews risks from cybersecurity threats and the Company's programs for evaluating, mitigating and educating its employees regarding cybersecurity risks. We employ a range of tools and services, including regular network and endpoint monitoring, managed detection and response, system patching, managed security services, server and endpoint scheduled backups, awareness training and testing, periodic vulnerability assessments and penetration testing, to update our ongoing cybersecurity risk identification and mitigation efforts.

As part of our cybersecurity risk management, we have adopted a cybersecurity incident response plan to identify and manage cybersecurity threats and incidents, including but not limited to those that touch on operational risk, intellectual property theft, reputational risks, fraud and extortion, harm to the personal identifying data of employees or customers, violations of laws, and other risks. Under our cybersecurity incident response plan, we have appointed an incident response team, consisting of our Chief Executive Officer, Chief Financial Officer, General Counsel, head of information technology and head of human resources. The incident response team, in connection with outside legal and cybersecurity advisors, is responsible for investigating suspected cybersecurity incidents, taking appropriate steps to contain, mitigate or resolve a cybersecurity incident and reporting findings to management. In the event of a cybersecurity incident, our General Counsel is responsible for convening a materiality incident response team to assess the materiality of cybersecurity incidents meeting certain escalation criteria.

Engagement of Third-party Support

We engage third-party service providers to conduct evaluations of our security controls, whether through penetration testing, independent audits or consulting on best practices to address new challenges. These evaluations include testing both the design and operational effectiveness of cybersecurity controls.

Third-party Risk Management

We have adopted a third-party due diligence assessment policy to define the procedures for assessing and identifying risk from cybersecurity threats associated with the use of any third-party vendor who interacts with Liquidia's technology infrastructure or Liquidia's confidential, proprietary, or personally identifiable information. Under this policy, cybersecurity risks are identified and evaluated as part of the selection and oversight of applicable third-party service providers.

Impact of Risks from Cybersecurity Threats

We do not believe that any of the risks from cybersecurity threats we have faced to date have materially affected the Company, our business strategy, results of operations or financial condition. However, as discussed under "Risk Factors" in Part I, Item 1A of this Annual Report, cybersecurity threats pose multiple risks to us, including potentially to our results of operations and financial condition. *See Item 1A. Risk Factors - We are subject to risks related to information technology systems, including cyber-security risks; successful cyber-attacks or technological malfunctions can result in, among other things, financial losses, the inability to process transactions, the unauthorized release of confidential information and reputational risk, all of which would negatively impact our business, financial condition or results of operations*.

Governance

Board Oversight of Cybersecurity Threats

The Board has oversight responsibility for the Company's overall risk management framework. The Board, acting primarily through the Audit Committee, is also responsible for oversight of our risk management practices, including as to cybersecurity, while management is responsible for the day-to-day risk management processes. Through our Chief Executive Officer and other members of management, the Board receives periodic reports regarding the risks facing the Company, including as to cybersecurity risks. In addition, the Audit Committee assists the Board in its oversight role by receiving periodic reports regarding our risk and control environment, including by receiving regular reports regarding cybersecurity risks and initiatives.

Role of Management

Our management and information technology teams, collectively, have decades of experience in the areas of information technology, finance, legal, human resources, data privacy and risk management. Our internal information technology organization, overseen by our Chief Financial Officer (the "CFO"), is responsible for our overall information security strategy, policy, security engineering, operations and cyber threat detection and response. The day-to-day activities of our information technology organization are managed by our current head of information technology director, who has more than 20 years of experience in information technology systems and cybersecurity, including experience in safeguarding and monitoring networks and systems, responding to incidents, and reducing the risk of business exposure. The information technology organization also engages legal and cybersecurity professionals with appropriate subject matter expertise in support of its cybersecurity efforts. The information technology organization manages and continually enhances the Company's enterprise security structure with the goal of preventing cybersecurity incidents to the extent feasible, while simultaneously increasing our system resilience to minimize the business impact should an incident occur.

In the event of a cybersecurity incident, the Company is equipped with an incident response plan that includes: (i) detection and analysis, (ii) containment and eradication, (iii) remediation and (iv) preparation for future incidents. Incident responses will be led by our incident response team and supported by Legal, Compliance and other functions as appropriate. Our CFO provides regular updates to the Audit Committee concerning the Company's technology and cybersecurity programs, associated risks and the Company's efforts to help mitigate those risks.

Item 2. Properties.

Our corporate headquarters is located in Morrisville, North Carolina, and consist of approximately 45,000 square feet of space under a lease that expires on October 31, 2026 and includes an option for us to renew for an additional five years through October 31, 2031, as amended. The primary use of this location is general office, laboratory, research and development and light manufacturing. We believe that our facilities are adequate for our current needs. However, we will continue to seek additional space as needed to accommodate our growth.

Item 3. Legal Proceedings.

For information on our legal proceedings, see Note 15 "Legal Proceedings" included in our financial statements beginning on page F-30 of this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock has been listed on the Nasdaq Capital Market under the symbol "LQDA" since November 19, 2020. Between July 26, 2018 and November 18, 2020, the common stock of Liquidia Technologies, our wholly owned subsidiary and predecessor-in-interest for SEC reporting purposes, was listed on the Nasdaq Capital Market under the symbol "LQDA." Prior to July 26, 2018, there was no established public trading market for our common stock.

Holders

As of March 1, 2024, there were 55 record holders of our common stock, based upon information received from our transfer agent. However, this number does not include beneficial owners whose shares were held of record by nominees or broker dealers. We estimate that there are more than 1,000 beneficial owners of our common stock.

Dividend Policy

We have never paid any cash dividends on our capital stock. We anticipate that we will retain earnings, if any, to support operations and to finance the growth and development of our business. In addition, the terms of our RIFA with HCR precludes us from paying cash dividends, except in certain prescribed circumstances, without the prior written consent of HCR. Therefore, we do not expect to pay cash dividends for the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

Information regarding equity compensation plans is set forth in Item 12 of this Annual Report on Form 10-K and is incorporated herein by reference.

Stock Performance Graph

Not applicable.

Sale of Unregistered Securities

Not applicable.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We did not repurchase any of our securities during the year ended December 31, 2023.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing in this Annual Report on Form 10-K. This discussion and other parts of this Annual Report on Form 10-K contain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. As a result of many factors, including those factors set forth in the "Risk Factors" section of this Annual Report on Form 10-K, our actual results could differ materially from the results described in, or implied by, the forward-looking statements contained in the following discussion and analysis.

Objective

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to provide information necessary to understand our audited consolidated financial statements for the two-year period ended December 31, 2023 and highlight certain other information which, in the opinion of management, will enhance a reader's understanding of our financial condition, changes in financial condition, results of operations, and cash flows. In particular, the discussion is intended to provide an analysis of significant trends and material changes in our financial position and the operating results of our business during the year ended December 31, 2023, as compared to the year ended December 31, 2022. This discussion should be read in conjunction with our consolidated financial statements for the two-year period ended the year ended December 31, 2023 and related notes included elsewhere in this Annual Report on Form 10-K.

Overview

We are a biopharmaceutical company focused on the development, manufacture, and commercialization of products that address unmet patient needs, with current focus directed towards rare cardiopulmonary diseases such as pulmonary arterial hypertension ("PAH") and pulmonary hypertension associated with interstitial lung disease ("PH-ILD"). We operate through our wholly owned operating subsidiaries, Liquidia Technologies, Inc. ("Liquidia Technologies") and Liquidia PAH, LLC ("Liquidia PAH"), formerly known as RareGen, LLC ("RareGen").

We currently generate revenue pursuant to a promotion agreement between Liquidia PAH and Sandoz Inc. ("Sandoz"), dated as of August 1, 2018, as amended (the "Promotion Agreement"), sharing profit derived from the sale of Sandoz's substitutable generic treprostinil injection ("Treprostinil Injection") in the United States. Liquidia PAH has the exclusive rights to conduct commercial activities to encourage the appropriate use of Treprostinil Injection. We employ a targeted sales force calling on physicians and hospital pharmacies involved in the treatment of PAH and PH-ILD in the United States, as well as key stakeholders involved in the distribution and reimbursement of medicines to treat these patients. We established our commercial presence in the field to support Treprostinil Injection, and have since expanded our presence to support the launch of YUTREPIA upon final approval, further validating our reputation as a company committed to supporting PAH and PH-ILD patients.

We conduct research, development and manufacturing of novel products by applying our subject matter expertise in cardiopulmonary diseases and our proprietary PRINT® technology, a particle engineering platform, to enable precise production of uniform drug particles designed to improve the safety, efficacy and performance of a wide range of therapies. Through development of our own products and research with third parties, we have experience applying PRINT across multiple routes of administration and drug payloads including inhaled therapies, vaccines, biologics, nucleic acids and ophthalmic implants, among others.

Our lead product candidate is YUTREPIA for the treatment of PAH and PH-ILD. YUTREPIA is an inhaled dry powder formulation of treprostinil designed with PRINT to improve the therapeutic profile of treprostinil by enhancing deep lung delivery while using a convenient, low effort dry-powder inhaler ("DPI") and by achieving higher dose levels than the labeled doses of current inhaled therapies. In November 2021, the United States Food and Drug Administration ("FDA") tentatively approved our New Drug Application ("NDA") for YUTREPIA for the treatment of PAH. In July 2023, we filed an amendment to our NDA to add PH-ILD to the label for YUTREPIA. Final FDA approval of

YUTREPIA can occur for both PAH and PH-ILD after the new clinical investigation exclusivity granted to Tyvaso in PH-ILD expires on March 31, 2024.

We are also developing L606, an investigational, liposomal formulation of treprostinil administered twice-daily with a short-duration next-generation nebulizer, which we licensed from Pharmosa Biopharm. L606 is currently being evaluated in an open-label study in the United States for treatment of PAH and PH-ILD with a planned pivotal study for the treatment of PH-ILD.

Since our inception, we have incurred significant operating losses. Our net loss was $78.5 million and $41.0 million for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023, we had an accumulated deficit of $429.1 million. We expect to incur significant expenses and operating losses for the foreseeable future as we conduct clinical development of product candidates and seek regulatory approval and prepare for commercialization of any approved product candidates. These efforts require significant amounts of capital, adequate personnel and infrastructure, and extensive compliance-reporting capabilities. Even if our development efforts are successful, it is uncertain when, if ever, we will realize significant revenue from product sales. Additionally, the Revenue Interest Financing Agreement with HealthCare Royalty Partners IV, L.P. ("HCR") dated January 9, 2023, as amended (the "RIFA") contains fixed quarterly payments and minimum cash covenants that require us to maintain cash and cash equivalents in an amount at least equal to $7.5 million during the calendar year beginning on January 1, 2024 and at least equal to $15.0 million for the remainder of the payment term after the calendar year ended December 31, 2024.

Our future funding requirements will be heavily determined by the timing of the potential commercialization of YUTREPIA and the resources needed to support the development of our product candidates. We may require additional capital to fund operations as well as to pursue in-licenses or acquisitions of other product candidates. If we determine we require but are unable to obtain additional funding, we could be required to delay, reduce, or eliminate research and development programs, product portfolio expansion, or future commercialization efforts, which could adversely affect our business prospects, or we may be unable to continue operations.

Although we expect to continue to generate operating losses for the foreseeable future, we believe that based on our current operating plan, excluding any future YUTREPIA product revenue, our cash and cash equivalents will be sufficient to fund operations, capital expenditures, and RIFA quarterly fixed payment requirements and allow us to remain in compliance with our minimum cash covenants pursuant to the RIFA for at least twelve months from the issuance date of these consolidated financial statements. If we have not received full FDA approval and begun product sales of YUTREPIA or are unable to access additional capital by the date of issuance of our second quarter 2024 financial statements, there could be substantial doubt about our ability to continue as a going concern as of that date. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect.

Recent Events

Fourth Amendment to Revenue Interest Financing Agreement

On January 3, 2024, we entered into the Fourth Amendment to the RIFA pursuant to which HCR moved $25.0 million from the third tranche to the second tranche, such that HCR will have funded a total of $35.0 million under the second tranche. The additional $25.0 million from the second tranche was funded on January 4, 2024. The remaining third tranche of $10.0 million and fourth tranche of $22.5 million can be funded in the future upon the mutual agreement of both parties. See Note 12 for further information.

Private Placement

On January 4, 2024, we entered into a Common Stock Purchase Agreement with Legend Aggregator, LP, for the sale by us in a private placement (the "2024 Private Placement") of an aggregate of 7,182,532 shares of our common stock at a purchase price of $10.442 per share. The 2024 Private Placement closed on January 8, 2024, and we received gross proceeds of approximately $75.0 million, before deducting offering costs of less than $0.1 million.

Components of Statements of Operations

Revenue

We primarily generate revenue pursuant to the Promotion Agreement, under which we receive a 50% share in the profit derived from the sale of Treprostinil Injection in the United States. Liquidia PAH has the exclusive rights to conduct commercial activities to encourage the appropriate use of Treprostinil Injection. In May 2021, Liquidia PAH's manufacturing partner, Chengdu Shifeng Medical Technologies LTD ("Chengdu") began selling the RG Cartridge, which may be used to supply medications to PAH patients with the CADD-MS 3 pump manufactured by Smiths Medical ASD, Inc. We are aware of shortages of critical components of the CADD-MS 3 pump that have caused the number of CADD-MS 3 infusion pumps available for the subcutaneous administration of Treprostinil Injection to be limited. Due to this limitation in the availability of pumps, specialty pharmacies are not currently placing new patients on to subcutaneous Treprostinil Injection therapy in order to preserve the available pumps for those patients already receiving subcutaneous administration of Treprostinil Injection. In December 2022, we entered into a Device Development and Supply Agreement (the "Pump Development Agreement") with Mainbridge Health Partners, LLC ("Mainbridge") and Sandoz. The Pump Development Agreement provides for the cooperation between us, Sandoz and Mainbridge to develop a new pump that is suitable for the subcutaneous administration of Treprostinil Injection. Mainbridge will perform all development, validation and testing activities required for the pump and related consumables in anticipation of submitting a 510(k) clearance application for the pump to the FDA in the first half of 2024. Future revenue will continue to be impacted until new components or alternative pumps are available.

Cost of Revenue

Cost of revenue consists of (i) an allocation of the cost of our sales force associated with calling on physicians and hospital pharmacies involved in the treatment of PAH with Treprostinil Injection, as well as key stakeholders involved in the distribution and reimbursement of Treprostinil Injection and (ii) amortization of the intangible asset associated with the Promotion Agreement. We amortize the intangible asset associated with the Promotion Agreement in a manner consistent with our recognition of the related revenue.

Research and Development Expenses

Research and development expenses consist of expenses incurred in connection with the development of our product candidates. We expense research and development costs as incurred. These expenses include:

- expenses incurred under agreements with contract research organizations as well as investigative sites and consultants that conduct our clinical trials and preclinical studies;
- manufacturing process development and scale-up expenses and the cost of acquiring and manufacturing preclinical and clinical trial materials and commercial materials unless objective and persuasive evidence exists that regulatory approval subsequent commercialization of a product candidate is probably and where we also expect the future economic benefit from the sales of the product candidate to be realized;
- outsourced professional scientific development services;
- employee-related expenses, which include salaries, benefits and stock-based compensation for personnel in research and development functions;
- expenses relating to regulatory activities, including filing fees paid to regulatory agencies;
- laboratory materials and supplies used to support our research activities;

- costs of acquired product licenses and related technology rights where there is no alternative future use; and
- allocated facility-related costs.

Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. In the near term we expect that our research and development expenses to increase as we complete manufacturing activities, conduct existing clinical trials, and initiate potential clinical trials. However, levels of research and development spending are highly dependent upon the selection and progression of product candidates. The successful development of our product candidates is highly uncertain. At this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the remainder of the development of, or when, if ever, material net cash inflows may commence from any of our product candidates. This uncertainty is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials, which vary significantly over the life of a project as a result of many factors, including:

- the number of clinical sites included in the trials;
- the length of time required to enroll suitable patients;
- the number of patients that ultimately participate in the trials;
- the number of doses patients receive;
- the duration of patient follow-up; and
- the results of our clinical trials.

Our expenditures are subject to additional uncertainties, including the terms and timing of regulatory approvals. We may never succeed in achieving regulatory approval for any of our product candidates. We may obtain unexpected results from our clinical trials. We may elect to discontinue, delay or modify clinical trials of some product candidates or focus on others. A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, if the FDA or other regulatory authorities were to require us to conduct clinical trials beyond those that we currently anticipate, or if we experience significant delays in enrollment in any of our clinical trials, or our ability to manufacture and supply product, we could be required to expend significant additional financial resources and time on the completion of clinical development. Drug commercialization can take several years and millions of dollars in development costs.

General and Administrative Expenses

General and administrative expenses consist principally of salaries and related costs for personnel in executive, administrative, finance and legal functions, including stock-based compensation. Other general and administrative expenses include facility-related costs, patent filing and prosecution costs and professional fees for marketing, legal, auditing and tax services and insurance costs.

Other Income (Expense)

Other income (expense) is comprised of interest income and expense and loss on extinguishment of debt. Interest income consists of interest earned on our cash equivalents. Interest expense consists of interest charges on the revenue interest financing payable, finance leases and long-term debt. These charges include monthly recurring interest on such obligations in addition to interest accretion and amortization of debt discounts and issuance costs to interest expense.

Comparison of the Years Ended December 31, 2023 and 2022

The following table summarizes our results of operations:

	Year Ended December 31,		$ Change	% Change
	2023	2022		
Revenue	$ 17,488	$ 15,935	$ 1,553	10 %
Costs and expenses:				
Cost of revenue	2,888	2,859	29	1 %
Research and development	43,242	19,435	23,807	122 %
General and administrative	44,742	32,411	12,331	38 %
Total costs and expenses	90,872	54,705	36,167	66 %
Loss from operations	(73,384)	(38,770)	(34,614)	89 %
Other income (expense):				
Interest income	3,466	1,090	2,376	218 %
Interest expense	(6,273)	(2,338)	(3,935)	168 %
Loss on extinguishment of debt	(2,311)	(997)	(1,314)	132 %
Total other expense, net	(5,118)	(2,245)	(2,873)	128 %
Net loss and comprehensive loss	$ (78,502)	$ (41,015)	$ (37,487)	91 %

Revenue

Revenue was $17.5 million for the year ended December 31, 2023, compared with $15.9 million for the year ended December 31, 2022. Revenue related primarily to the Promotion Agreement. The increase of $1.6 million was primarily due to favorable gross-to-net chargeback, rebate, and managed care adjustments offset by the impact of lower sales quantities as compared to the prior year.

Cost of Revenue

Cost of revenue was $2.9 million for the year ended December 31, 2023, compared with $2.9 million for the year ended December 31, 2022. Cost of revenue related to the Promotion Agreement as noted above. During the fourth quarter of 2024, our sales force expanded in size, however, this increase was offset by a decrease in amortization.

Research and Development Expenses

Research and development expenses were $43.2 million for the year ended December 31, 2023 compared with $19.4 million for the year ended December 31, 2022. The increase of $23.8 million or 122% was driven largely by the $10.0 million upfront license fee payment to Pharmosa for the exclusive license in North America to develop and commercialize L606. We incurred an additional $2.6 million in expenses related to our L606 program during the year ended December 31, 2023. Expenses related to our YUTREPIA program increased by $6.3 million from $6.7 million during the year ended December 31, 2022 to $13.0 million during the year ended December 31, 2023 primarily due to increased manufacturing activities related to pre-launch commercial supply and the startup of our ASCENT study during 2023. Personnel and consulting expenses, including stock compensation expense, increased $5.1 million primarily due to increased headcount to support the potential commercialization of YUTREPIA.

General and Administrative Expenses

General and administrative expenses were $44.7 million for the year ended December 31, 2023, compared with $32.4 million for the year ended December 31, 2022. The increase of $12.3 million or 38% was primarily due to a $9.8 million increase in personnel and consulting expenses, including stock-based compensation, and a $1.4 million increase in commercial expenses in preparation for the potential commercialization of YUTREPIA.

Other Income (Expense)

Total other expense, net was $5.1 million for the year ended December 31, 2023, compared with $2.2 million for the year ended December 31, 2022. The increase of $2.9 million was primarily due to a $3.9 million increase in interest expense attributable to the higher borrowings under the RIFA as compared to balances outstanding under the A&R SVB LSA and a $1.3 million increase in loss on extinguishment of debt due offset by a $2.4 million increase in interest income attributable to higher money market yields. The year ended December 31, 2023 included a $2.3 million loss on extinguishment of debt related to repayment of the A&R SVB LSA in January 2023. The year ended December 31, 2022 included a $1.0 million loss on extinguishment of debt related to the refinance of our long-term debt with SVB in January 2022.

Liquidity and Capital Resources

Sources of Liquidity

We have financed our growth and operations through a combination of funds generated from revenues, the issuance of convertible preferred stock and common stock, bank borrowings, the issuance of convertible notes, and revenue interest financing. Our principal uses of cash have been for working capital requirements and capital expenditures. As of December 31, 2023, we had cash and cash equivalents of $83.7 million, stockholders' equity of $47.3 million, and an accumulated deficit of $429.1 million.

In January 2024, we sold 7,182,532 shares of our common stock in a private placement (the "2024 Private Placement") at a purchase price of $10.442 per share for gross proceeds of approximately $75.0 million, before deducting offering expenses of less than $0.1 million.

In December 2023, we sold 3,491,620 shares of our common stock in an underwritten registered public offering at an offering price of $7.16 per share for gross proceeds of approximately $25.0 million, before deducting offering costs of approximately $1.9 million.

In December 2023, we also entered into a common stock purchase agreement with Roger Jeffs, our Chief Executive Officer, for the sale by us in a private placement of an aggregate of 139,665 shares of our common stock at a purchase price of $7.16 per share for gross proceeds of approximately $1.0 million.

In January 2023, we entered into a Revenue Interest Financing Agreement with HealthCare Royalty Partners IV, L.P. ("HCR"), as amended (the "RIFA"), pursuant to which HCR has agreed to pay us an aggregate investment amount of up to $100.0 million (the "Investment Amount"). $32.5 million of the Investment Amount was funded on January 27, 2023 (the "Initial Investment Amount"), $22.2 million of which was used to satisfy in full and retire the Company's indebtedness with Silicon Valley Bank with the excess proceeds funded to the Company. An additional $10.0 million of the Investment Amount was funded on July 27, 2023 (the "Second Tranche Amount"), which was used to fund payment of the $10.0 million upfront license fee due under the Pharmosa License Agreement. $25.0 million of the Investment Amount was funded on January 4, 2024. See "Recent Events" above for further information.

In April 2022, we sold 11,274,510 shares of our common stock in an underwritten registered public offering at an offering price of $5.10 per share for net proceeds of approximately $54.5 million from the sale of the shares, after deducting the underwriting discounts and commissions and other offering expenses.

Future Funding Requirements

Prior to the potential FDA approval of YUTREPIA and until such time as we can generate significant revenues from its sale, if ever, we anticipate we will incur net losses and negative cash flows. We plan to focus in the near-term on preparations for the potential commercial launch of YUTREPIA, continuing promotion of Treprostinil Injection, investing in research and development efforts for our YUTREPIA and L606 programs, and expanding our corporate infrastructure. We may not be able to complete the development and initiate commercialization of these programs if,

among other things, our clinical trials are not successful or if the FDA does not approve our product candidates when we expect, or at all.

Our primary uses of capital are, and we expect will continue to be, compensation and related personnel expenses, clinical costs, manufacturing process development costs, external research and development services, laboratory and related supplies, regulatory expenses, legal costs, administrative and overhead costs and repayments under the RIFA. We also expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution as we prepare to potentially receive regulatory approval for YUTREPIA. Our future funding requirements will be heavily determined by the timing of the potential commercialization of YUTREPIA and the resources needed to support the development of our product candidates.

We may raise additional capital through licensing activities, other business arrangements or the sale of equity or convertible debt securities. In such an event, the ownership of our existing shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights associated with holdings of our common stock.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceuticals, we are unable to estimate the exact amount of our working capital requirements. Our future funding requirements will depend on many factors, including:

- the number and characteristics of the product candidates we pursue;
- the scope, progress, results and costs of researching and developing our product candidates, and conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining regulatory approvals for our product candidates;
- the cost of manufacturing our product candidates and any product we successfully commercialize;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims, including litigation costs and the outcome of such litigation; and
- the timing, receipt and amount of sales of, or milestone payments related to or royalties on, our current or future product candidates, if any.

See “Risk Factors” for additional risks associated with our substantial capital requirements.

Cash Flows

The following table summarizes our sources and uses of cash:

	Year Ended December 31,	
	2023	2022
Net cash provided by (used in):		
Operating activities	$ (41,564)	$ (28,588)
Investing activities	(11,288)	(587)
Financing activities	43,248	64,964
Net increase (decrease) in cash and cash equivalents	$ (9,604)	$ 35,789

Operating Activities

Net cash used in operating activities increased $13.0 million to $41.6 million for the year ended December 31, 2023, from $28.6 million for the year ended December 31, 2022. The increase was primarily due to $21.0 million higher net loss adjusted for non-cash items offset by unfavorable working capital changes of $8.0 million.

Investing Activities

Net cash used in investing activities was $11.3 million for the year ended December 31, 2023 compared to $0.6 million for the year ended December 31, 2022. During the year ended December 31, 2023, we made a $10.0 million upfront license fee payment to Pharmosa for the exclusive license in North America to develop and commercialize L606 and paid $1.3 million for the acquisition of property, plant and equipment. During the year ended December 31, 2022, net cash used in investing activities related to property, plant and equipment purchases.

Financing activities

Net cash provided by financing activities was $43.2 million during the year ended December 31, 2023 compared with $65.0 million provided by financing activities the year ended December 31, 2022. During the year ended December 31, 2023, we received $41.7 million net proceeds from the revenue interest financing agreement of which $22.2 million was used to repay existing indebtedness with Silicon Valley Bank, $24.2 million aggregate net proceeds from the sale of common stock in a public offering and a public private placement, and $1.2 million from the issuance of common stock under stock incentive plans. These inflows were offset by $1.7 million in payments under the RIFA and $0.1 million in principal payments on our finance leases. During the year ended December 31, 2022, we received $54.5 million net proceeds from the sale of common stock, $9.3 million excess proceeds from the refinancing of long-term debt, and $1.1 million from the issuance of common stock under stock incentive plans.

Contractual Obligations and Commitments

Milestone and Royalty Obligations

Under the UNC License Agreement, the Company is obligated to pay UNC royalties equal to a low single digit percentage of all net sales of drug products whose manufacture, use or sale includes any use of the technology or patent rights covered by the UNC License Agreement, including YUTREPIA.

In March 2012, we entered into an agreement, as amended, with Chasm Technologies, Inc. for manufacturing consulting services related to our manufacturing capabilities during the term of the agreement. We agreed to pay future contingent milestones and royalties, totaling no more than $1.5 million, $0.2 million of which was accrued as of December 31, 2023.

In December 2022, we entered into a Device Development and Supply Agreement (the “Pump Development Agreement”) with Mainbridge Health Partners, LLC (“Mainbridge”) and Sandoz Inc. (“Sandoz”). The Pump Development Agreement provides for the cooperation between us, Sandoz and Mainbridge to develop a new pump that is suitable for the subcutaneous administration of Treprostinil Injection. Mainbridge will perform all development, validation and testing activities required for the pump and related consumables in anticipation of submitting a 510(k) clearance application for the pump to the FDA in the first half of 2024. In connection with the Pump Development Agreement, we and Sandoz have agreed to pay Mainbridge certain future contingent milestone payments in accordance with the terms and conditions set forth therein.

In June 2023, we entered into a License Agreement with Pharmosa Biopharm Inc. (“Pharmosa”) pursuant to which we were granted an exclusive license in North America to develop and commercialize L606, an inhaled, sustained-release formulation of treprostinil currently being evaluated in a clinical trial for the treatment of pulmonary arterial hypertension (PAH) and pulmonary hypertension associated with interstitial lung disease (PH-ILD), and a non-exclusive license for the manufacture, development and use (but not commercialization) of such licensed product in most countries outside North America. In consideration for these exclusive rights, we will pay Pharmosa potential development

milestone payments tied to PAH and PH-ILD indications of up to $30 million, potential sales milestones of up to $185 million and two tiers of low, double-digit royalties on net sales of L606. Pharmosa will also receive a $10 million milestone payment for each additional indication approved after PAH and PH-ILD and each additional product approved under the license.

Purchase Obligations

We enter into contracts in the normal course of business with contract service providers to assist in the performance of our research and development and manufacturing activities. Subject to required notice periods and our obligations under binding purchase orders, we can elect to discontinue the work under these agreements at any time.

On July 14, 2023, the Company entered into an Amended and Restated Commercial Manufacturing Services and Supply Agreement with Lonza Tampa LLC. Pursuant to the terms of the Agreement, Lonza provides us with manufacturing and storage services for YUTREPIA inhalation powder. We will deliver bulk treprostinil powder, manufactured using our proprietary PRINT® technology, and Lonza will encapsulate and package the Product. Under the terms of the Agreement, we have agreed that upon any Termination for FDA Rejection or Termination for FDA Delay, we would reimburse Lonza for 50% of its documented out-of-pocket expenditures for any capital equipment that is purchased by Lonza after the effective date of the Agreement to perform the services for us, not to exceed $2.5 million in the aggregate. As of December 31, 2023, we had non-cancelable commitments with Lonza Tampa LLC for product manufacturing costs of approximately $4.1 million for the year ending December 31, 2024.

In addition, we have entered into a multi-year supply agreement with LGM Pharma, LLC ("LGM") to produce active pharmaceutical ingredients for YUTREPIA. Under our supply agreement with LGM, we are required to provide rolling forecasts, a portion of which will be considered a binding, firm order, subject to an annual minimum purchase commitment of $2.7 million for the term of the agreement. As of December 31, 2023, we have incurred and paid the full annual purchase commitment for 2023 of $2.7 million. The agreement expires five years from the first marketing authorization approval of YUTREPIA.

Concurrently with the execution of the Pharmosa License Agreement, we also entered into an Asset Transfer Agreement with Pharmosa pursuant to which Pharmosa will transfer its inventory of physical materials.

Lease Obligations

We have operating lease obligations including rental amounts due on leases of certain laboratory, manufacturing and office space and equipment under the terms of non-cancelable operating leases. These leases expire at various times through October 2026. Minimum operating lease payments are $1.3 million in 2024, $1.4 million in 2025, and $1.2 million in 2026.

Other Obligations and Contingencies

We from time-to-time are subject to claims and litigation in the normal course of business, none of which we believe represent a risk of material loss or exposure.

We also have employment agreements with certain employees which require the funding of a specific level of payments, if certain events, such as a change in control or termination without cause, occur.

Critical Accounting Estimates

We prepare our consolidated financial statements in conformity with U.S. GAAP. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates and assumptions.

While we describe our significant accounting policies in Note 2 to the consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K, we have identified the following critical accounting estimates:

Research and Development Expenses

As part of the process of preparing our consolidated financial statements, we are required to estimate our incurred expenses. This process involves reviewing quotations and contracts, identifying services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of the actual cost. The majority of our service providers invoice us monthly in arrears for services performed or when contractual milestones are met. We make estimates of our accrued expenses as of each balance sheet date in our consolidated financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of our estimates with the service providers and make adjustments if necessary. The significant estimates in our accrued research and development expenses are related to expenses incurred with respect to CROs, CMOs and other vendors in connection with research and development and manufacturing activities.

We base our expenses related to CROs and CMOs on our estimates of the services received and efforts expended pursuant to quotations and contracts with such vendors that conduct research and development and manufacturing activities on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the applicable research and development or manufacturing expense. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or prepaid expense accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and could result in us reporting amounts that are too high or too low in any particular period. There have been no material changes in estimates for the periods presented within this Annual Report on Form 10-K.

Revenue Interest Financing Agreement

We recognized a liability related to amounts received in January 2023 and July 2023 pursuant to the RIFA with HCR under ASC 470-10, Debt and ASC 835-30 Interest - Imputation of Interest. The liability will be accreted under the effective interest method based upon the estimated amount of future payments to be made pursuant to the RIFA. The issuance costs were recorded as a deduction to the carrying amount of the liability and will be amortized under the effective interest method over the estimated period in which the liability will be repaid. If the timing or amounts of any estimated future payments change, we will prospectively adjust the effective interest and the related amortization of the liability and related issuance costs. A significant increase or decrease in these estimates could materially impact the liability balance and related interest expense. There were no significant changes to the effective interest rate since initial recognition of the liability.

Smaller Reporting Company

As a “smaller reporting company,” as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, in addition to providing reduced disclosure about our executive compensation arrangements and business developments, among other reduced disclosure requirements available to smaller reporting companies, we present only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure. Accordingly, the information contained herein may be different from the information you receive from other public companies in which you hold stock.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 8. Financial Statements and Supplementary Data.

Our financial statements required to be filed pursuant to this Item 8 appear in a separate section of this Annual Report on Form 10-K, beginning on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Limitations on Effectiveness of Controls

Management recognizes that a control system, no matter how well designed 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 benefits 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 or error, if any, have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of its inherent limitations, misstatements due to error or fraud may occur and not be prevented or detected.

Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

As of December 31, 2023, management, with the participation of the Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2023, the end of the period covered by this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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 Exchange Act Rule 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, with the participation of the Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the Company’s internal control over financial reporting as of December 31, 2023 based

on the framework in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation under the framework in Internal Control — Integrated Framework (2013), management concluded that the Company's internal control over financial reporting was effective as of December 31, 2023.

Attestation Report of the Independent Registered Public Accounting Firm

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm due to an exemption from such requirement for smaller reporting companies.

Item 9B. Other Information.

During the fourth quarter of 2023, the following Rule 10b5-1 trading arrangements (as defined in Item 408(a)(1)(i) of Regulation S-K) and non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K) intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act were adopted or terminated by our directors and/or executive officers (as defined in Section 16 of the Exchange Act):

Name	Title	Date of Adoption of Rule 10b5-1 Trading Arrangement[1]	Scheduled Expiration Date of Rule 10b5-1 Trading Arrangement	Aggregate Number of Securities to Be Sold
Roger A. Jeffs, Ph.D.	Chief Executive Officer and Director	12/15/2023[2]	Until final settlement of any covered RSU or PSU	Indeterminable[3]
Michael Kaseta	Chief Operating Officer and Chief Financial Officer	12/15/2023[2]	Until final settlement of any covered RSU or PSU	Indeterminable[3]
Russell Schundler	General Counsel and Secretary	12/15/2023[2]	Until final settlement of any covered RSU or PSU	Indeterminable[3]
Rajeev Saggar, M.D.	Chief Medical Officer	12/15/2023[2]	Until final settlement of any covered RSU or PSU	Indeterminable[3]
Scott Moomaw	Chief Commercial Officer	12/15/2023[2]	Until final settlement of any covered RSU or PSU	Indeterminable[3]
Jason Adair	Chief Business Officer	12/15/2023[2]	Until final settlement of any covered RSU or PSU	Indeterminable[3]

(1) Date of adoption of Rule 10b5-1 trading arrangements is in accordance with both the Company's insider trading policy and applicable SEC rules and regulations.

(2) The first trade pursuant to the Rule 10b5-1 trading arrangement will be, in accordance with both the Company's insider trading policy and applicable SEC rules and regulations, on a date after the date of adoption of the Rule 10b5-1 trading arrangement.

(3) The number of shares of common stock subject to covered restricted stock units ("RSUs") or performance stock units ("PSUs") that will be sold to satisfy applicable tax withholding obligations upon vesting is unknown as the number will vary based on the extent to which vesting conditions are satisfied, the market price of our common stock at the time of settlement and the potential future grant of additional RSUs or PSUs subject to this arrangement. This trading arrangement, which applies to RSUs or PSUs whether vesting is based on the passage of time and/or the achievement of performance goals, provides for the automatic sale of shares that would otherwise be issuable on each settlement date of a covered RSU or PSU in an amount sufficient to satisfy the applicable withholding obligation, with the proceeds of the sale delivered to us in satisfaction of the applicable withholding obligation.

During the fourth quarter of 2023, the Company did not adopt or terminate a Rule 10b5-1 trading arrangement (as defined in Item 408(a)(1)(i) of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information required to be disclosed by this Item with respect to our executive officers is incorporated into this Annual Report on Form 10-K by reference from the section entitled "Executive Officers and Director and Officer Compensation: Executive Officers" contained in our definitive proxy statement for our 2024 annual meeting of stockholders, which we intend to file within 120 days of the end of our fiscal year ended December 31, 2023.

Information required to be disclosed by this Item about our Board is incorporated into this Annual Report on Form 10-K by reference from the section entitled "The Class III Director Election Proposal" contained in our definitive proxy statement for our 2024 annual meeting of stockholders, which we intend to file within 120 days of the end of our fiscal year ended December 31, 2023.

Information required to be disclosed by this Item about the Section 16(a) compliance of our directors and executive officers is incorporated into this Annual Report on Form 10-K by reference from the section entitled "Delinquent Section 16(a) Reports" contained in our definitive proxy statement for our 2024 annual meeting of stockholders, if applicable, which we intend to file within 120 days of the end of our fiscal year ended December 31, 2023.

Information required to be disclosed by this Item about our Board, the Audit Committee of our Board, our audit committee financial expert, our code of conduct, as amended, or our Code of Conduct, and other corporate governance matters is incorporated into this Annual Report on Form 10-K by reference from the section entitled "Liquidia Corporate Governance" contained in our definitive proxy statement for our 2024 annual meeting of stockholders, which we intend to file within 120 days of the end of our fiscal year ended December 31, 2023.

The text of our Code of Conduct, which applies to our directors and employees (including our principal executive officer, principal financial officer, and principal accounting officer or controller, and persons performing similar functions), is posted in the "Corporate Governance" section of the Investors section of our website, www.liquidia.com. A copy of the Code of Conduct can be obtained free of charge on our website. We intend to disclose on our website any amendments to, or waivers from, our Code of Conduct that are required to be disclosed pursuant to the rules of the SEC and The Nasdaq Stock Market.

The information presented on our website is not a part of this Annual Report on Form 10-K and the reference to our website is intended to be an inactive textual reference only.

Item 11. Executive Compensation.

Information required to be disclosed by this Item is incorporated into this Annual Report on Form 10-K by reference from the section entitled "Executive Officers and Director and Officer Compensation" contained in our definitive proxy statement for our 2024 annual meeting of stockholders, which we intend to file within 120 days of the end of our fiscal year ended December 31, 2023.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth certain information regarding our equity compensation plans as of December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights(1)	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	7,903,175 (2)	$ 5.14	779,474 (3)
Equity compensation plans not approved by security holders	1,670,762 (4)	$ 3.22	26,650
Total	9,573,937 (2)	$ 4.80	806,124

(1) Represents the weighted-average exercise price of outstanding stock options only.

(2) Includes an aggregate of (i) 434,891 option shares assumed by Liquidia Corporation under the Liquidia Technologies, Inc. 2018 Long-Term Incentive Plan, (ii) 135,574 option shares assumed by Liquidia Corporation under the Liquidia Technologies, Inc. 2016 Equity Incentive Plan, as amended, and (iii) 83,188 option shares assumed by Liquidia Corporation under the Liquidia Technologies, Inc. Stock Option Plan, as amended.

(3) Includes an aggregate of (i) 72,337 shares available for issuance under the Liquidia Corporation 2020 Long-Term Incentive Plan (the "2020 Plan"). On January 1, 2024, an additional 2,745,183 shares of common stock were added to the shares authorized for issuance under the 2020 Plan, pursuant to an "evergreen" provision contained therein. Pursuant to such provision, on January 1 of each year through 2030, the number of shares authorized for issuance under the 2020 Plan is automatically increased by a number equal to four percent of the outstanding shares of common stock as of the end of our immediately preceding fiscal year, or any lesser number of shares of common stock determined by our Board or Compensation Committee of our Board and (ii) 707,137 shares available for issuance under the Liquidia Corporation 2020 Employee Stock Purchase Plan ("ESPP"). On January 1, 2024 an additional 150,000 shares of common stock were added to the shares authorized for issuance under the ESPP, pursuant to an "evergreen" provision contained therein. Pursuant to such provision, on January 1 of each year through 2030, the number of shares authorized for issuance under the ESPP is automatically increased by the lesser of (a) 1.0% of the number of shares of common stock issued and outstanding on the immediately preceding December 31, (b) 150,000 shares, or (c) an amount determined by the Board of Directors.

(4) Includes an aggregate of (i) 1,392,362 nonstatutory stock option shares with an exercise price equal to $3.00 granted to Damian deGoa, our former Chief Executive Officer and a current director, on December 14, 2020 (the "deGoa Option"), which remain outstanding and exercisable during Mr. deGoa's Board tenure, and (ii) 278,400 nonstatutory stock option shares issued under the Liquidia Corporation 2022 Inducement Plan. These options shares were granted outside of the 2020 Plan as an inducement material to acceptance of employment with our company and are subject to nonstatutory stock option agreements. The options were approved by the Compensation Committee of the Board in compliance with and in reliance on Nasdaq Listing Rule 5635(c)(4).

The remaining information required to be disclosed by this Item is incorporated into this Annual Report on Form 10-K by reference from the sections entitled "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" contained in our definitive proxy statement for our 2024 annual meeting of stockholders, which we intend to file within 120 days of the end of our fiscal year ended December 31, 2023.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required to be disclosed by this Item is incorporated in this Annual Report on Form 10-K by reference from the sections entitled “Certain Relationships and Related Party Transactions” and “Liquidia Corporate Governance” contained in our definitive proxy statement for our 2024 annual meeting of stockholders, which we intend to file within 120 days of the end of our fiscal year ended December 31, 2023.

Item 14. Principal Accounting Fees and Services.

The information required to be disclosed by this Item is incorporated into this Annual Report on Form 10-K by reference from the section entitled “Principal Accounting Fees and Services” contained in our definitive proxy statement for our 2024 annual meeting of stockholders, which we intend to file within 120 days of the end of our fiscal year ended December 31, 2023.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

Financial Statement Schedules

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

(1) Financial Statements.

(2) Financial Statement Schedules.

All schedules are omitted as the information required is inapplicable or the information is presented in the consolidated financial statements or the related notes.

(3) Exhibits.

See Exhibit Index below.

(b) The following exhibits are filed as part of this Annual Report on Form 10-K.

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of June 29, 2020, by and among the Company, Liquidia Technologies, Inc., RareGen, LLC, Gemini Merger Sub I, Inc., Gemini Merger Sub II, LLC and PBM RG Holdings, LLC (incorporated by reference to Exhibit 2.1 of the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
2.2	Limited Waiver and Modification to Agreement and Plan of Merger, dated as of August 3, 2020, by and among the Company, Liquidia Technologies, Inc., RareGen, LLC, Gemini Merger Sub I, Inc., Gemini Merger Sub II, LLC and PBM RG Holdings, LLC (incorporated by reference to Exhibit 2.2 of the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
3.1	Certificate of Incorporation of Liquidia Corporation (incorporated by reference to Exhibit 3.1 of the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
3.2	Certificate of Amendment of Certificate of Incorporation of Liquidia Corporation (incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q, filed with the SEC on August 10, 2023).
3.3	Bylaws of Liquidia Corporation (incorporated by reference to Exhibit 3.2 of the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
4.1	Form of Specimen Common Stock Certificate of Liquidia Corporation (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
4.2	Form of Warrant to Purchase Shares of Preferred Stock, issued by Liquidia Technologies, Inc. in January 2017 and February 2017 (incorporated by reference to Exhibit 4.4 to Liquidia Technologies, Inc.'s Registration Statement on Form S-1, filed with the SEC on June 28, 2018).

4.3	Warrant to Purchase Stock, issued February 26, 2021, by Liquidia Corporation to Silicon Valley Bank (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 3, 2021).
4.4	Warrant to Purchase Stock, dated as of January 7, 2022, by and between Liquidia Corporation and Silicon Valley Bank (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 11, 2022).
4.5	Warrant to Purchase Stock, dated as of January 7, 2022, by and between Liquidia Corporation and SVB Innovation Credit Fund VIII, L.P. (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, filed with the SEC on January 11, 2022).
4.6	Warrant to Purchase Stock, dated as of January 7, 2022, by and between Liquidia Corporation and Innovation Credit Fund VIII-A L.P. (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K, filed with the SEC on January 11, 2022).
4.7*	Description of Securities of the Company.
10.1#	Liquidia Technologies, Inc. Stock Option Plan (2004), as amended, and forms of award agreements thereunder (incorporated by reference to Exhibit 10.1 to Liquidia Technologies, Inc.'s Annual Report on Form 10-K, filed with the SEC on February 26, 2019).
10.2#	Liquidia Technologies, Inc. 2016 Equity Incentive Plan, as amended, and forms of award agreements thereunder (incorporated by reference to Exhibit 10.2 to Liquidia Technologies, Inc.'s Registration Statement on Form S-1, filed with the SEC on June 28, 2018).
10.3#	Liquidia Technologies, Inc. 2018 Long-Term Incentive Plan, and forms of award agreements thereunder (incorporated by reference to Exhibit 99.3 to Liquidia Technologies, Inc.'s Registration Statement on Form S-8, filed with the SEC on July 26, 2018).
10.4#***	Liquidia Corporation 2020 Long-Term Incentive Plan.
10.5#	Amendment to the Liquidia Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 17, 2022).
10.6#***	Form of Restricted Stock Units Agreement under the Liquidia Corporation 2020 Long-Term Incentive Plan.
10.7#***	Form of Restricted Stock Units Agreement (Performance-Based) under the Liquidia Corporation 2020 Long-Term Incentive Plan.
10.8#***	Form of Incentive Stock Option Agreement under the Liquidia Corporation 2020 Long-Term Incentive Plan.
10.9#***	Form of Non-Qualified Stock Option Agreement under the Liquidia Corporation 2020 Long-Term Incentive Plan.
10.10#	Liquidia Corporation 2022 Inducement Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 31, 2022).
10.11#	Form of Stock Option Grant Notice and Stock Option Agreement under the Liquidia Corporation 2022 Inducement Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on January 31, 2022).
10.12#	Form of Indemnification Agreement with the Company's executive officers and directors (incorporated by reference to Exhibit 10.2 to the Company's Current Report on 8-K12B, filed with the SEC on November 18, 2020).
10.13	Litigation Funding and Indemnification Agreement, dated as of November 17, 2020, by and between RareGen, LLC and PBM RG Holdings, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K12B, filed with the SEC on November 18, 2020).
10.14	Purchase Agreement by and between Liquidia Corporation and Roger Jeffs, dated December 12, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on December 14, 2023).
10.15	Common Stock Purchase Agreement, dated as of January 4, 2024, by and between Liquidia Corporation and the Purchaser (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on January 8, 2024).
10.16	Registration Rights Agreement, dated as of January 4, 2024, by and between Liquidia Corporation and the Purchaser (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on January 8, 2024).

10.17++	Revenue Interest Financing Agreement, dated as of January 9, 2023, by and among Liquidia Technologies, Inc., Healthcare Royalty Partners IV, L.P., and HCR Collateral Management, LLC (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K, filed with the SEC on March 20, 2023).
10.18	First Amendment to Revenue Interest Financing Agreement, dated as of April 17, 2023, by and among Liquidia Technologies, Inc., Healthcare Royalty Partners IV, L.P., and HCR Collateral Management, LLC. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 8, 2023).
10.19++***	Second Amendment to Revenue Interest Financing Agreement, dated as of June 28, 2023, by and between Liquidia Technologies, Inc. and Healthcare Royalty Partners IV, L.P.
10.20++***	Third Amendment to Revenue Interest Financing Agreement, dated as of July 27, 2023, by and between Liquidia Technologies, Inc. and Healthcare Royalty Partners IV, L.P.
10.21++	Fourth Amendment to Revenue Interest Financing Agreement, dated as of January 3, 2024, by and between Liquidia Technologies, Inc. and Healthcare Royalty Partners IV, L.P. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 8, 2024).
10.22	Research License Agreement, dated as of March 31, 2023, by and between Liquidia Technologies, Inc. and Glaxo Group Limited. (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 8, 2023).
10.23+	Amended and Restated License Agreement, dated as of December 15, 2008, by and between Liquidia Technologies, Inc. and The University of North Carolina at Chapel Hill (incorporated herein by reference to Exhibit 10.17 to Liquidia Technologies, Inc.'s Registration Statement on Form S-1, filed with the SEC on June 28, 2018).
10.24+	First Amendment to Amended and Restated License Agreement, dated as of June 8, 2009, by and between Liquidia Technologies, Inc. and The University of North Carolina at Chapel Hill (incorporated herein by reference to Exhibit 10.18 to Liquidia Technologies, Inc.'s Registration Statement on Form S-1, filed with the SEC on June 28, 2018).
10.25	6th Amendment to Amended and Restated License Agreement, dated as of June 10, 2016, by and between Liquidia Technologies, Inc. and The University of North Carolina at Chapel Hill (incorporated herein by reference to Exhibit 10.19 to Liquidia Technologies, Inc.'s Registration Statement on Form S-1, filed with the SEC on June 28, 2018).
10.26+	Manufacturing Development and Scale-up Agreement, dated as of March 19, 2012, by and between Liquidia Technologies, Inc. and Chasm Technologies, Inc. (incorporated herein by reference to Exhibit 10.20 to Liquidia Technologies, Inc.'s Registration Statement on Form S-1, filed with the SEC on June 28, 2018).
10.27+	1st Amendment to Manufacturing Development and Scale up Agreement, dated as of May 25, 2017, by and between Liquidia Technologies, Inc. and Chasm Technologies, Inc. (incorporated herein by reference to Exhibit 10.21 to Liquidia Technologies, Inc.'s Registration Statement on Form S-1, filed with the SEC on June 28, 2018).
10.28#	Nonstatutory Stock Option Inducement Award Agreement, dated as of December 15, 2020, by and between the Company and Damian deGoa (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on December 16, 2020).
10.29#	Separation Agreement and General Release, dated as of January 31, 2022, by and between Liquidia Technologies, Inc. and Damian deGoa (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on February 4, 2022).
10.30#	Executive Employment Agreement, dated as of January 3, 2022, by and between Liquidia Corporation and Roger A. Jeffs, Ph.D. (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 4, 2022).
10.31#	Executive Employment Agreement, dated as of November 30, 2020, by and between Liquidia Technologies, Inc. and Michael Kaseta (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on December 1, 2020).
10.32#	Executive Employment Agreement, dated as of June 13, 2022, by and between Liquidia Technologies, Inc. and Rajeev Saggar (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 22, 2022).

10.33	Cooperation Agreement by and among the Company, Liquidia Technologies, Inc., PBM Capital Finance, LLC and PD Joint Holdings, LLC Series 2016-A, dated as of June 29, 2020 (incorporated by reference to Exhibit 10.5 of the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
10.34	Cooperation Agreement by and among the Company, Liquidia Technologies, Inc. and Serendipity BioPharma LLC, dated as of June 29, 2020 (incorporated by reference to Exhibit 10.6 of the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
10.35#	Liquidia Corporation 2020 Employee Stock Purchase Plan (incorporated herein by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
10.36#	Amendment No. 1 to the Liquidia Corporation 2020 Employee Stock Purchase Plan (incorporated herein by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K, filed with the SEC on March 17, 2022).
10.37#	Liquidia Corporation Annual Cash Bonus Plan (incorporated herein by reference to Exhibit 10.32 to the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
10.38#	Liquidia Corporation Executive Severance and Change in Control Plan (incorporated herein by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K, filed with the SEC on March 25, 2021).
10.39	Lease Agreement, dated as of June 29, 2007, by and between Liquidia Technologies, Inc. and Durham KTP Tech 4, LLC, as amended (incorporated herein by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
10.40++	Promotion Agreement, dated as of August 1, 2018, by and between RareGen, LLC and Sandoz Inc. (incorporated herein by reference to Exhibit 10.36 to the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
10.41++	First Amendment to Promotion Agreement, dated as of May 8, 2020, by and between RareGen, LLC and Sandoz Inc. (incorporated herein by reference to Exhibit 10.37 to the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
10.42	Second Amendment to Promotion Agreement, dated as of September 4, 2020, by and between RareGen, LLC and Sandoz Inc. (incorporated herein by reference to Exhibit 10.38 to Amendment No. 1 to the Company's Registration Statement on Form S-4, filed on September 4, 2020).
10.43++	Third Amendment to Promotion Agreement, dated as of November 18, 2022 by and between Liquidia PAH, LLC and Sandoz Inc. (incorporated by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K, filed with the SEC on March 20, 2023).
10.44	Fourth Amendment to Promotion Agreement, dated as of March 10, 2023, by and between Liquidia PAH, LLC and Sandoz Inc (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 8, 2023).
10.45	Joint Development Agreement, dated May 3, 2019, between RareGen, LLC and Carelife USA Inc. (incorporated herein by reference to Exhibit 10.39 to the Company's Registration Statement on Form S-4, filed with the SEC on August 5, 2020).
10.46++	LIQ861 API Supply Agreement, dated as of January 10, 2020, by and among LGM Pharma LLC, Yonsung Fine Chemicals Co. Ltd. and Liquidia Technologies, Inc. (incorporated herein by reference to Exhibit 10.44 to the Company's Annual Report on Form 10-K, filed with the SEC on March 17, 2022).
10.47++***	Amended and Restated Commercial Manufacturing Services and Supply Agreement, dated July 13, 2023, by and between Liquidia Technologies, Inc. and Lonza Tampa LLC.
10.48++	Device Development and Supply Agreement, dated as of December 1, 2022, by and among Mainbridge Health Partners, LLC, Sandoz Inc. and Liquidia PAH, LLC (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K, filed with the SEC on March 20, 2023).
10.49++***	License Agreement, dated as of June 28, 2023, by and between Liquidia Technologies, Inc. and Pharmosa Biopharm Inc.
10.50++***	Asset Transfer Agreement, dated as of June 28, 2023, by and between Liquidia Technologies, Inc. and Pharmosa Biopharm Inc.
10.51++***	Supply Agreement, dated May 22, 2023, by and between Liquidia Technologies, Inc. and Plastiape SpA.
14.1*	Liquidia Corporation Code of Conduct.
19.1	Liquidia Corporation Insider Trading Policy (included in Exhibit 14.1).

21.1*	Subsidiaries of Liquidia Corporation.
23.1*	Consent of PricewaterhouseCoopers LLP, independent Registered Public Accounting Firm.
31.1*	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1#	Liquidia Corporation Policy for Recovery of Erroneously Awarded Incentive Compensation (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 7, 2023).
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and Contained in Exhibit 101).

+ Confidential treatment has been granted with respect as to certain portions of this exhibit. Such portions have been redacted and submitted separately to the SEC.

++ Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10). The omitted information is not material and would likely cause competitive harm to the Company if publicly disclosed.

* Filed herewith.

** Furnished herewith.

*** Previously filed and filed herewith.

# Indicates management contract or compensatory plan.

(c) Not applicable

Item 16. Form 10-K Summary.

None.

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.

Liquidia Corporation

Date: March 13, 2024

By: /s/ Roger A. Jeffs, Ph.D.
Name: Roger A. Jeffs, Ph.D.
Title: Chief Executive Officer

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

Name	Position	Date
/s/ Roger A. Jeffs, Ph.D. Roger A. Jeffs, Ph.D.	Chief Executive Officer and Director (Principal Executive Officer)	March 13, 2024
/s/ Michael Kaseta Michael Kaseta	Chief Operating Officer and Chief Financial Officer (Principal Financial and Accounting Officer)	March 13, 2024
/s/ Dr. Stephen Bloch Dr. Stephen Bloch	Chairman of the Board of Directors	March 13, 2024
/s/ Damian deGoa Damian deGoa	Director	March 13, 2024
/s/ Katherine Rielly-Gauvin Katherine Rielly-Gauvin	Director	March 13, 2024
/s/ Dr. Joanna Horobin Dr. Joanna Horobin	Director	March 13, 2024
/s/ David Johnson David Johnson	Director	March 13, 2024
/s/ Arthur Kirsch Arthur Kirsch	Director	March 13, 2024
/s/Paul B. Manning Paul B. Manning	Director	March 13, 2024
/s/ Raman Singh Raman Singh	Director	March 13, 2024

LIQUIDIA CORPORATION

FINANCIAL STATEMENTS
TABLE OF CONTENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Liquidia Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Liquidia Corporation and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive loss, of stockholders' equity and of cash flows for the years then ended, including 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 as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 of these consolidated financial statements 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Company has incurred recurring losses and may require additional capital to fund operations. Management's evaluation of the events and conditions and management's plans to mitigate this matter are also described in Note 1.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) 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 matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Interest Financing Payable

As described in Note 12 to the consolidated financial statements, during 2023 the Company entered into a revenue interest financing agreement ("RIFA") with HealthCare Royalty Partners IV, L.P. (HCR) and HealthCare Royalty Management, LLC, for an aggregate investment amount of up to $100.0 million made available in four tranches. As consideration for the investment amount and pursuant to the RIFA, the Company has agreed to pay HCR either a) quarterly fixed payments and a one-time fixed payment or b) a tiered royalty on the Company's annual net revenue after the first commercial sale of its product, YUTREPIA (the "Revenue Interests"). The Company is currently required to make certain fixed quarterly payments to HCR which include an additional amount on a ratable basis to reflect the funding of additional amounts by HCR under the RIFA and a one-time fixed payment. If the Third Investment Amount is funded, the applicable tiered percentage will range from 3.60% to 10.28% on the first $250 million on annual net revenue, 1.44% to 4.11% on the next $250 million in annual net revenue, and 0.36% to 1.03% on all annual net revenue in excess of $500 million. The specific royalty rate within such ranges will depend upon the total amount advanced by HCR and the achievement of a certain annual net revenue threshold for the calendar year 2025. Management recorded the total funds received from HCR of $42.5 million under the terms of the RIFA as a liability. The issuance costs, consisting primarily of legal fees, totaled $0.9 million and were recorded as a deduction of the carrying amount of the liability and are being amortized under the effective interest method over the estimated period the liability will be repaid. Management estimated the total amount of payments over the life of the RIFA to determine the interest expense to record to accrete the liability to the amount ultimately due. For the year ended December 31, 2023, management estimated an effective annual interest rate of approximately 17% inclusive of RIFA interest accretion and debt issuance cost amortization. Over the course of the RIFA, the effective annual interest rate is expected to be affected by changes in forecasted payments. On a quarterly basis, management will reassess the expected amount and timing of payments, recalculate the amortization and effective interest rate and adjust the accounting prospectively as needed. The Company recognized accretion of $6.0 million for the year ended December 31, 2023. The current and long-term portions of the RIFA payable recognized as of December 31, 2023 were $2.6 million and $43.4 million, respectively.

The principal considerations for our determination that performing procedures relating to the revenue interest financing payable is a critical audit matter are (i) the significant judgment by management when developing the estimates of future payments and the related accretion and (ii) a high degree of auditor judgment, subjectivity, and effort in performing audit procedures and evaluating audit evidence related to management's determination of the accounting treatment of the transaction and estimates of future payments and the related accretion.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) testing management's process for developing the estimates of future payments and the related accretion; (ii) testing the completeness and accuracy of data used by management in developing the estimates, (iii) evaluating the appropriateness of the methods used by management in developing the estimates, and (iii) evaluating management's assessment related to determining whether the amendments to the RIFA represented an accounting modification or extinguishment. Evaluating management's assessment of the accounting modification or extinguishment determination included (i) evaluating the impact of the contractual terms of the amendments by examining the contracts; (ii) evaluating whether the change in debt terms is considered substantially different by calculating the present value of the cash flows under the terms of the amendments and comparing it to the present value of the remaining cash flows under the terms of the original RIFA, (iii) considering whether the conclusions reached by management were consistent with the terms of the arrangements and evidence obtained in other areas of the audit and (iv) evaluating the presentation of the related financial statement disclosures.

/s/ PricewaterhouseCoopers LLP
Raleigh, North Carolina
March 13, 2024

We have served as the Company's auditor since 2014.

Liquidia Corporation
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 83,679	$ 93,283
Accounts receivable, net	4,061	5,017
Prepaid expenses and other current assets	2,159	1,511
Total current assets	89,899	99,811
Property, plant and equipment, net	4,480	4,151
Operating lease right-of-use assets, net	1,704	2,101
Indemnification asset, related party	6,707	6,595
Contract acquisition costs, net	7,922	8,604
Intangible asset, net	3,430	3,726
Goodwill	3,903	3,903
Other assets	287	307
Total assets	$ 118,332	$ 129,198
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,396	$ 2,197
Accrued expenses and other current liabilities	13,400	5,522
Revenue interest financing payable, current	2,615	—
Operating lease liabilities, current	1,032	900
Finance lease liabilities, current	107	181
Total current liabilities	18,550	8,800
Litigation finance payable	6,707	6,594
Revenue interest financing payable, noncurrent	43,418	—
Operating lease liabilities, noncurrent	2,300	3,332
Finance lease liabilities, noncurrent	64	171
Long-term debt	—	19,879
Total liabilities	71,039	38,776
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Preferred stock — 10,000,000 shares authorized, none outstanding	—	—
Common stock — $0.001 par value, 100,000,000 and 80,000,000 shares authorized as of December 31, 2023 and December 31, 2022, respectively, 68,629,575 and 64,517,912 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	69	64
Additional paid-in capital	476,322	440,954
Accumulated deficit	(429,098)	(350,596)
Total stockholders' equity	47,293	90,422
Total liabilities and stockholders' equity	$ 118,332	$ 129,198

The accompanying notes are an integral part of these consolidated financial statements.

Liquidia Corporation
Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)

	Year Ended December 31,	
	2023	2022
Revenue	$ 17,488	$ 15,935
Costs and expenses:		
Cost of revenue	2,888	2,859
Research and development	43,242	19,435
General and administrative	44,742	32,411
Total costs and expenses	90,872	54,705
Loss from operations	(73,384)	(38,770)
Other income (expense):		
Interest income	3,466	1,090
Interest expense	(6,273)	(2,338)
Loss on extinguishment of debt	(2,311)	(997)
Total other expense, net	(5,118)	(2,245)
Net loss and comprehensive loss	$ (78,502)	$ (41,015)
Net loss per common share, basic and diluted	$ (1.21)	$ (0.67)
Weighted average common shares outstanding, basic and diluted	64,993,476	60,958,862

The accompanying notes are an integral part of these consolidated financial statements.

Liquidia Corporation
Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)

	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance as of December 31, 2021	52,287,737	$ 52	$ 374,794	$ (309,581)	$ 65,265
Issuance of common stock upon exercise of stock options	232,877	—	838	—	838
Issuance of common stock upon vesting of restricted stock units	54,181	—	—	—	—
Issuance of common stock under employee stock purchase plan	51,941	—	258	—	258
Issuance of warrants	—	—	1,317	—	1,317
Equity consideration for acquisition	616,666	1	(1)	—	—
Sale of common stock, net	11,274,510	11	54,450	—	54,461
Stock-based compensation	—	—	9,298	—	9,298
Net loss	—	—	—	(41,015)	(41,015)
Balance as of December 31, 2022	64,517,912	$ 64	$ 440,954	$ (350,596)	$ 90,422
Issuance of common stock upon exercise of stock options	137,576	—	495	—	495
Issuance of common stock upon vesting of restricted stock units	201,880	1	(1)	—	—
Issuance of common stock under employee stock purchase plan	140,922	—	683	—	683
Sale of common stock, net	3,631,285	4	24,102	—	24,106
Stock-based compensation	—	—	10,089	—	10,089
Net loss	—	—	—	(78,502)	(78,502)
Balance as of December 31, 2023	68,629,575	$ 69	$ 476,322	$ (429,098)	$ 47,293

The accompanying notes are an integral part of these consolidated financial statements.

Liquidia Corporation
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,	
	2023	2022
Operating activities		
Net loss	$ (78,502)	$ (41,015)
Adjustments to reconcile net loss to net cash used in operating activities:		
Acquired in-process research and development	10,000	—
Stock-based compensation	10,089	9,298
Depreciation and amortization	2,178	3,647
Non-cash lease expense	397	311
Loss (gain) on disposal of property and equipment	(2)	4
Loss on extinguishment of debt	2,311	997
Accretion and non-cash interest expense	6,093	328
Changes in operating assets and liabilities:		
Accounts receivable, net	956	(2,027)
Prepaid expenses and other current assets	(798)	(719)
Other noncurrent assets	20	4
Accounts payable	(1,152)	814
Accrued expenses and other current liabilities	7,746	545
Operating lease liabilities	(900)	(775)
Net cash used in operating activities	(41,564)	(28,588)
Investing activities		
Purchase of in-process research and development	(10,000)	—
Purchases of property, plant and equipment	(1,290)	(592)
Proceeds from the sale of property, plant and equipment	2	5
Net cash used in investing activities	(11,288)	(587)
Financing activities		
Proceeds from revenue interest financing, net	41,744	—
Principal payments on long-term debt	(20,000)	(10,500)
Payments for debt prepayment and extinguishment costs	(2,190)	—
Payments on revenue interest financing liability	(1,654)	—
Proceeds from issuance of long-term debt with warrants, net	—	19,767
Principal payments on finance leases	(181)	(311)
Receipts from litigation financing	113	451
Proceeds from sale of common stock, net of issuance costs	24,238	54,461
Proceeds from issuance of common stock under stock incentive plans	1,178	1,096
Net cash provided by financing activities	43,248	64,964
Net increase (decrease) in cash and cash equivalents	(9,604)	35,789
Cash and cash equivalents, beginning of period	93,283	57,494
Cash and cash equivalents, end of period	$ 83,679	$ 93,283
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 360	$ 1,626
Cash paid for operating lease liabilities	$ 1,283	$ 1,244
Offering costs incurred, but not paid included in accrued expenses	$ 132	$ —
Non-cash increase in property, plant and equipment through accounts payable	$ 239	$ 139
Non-cash increase in indemnification asset through accounts payable	$ 112	$ 313

The accompanying notes are an integral part of these consolidated financial statements.

Liquidia Corporation
Notes to Consolidated Financial Statements
(tabular dollars in thousands)

1. Business

Description of the Business

We are a biopharmaceutical company focused on the development, manufacture, and commercialization of products that address unmet patient needs, with current focus directed towards rare cardiopulmonary diseases such as pulmonary arterial hypertension ("PAH") and pulmonary hypertension associated with interstitial lung disease ("PH-ILD"). We operate through our wholly owned operating subsidiaries, Liquidia Technologies, Inc. ("Liquidia Technologies") and Liquidia PAH, LLC ("Liquidia PAH"), formerly known as RareGen, LLC ("RareGen").

We currently generate revenue pursuant to a promotion agreement between Liquidia PAH and Sandoz Inc. ("Sandoz"), dated as of August 1, 2018, as amended (the "Promotion Agreement"), sharing profit derived from the sale of Sandoz's substitutable generic treprostinil injection ("Treprostinil Injection") in the United States. Liquidia PAH has the exclusive rights to conduct commercial activities to encourage the appropriate use of Treprostinil Injection. We employ a targeted sales force calling on physicians and hospital pharmacies involved in the treatment of PAH and PH-ILD in the United States, as well as key stakeholders involved in the distribution and reimbursement of medicines to treat these patients. We established our commercial presence in the field to support Treprostinil Injection, and have since expanded our presence to support the launch of YUTREPIA upon final approval, further validating our reputation as a company committed to supporting PAH and PH-ILD patients.

We conduct research, development and manufacturing of novel products by applying our subject matter expertise in cardiopulmonary diseases and our proprietary PRINT® technology, a particle engineering platform, to enable precise production of uniform drug particles designed to improve the safety, efficacy and performance of a wide range of therapies. Through development of our own products and research with third parties, we have experience applying PRINT across multiple routes of administration and drug payloads including inhaled therapies, vaccines, biologics, nucleic acids and ophthalmic implants, among others.

Our lead product candidate is YUTREPIA for the treatment of PAH and PH-ILD. YUTREPIA is an inhaled dry powder formulation of treprostinil designed with PRINT to improve the therapeutic profile of treprostinil by enhancing deep lung delivery while using a convenient, low effort dry-powder inhaler ("DPI") and by achieving higher dose levels than the labeled doses of current inhaled therapies. In November 2021, the United States Food and Drug Administration ("FDA") tentatively approved our New Drug Application ("NDA") for YUTREPIA for the treatment of PAH. In July 2023, we filed an amendment to our NDA to add PH-ILD to the label for YUTREPIA.

We are also developing L606, an investigational, liposomal formulation of treprostinil administered twice-daily with a short-duration next-generation nebulizer, which we licensed from Pharmosa Biopharm. L606 is currently being evaluated in an open-label study in the United States for treatment of PAH and PH-ILD with a planned pivotal study for the treatment of PH-ILD.

Recent Developments

Fourth Amendment to Revenue Interest Financing Agreement

On January 3, 2024, we entered into the Fourth Amendment to the RIFA pursuant to which HCR moved $25.0 million from the third tranche to the second tranche, such that HCR will have funded a total of $35.0 million under the second tranche. The additional $25.0 million from the second tranche was funded on January 4, 2024. The remaining third tranche of $10.0 million and fourth tranche of $22.5 million can be funded in the future upon the mutual agreement of both parties. See Note 12 for further information.

Private Placement

On January 4, 2024, we entered into a Common Stock Purchase Agreement with Legend Aggregator, LP, for the sale by us in a private placement (the "2024 Private Placement") of an aggregate of 7,182,532 shares of our common stock at a purchase price of $10.442 per share. The 2024 Private Placement closed on January 8, 2024, and we received gross proceeds of approximately $75.0 million, before deducting offering costs of less than $0.1 million.

Risks and Uncertainties

We are subject to risks and uncertainties common to companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, dependence on third parties and key personnel, protection of proprietary technology, compliance with government regulations, and the ability to secure additional capital to fund operations.

The current global macro-economic environment is volatile, which may result in supply chain constraints and elevated rates of inflation. In addition, we operate in a dynamic and highly competitive industry and believe that changes in any of the following areas could have a material adverse effect on our future financial position, results of operations, or cash flows: the ability to obtain future financing; advances and trends in new technologies and industry standards; results of clinical trials; regulatory approval and market acceptance of our products; development of sales channels; certain strategic relationships; litigation or claims against us related to intellectual property, product, regulatory, or other matters; and our ability to attract and retain employees necessary to support our growth.

Product candidates we develop require approval from the FDA and/or other international regulatory agencies prior to commercial sales. There can be no assurance that our product candidates will receive the necessary approvals. If we are denied approval, approval is delayed, or we are unable to maintain approval, it could have a material adverse impact on our business, financial position and results of operations.

We rely on single source manufacturers and suppliers for the supply of our product candidates, adding to the manufacturing risks we face. In the event of any failure by a supplier, we could be left without backup facilities. Any disruption from these manufacturers or suppliers could have a negative impact on our business, financial position and results of operations.

Liquidity

In accordance with Accounting Standards Update ("ASU") 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40)*, we have evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. We have financed our growth and operations through a combination of funds generated from revenues, the issuance of convertible preferred stock and common stock, bank borrowings, bank borrowings with warrants and the issuance of convertible notes and warrants, and revenue interest financing. Since inception, we have incurred recurring losses, including net losses of $78.5 million and $41.0 million for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023, we had an accumulated deficit of $429.1 million.

We expect to incur significant expenses and operating losses for the foreseeable future as we conduct clinical development of product candidates and seek regulatory approval and prepare for commercialization of any approved product candidates. These efforts require significant amounts of capital, adequate personnel and infrastructure, and extensive compliance-reporting capabilities. Even if our development efforts are successful, it is uncertain when, if ever, we will realize significant revenue from product sales. Additionally, the Revenue Interest Financing Agreement with HealthCare Royalty Partners IV, L.P. ("HCR") dated January 9, 2023, as amended (the "RIFA") contains fixed quarterly payments and minimum cash covenants that require us to maintain cash and cash equivalents in an amount at least equal to $7.5 million during the calendar year beginning on January 1, 2024 and at least equal to $15.0 million for the remainder of the payment term after the calendar year ended December 31, 2024.

Our future funding requirements will be heavily determined by the timing of the potential commercialization of YUTREPIA and the resources needed to support development of our product candidates. We may require additional capital to fund operations as well as to pursue in-licenses or acquisitions of other product candidates. If we determine we require but are unable to obtain additional funding, we could be required to delay, reduce, or eliminate research and development programs, product portfolio expansion, or future commercialization efforts, which could adversely affect our business prospects, or we may be unable to continue operations.

Although we expect to continue to generate operating losses for the foreseeable future, we believe that based on our current operating plan, excluding any future YUTREPIA product revenue, our cash and cash equivalents will be sufficient to fund operations, capital expenditures, and RIFA quarterly fixed payment requirements and allow us to remain in compliance with our minimum cash covenants pursuant to the RIFA for at least twelve months from the issuance date of these consolidated financial statements. If we have not received full FDA approval and begun product sales of YUTREPIA or are unable to access additional capital by the date of issuance of our second quarter 2024 financial statements, there could be substantial doubt about our ability to continue as a going concern as of that date. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect.

2. Basis of Presentation, Significant Accounting Policies and Fair Value Measurements

Basis of Presentation

These consolidated financial statements, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments and accruals) necessary for a fair statement of the results for the periods presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Our financial position, results of operations and cash flows are presented in U.S. Dollars.

Consolidation

The accompanying consolidated financial statements include our wholly owned subsidiaries, Liquidia Technologies and Liquidia PAH. All intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the period. These estimates are based on historical experience and various other assumptions believed to be reasonable under the circumstances. We evaluate our estimates on an ongoing basis, including those related to the valuation of stock-based awards, certain accruals, the revenue interest financing payable, and intangible and contract acquisition cost amortization, and make changes to the estimates and related disclosures as our experience develops or new information becomes known. Actual results will most likely differ from those estimates.

Segment Information

GAAP requires segmentation based on an entity's internal organization and reporting of revenue and operating income based upon internal accounting methods commonly referred to as the "management approach." Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker (CODM), or decision-making group, in deciding how to allocate resources and in assessing performance. Our CODM is our Chief Executive Officer. We have determined that we have one operating and reporting segment.

Summary of Significant Accounting Policies

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Subtopic 280)*. This guidance improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal periods beginning after December 15, 2024. We are in the process of evaluating the impact of this guidance on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Subtopic 740)*. This guidance improves the transparency and effectiveness about income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The guidance is effective for fiscal years beginning after December 15, 2024. We are in the process of evaluating the impact of this guidance on our consolidated financial statements and related disclosures.

Cash, Cash Equivalents, and Concentration of Credit Risk

We consider all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents.

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and cash equivalents. We are exposed to credit risk, subject to federal deposit insurance, in the event of default by the financial institutions holding our cash and cash equivalents to the extent of amounts recorded on the consolidated balance sheet. As of December 31, 2022, all of our cash and cash equivalents were held with Silicon Valley Bank (“SVB”). Following the March 10, 2023 Federal Deposit Insurance Corporation takeover of SVB, substantially all of our cash and cash equivalents have been moved to multiple accredited financial institutions. We have not experienced any losses on such accounts and do not believe that we are subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships. Such deposits have exceeded and will continue to exceed federally insured limits.

Accounts Receivable

Accounts receivable are stated at net realizable value and net of an allowance for credit losses as of each balance sheet date, if applicable. As of December 31, 2023 and 2022, one customer accounted for 99% of our accounts receivable, net. As of December 31, 2023 and 2022, we have not recorded an allowance for credit losses.

Prelaunch Inventory

We capitalize prelaunch inventory prior to receiving regulatory approval if regulatory approval and subsequent commercialization of a product is probable and we also expect future economic benefit from the sales of the product to be realized. Prior to this, we expense prelaunch inventory as research and development expense in the period incurred. For prelaunch inventory that is capitalized, we consider a number of specific facts and circumstances, including the product’s historical shelf life, the product's current status in the development and regulatory approval process, results from related clinical trials, results from meetings with relevant regulatory agencies prior to the filing of regulatory applications, potential obstacles to the approval process, historical experience, viability of commercialization and market trends. No prelaunch inventory was capitalized as of December 31, 2023.

Leases

ASC 842 *Leases* sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. For operating leases, the asset and liability

is expensed over the lease term on a straight-line basis, with all cash flows classified as an operating activity in the Statement of Cash Flows. For finance leases, interest on the lease liability is recognized separately from the amortization of the right-of-use asset in the Statement of Operations and Comprehensive Loss and the repayment of the principal portion of the lease liability is classified as a financing activity, while the interest component is classified as an operating activity in the Statement of Cash Flows.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed using the straight-line method over the estimated useful lives of the assets beginning when the assets are placed in service. Estimated useful lives for the major asset categories are:

Lab and build-to-suit equipment (years)	5 - 7
Office equipment (years)	5
Furniture and fixtures (years)	10
Computer equipment (years)	3
Leasehold improvements	Lesser of life of the asset or remaining lease term

Major renewals and improvements are capitalized to the extent that they increase the useful economic life or increase the expected economic benefit of the underlying asset. Maintenance and repairs are charged to operations as incurred. When items of property, plant and equipment are sold or retired, the related cost and accumulated depreciation or amortization is removed from the accounts, and any gain or loss is included in operating expenses in the accompanying Statements of Operations and Comprehensive Loss.

Long-Lived Assets

We review long-lived assets, including definite-life intangible assets, for realizability on an ongoing basis. Changes in depreciation and amortization, generally accelerated depreciation and variable amortization, are determined and recorded when estimates of the remaining useful lives or residual values of long-term assets change. We also review for impairment when conditions exist that indicate the carrying amount of the assets may not be fully recoverable. In those circumstances, we perform undiscounted operating cash flow analyses to determine if an impairment exists. When testing for asset impairment, we group assets and liabilities at the lowest level for which cash flows are separately identifiable. Any impairment loss is calculated as the excess of the asset's carrying value over its estimated fair value. Fair value is estimated based on the discounted cash flows for the asset group over the remaining useful life or based on the expected cash proceeds for the asset less costs of disposal. Any impairment losses would be recorded in the consolidated statements of operations. To date, no such impairments have occurred.

Goodwill

We assess goodwill for impairment at least annually as of July 1 or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. For example, significant and unanticipated changes or our inability to obtain or maintain regulatory approvals for our product candidates, including the NDA for YUTREPIA, could trigger testing of our goodwill for impairment at an interim date. We have one reporting unit. We have the option to first assess qualitative factors to determine whether events or circumstances indicate it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, in which case a quantitative impairment test is not required.

Per ASC 350 *Intangibles-Goodwill and Other* the quantitative goodwill impairment test is performed by comparing the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill is not impaired. An impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the fair value up to the amount of goodwill allocated to the reporting unit. Income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit are considered when measuring the goodwill impairment loss, if applicable.

We completed our annual goodwill impairment test as of July 1, 2023. There have been no significant events or circumstances affecting the valuation of goodwill subsequent to the assessment.

Revenue Interest Financing Payable

We recognized a liability related to amounts received in January 2023 and July 2023 pursuant to the RIFA under ASC 470-10, *Debt* and ASC 835-30, *Interest - Imputation of Interest*. The liability will be accreted under the effective interest method based upon the estimated amount of future payments to be made pursuant to the RIFA. The issuance costs were recorded as a deduction to the carrying amount of the liability and are being amortized under the effective interest method over the estimated period in which the liability will be repaid. If the timing or amounts of any estimated future payments change, we will prospectively adjust the effective interest and the related amortization of the liability and related issuance costs. A significant increase or decrease in these estimates could materially impact the liability balance and related interest expense.

Revenue Recognition

We recognize revenue in accordance with ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). The core principle of ASC 606 is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the company satisfies a performance obligation

In order to identify the performance obligations in a contract with a customer, we assess the promised goods or services in the contract and identify each promised good or service that is distinct.

If a good or service is not distinct, the good or service is combined with other promised goods or services until a bundle of goods or services is identified that is distinct.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. We evaluate any non-cash consideration, consideration payable to the customer, potential returns and refunds, and whether consideration contains a significant financing element in determining the transaction price.

Revenue is measured based on consideration specified in a contract with a customer. We recognize revenue when it satisfies a performance obligation by transferring control over a service to a customer. The amount of revenue recognized reflects estimates for refunds and returns, which are presented as a reduction of accounts receivable where the right of setoff exists.

Research and Development Expense

Research and development costs are expensed as incurred in accordance with ASC 730, *Research and Development* and include facility-related costs related to research and development activities, direct costs from third parties, such as contract research organizations ("CROs"), contract manufacturing organizations (CMOs"), and consultants, as well as employee-related expenses, including salaries, benefits, and stock-based compensation. Research and development expenses also include costs of acquired product licenses and related technology rights where there is no alternative future use.

Patent Maintenance

We are responsible for all patent costs, past and future, associated with the preparation, filing, prosecution, issuance, maintenance, enforcement and defense of United States patent applications to which we have rights other than those patents that we license from Pharmosa that are not specific to L606. Such costs are recorded as general and administrative expenses as incurred. To the extent that our licensees share these costs, such benefit is recorded as a reduction of the related expenses.

Stock-Based Compensation

We estimate the grant date fair value of stock-based awards and amortize this fair value to compensation expense over the requisite service period or the vesting period of the respective award. In arriving at stock-based compensation expense, we estimate the number of stock-based awards that will be forfeited due to employee turnover. The forfeiture assumption is based primarily on turn-over historical experience. If the actual forfeiture rate is higher than the estimated forfeiture rate, then an adjustment will be made to increase the estimated forfeiture rate, which will result in a decrease to the expense recognized in our financial statements. If the actual forfeiture rate is lower than the estimated forfeiture rate, then an adjustment will be made to lower the estimated forfeiture rate, which will result in an increase to expense recognized in our financial statements. The expense we recognize in future periods will be affected by changes in the estimated forfeiture rate and may differ from amounts recognized in the current period. See Note 8.

Net Loss Per Share

Basic net loss per share is calculated by dividing net loss attributable to common stockholders by the weighted average shares outstanding during the period, without consideration of common stock equivalents.

Diluted net loss per share is calculated by adjusting weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period, determined using the treasury-stock method. Due to their anti-dilutive effect, the calculation of diluted net loss per share excludes the following common stock equivalent shares:

	Year Ended December 31,	
	2023	2022
Stock Options	9,513,039	7,757,017
Restricted Stock Units	1,685,532	399,349
Warrants	450,000	445,205
Total	11,648,571	8,601,571

Certain common stock warrants are included in the calculation of basic and diluted net loss per share since their exercise price is de minimis.

Income Taxes

The asset and liability method is used in our accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are

measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. We record a valuation allowance against deferred tax assets when realization of the tax benefit is uncertain.

A valuation allowance is recorded, if necessary, to reduce net deferred taxes to their realizable values if management believes it is more likely than not that the net deferred tax assets will not be realized.

We may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Fair Value Measurements

ASC 825 *Financial Instruments* defines fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (an exit price). As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. ASC 825 establishes a three-tiered approach for valuation of financial instruments, which requires that fair value measurements be classified and disclosed in one of three tiers, whether or not recognized on our consolidated balance sheets at fair value. The fair value hierarchy defines a three-level valuation hierarchy for disclosure of fair value measurements as follows:

Level 1 — Quoted prices in active markets for identical assets or liabilities;

Level 2 — Inputs other than quoted prices included in active markets that are observable for the asset or liability, either directly or indirectly; and

Level 3 — Unobservable inputs for the asset and liability used to measure fair value, to the extent that observable inputs are not available.

The categorization of a financial instrument within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following table presents the placement in the fair value hierarchy of financial assets and liabilities measured at fair value as of December 31, 2023 and December 31, 2022:

December 31, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value
Money market funds (cash equivalents)	$ 79,912	$ —	$ —	$ 79,912

December 31, 2022	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value
Money market funds (cash equivalents)	$ 92,283	$ —	$ —	$ 92,283

Money market funds are included in cash and cash equivalents on our consolidated balance sheet and are classified within Level 1 of the fair value hierarchy since they are valued using quoted market prices.

The carrying amounts reflected in our consolidated balance sheets for cash, accounts receivable, prepaid expenses and other current assets, accounts payable and accrued expenses and other liabilities approximate their fair values due to their short-term nature. The carrying value of long-term debt and the revenue interest financing payable approximate fair value as the respective interest rates are reflective of current market rates on debt with similar terms and conditions. In

addition, the revenue interest financing payable is updated with the expected amount to be paid back each reporting period based on the contractual terms and current projections.

3. Property, Plant and Equipment

Property, plant and equipment consisted of the following:

	December 31, 2023	December 31, 2022
Lab and build-to-suit equipment	$ 6,834	$ 6,257
Office equipment	19	19
Furniture and fixtures	241	134
Computer equipment	487	291
Leasehold improvements	11,409	11,409
Construction-in-progress	804	155
Total property, plant and equipment	19,794	18,265
Accumulated depreciation and amortization	(15,314)	(14,114)
Property, plant and equipment, net	$ 4,480	$ 4,151

We recorded depreciation and amortization expense related to property, plant and equipment of $1.2 million and $1.4 million for the years ended December 31, 2023 and 2022, respectively. Maintenance and repairs are expensed as incurred and were $0.3 million for both the years ended December 31, 2023 and 2022.

4. Contract Acquisition Costs and Intangible Asset, and Goodwill

Contract acquisition costs and intangible asset are summarized as follows:

	December 31, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Contract acquisition costs	$ 12,980	$ (5,058)	$ 7,922	$ 12,980	$ (4,376)	$ 8,604
Intangible asset	$ 5,620	$ (2,190)	$ 3,430	$ 5,620	$ (1,894)	$ 3,726

We are amortizing the value of the contract acquisition costs and intangible asset on a pro-rata basis based on the estimated total revenue or net profits to be recognized over the period from November 18, 2020 through December 2032, the termination date of the Promotion Agreement (see Note 2-Revenue Recognition for our accounting policies). Amortization of contract acquisition costs is recorded as a reduction of revenue, and amortization of the intangible asset is recorded as cost of revenue.

We recorded amortization related to the contract acquisition costs of $0.7 million and $1.5 million for the years ended December 31, 2023 and 2022, respectively. We recorded amortization related to the intangible asset of $0.3 million and $0.7 million for the years ended December 31, 2023 and 2022, respectively. Annual amortization over the next five years is expected to immaterially fluctuate from the 2023 amounts, consistent with changes to net profits to be recognized pursuant to the Promotion Agreement over the period.

During the year ended December 31, 2020, we recorded goodwill of $3.9 million, which primarily represented the Liquidia PAH assembled workforce and the residual value of the purchase consideration and assumed liabilities that exceeded the assets acquired (see Note 2-Goodwill). As of December 31, 2023 and 2022, we concluded that there were no events or changes in circumstances that indicated that the carrying amount of goodwill was not recoverable.

5. Indemnification Asset with Related Party and Litigation Finance Payable

On June 3, 2020, Liquidia PAH entered into a litigation financing arrangement (the "Financing Agreement") with Henderson SPV, LLC ("Henderson"). Liquidia PAH, along with Sandoz (collectively the "Plaintiffs"), are pursuing litigation against United Therapeutics Corporation ("United Therapeutics") (the "RareGen Litigation"). Under the Financing Agreement, Henderson will fund Liquidia PAH's legal and litigation expenses (referred to as "Deployments") in exchange for a share of certain litigation or settlement proceeds. Deployments received from Henderson are recorded as a Litigation finance payable.

Litigation proceeds will be split equally between Liquidia PAH and Sandoz. Unless there is an event of default by Henderson, litigation proceeds received by Liquidia PAH must be applied first to repayment of total Deployments received. Litigation proceeds in excess of Deployments received are split between Liquidia PAH and Henderson according to a formula. Unless there is an event of default by PBM (as defined below), all proceeds received by Liquidia PAH are due to PBM as described further below.

On November 17, 2020, Liquidia PAH entered into a Litigation Funding and Indemnification Agreement ("Indemnification Agreement") with PBM RG Holdings, LLC ("PBM"). PBM is considered to be a related party as it is controlled by a major stockholder (which beneficially owns approximately 8.3% of Liquidia Corporation Common Stock as of March 1, 2024), who is also a member of our Board of Directors.

Under the terms of the Indemnification Agreement, PBM now controls the litigation, with Liquidia PAH's primary responsibility being to cooperate to support the litigation proceedings as needed. The Indemnification Agreement provides that Liquidia PAH and its affiliates will not be entitled to any proceeds resulting from, or bear any financial or other liability for, the RareGen Litigation unless there is an event of default by PBM. Any Liquidia PAH litigation expenses not reimbursed by Henderson under the Financing Agreement will be reimbursed by PBM. Any proceeds received which Henderson is not entitled to under the Financing Agreement will be due to PBM.

The Indemnification Asset is increased as we record third party legal and litigation expenses related to the United Therapeutics and Smiths Medical litigation.

As of December 31, 2023, the Indemnification Asset and Litigation Finance Payable were classified as long-term assets and liabilities, respectively, as it is considered unlikely that the RareGen Litigation would conclude prior to December 31, 2024.

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31, 2023	December 31, 2022
Accrued compensation	$ 8,544	$ 2,862
Accrued research and development expenses	2,902	1,757
Accrued other expenses	1,954	903
Total accrued expenses and other current liabilities	$ 13,400	$ 5,522

7. Stockholders' Equity

Authorized Capital

As of December 31, 2023, the authorized capital of the Company consists of 110,000,000 shares of capital stock, $0.001 par value per share, of which 100,000,000 shares are designated as common stock and 10,000,000 shares are designated as preferred stock.

Common Stock

Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, the holders of the common stock shall be entitled to receive that portion of the remaining funds to be distributed to the stockholders, subject to the liquidation preferences of any outstanding preferred stock, if any. Such funds shall be paid to the holders of common stock on the basis of the number of shares so held by each of them.

Issuance of Common Stock on December 12, 2023 from an Underwritten Public Offering and Private Placement

In December 2023, we sold 3,491,620 shares of our common stock in an underwritten registered public offering at an offering price of $7.16 per share (the "2023 Offering") for net proceeds of approximately $25.0 million, before deducting offering costs of approximately $1.9 million.

Caligan Partners LP ("Caligan"), our largest stockholder, and Paul B. Manning, members of our Board of Directors, participated in the 2023 Offering and purchased shares of common stock in an aggregate amount of approximately $10.0 million at the public offering price per share and on the same terms as the other purchasers in the 2023 Offering. Caligan purchased 1,117,318 shares of common stock in the 2023 Offering for an aggregate purchase price of $8.0 million and Paul B. Manning purchased 279,330 shares of common stock in the 2023 Offering for an aggregate purchase price of $2.0 million.

Concurrently with the 2023 Offering referenced above, we entered into a common stock purchase agreement with Roger Jeffs, our Chief Executive Officer, for the sale by us in a private placement of an aggregate of 139,665 shares of our common stock at a purchase price of $7.16 per share for gross proceeds of approximately $1.0 million.

Issuance of Common Stock on April 18, 2022 from an Underwritten Public Offering

In April 2022, we sold 11,274,510 shares of our common stock in an underwritten registered public offering at an offering price of $5.10 per share (the "2022 Offering") for net proceeds of approximately $54.5 million, after deducting offering costs.

Caligan and Paul B. Manning participated in the 2022 Offering and purchased shares of common stock in an aggregate amount of $11.0 million at the public offering price per share and on the same terms as the other purchasers in the 2022 Offering. Caligan purchased 1,764,705 shares of common stock in the 2022 Offering for an aggregate purchase price of $9.0 million and Paul B. Manning purchased 392,156 shares of common stock in the 2022 Offering for an aggregate purchase price of $2.0 million.

Issuance of Common Stock on March 31, 2022 from Merger Transaction

On November 18, 2020 (the "Closing Date"), we completed the acquisition of RareGen as contemplated by that certain Agreement and Plan of Merger, dated as of June 29, 2020, as amended by a Limited Waiver and Modification to the Merger Agreement, dated as of August 3, 2020 (the "Merger Agreement"). On the Closing Date, an aggregate of 5,550,000 shares of our common stock, were issued to RareGen members in exchange for all of the issued and outstanding RareGen equity. On March 31, 2022, an aggregate of 616,666 additional shares of our common stock, which were held back on the Closing Date for indemnification purposes, were issued to RareGen members.

Warrants

During the years ended December 31, 2023 and 2022, no warrants to purchase shares of common stock were exercised.

Outstanding warrants consisted of the following as of December 31, 2023:

	Number of warrants	Exercise Price	Expiration Date
A&R SVB Warrant (see Note 13)	250,000	$ 5.14	January 6, 2032
SVB Warrant - Initial Tranche (see Note 13)	100,000	$ 3.05	February 26, 2031
SVB Warrant - Term B and Term C Tranches (see Note 13)	100,000	$ n/a	February 26, 2031
Other warrants	65,572	$ 0.02	December 31, 2026

8. Stock-Based Compensation

2020 Long-Term Incentive Plan

Our 2020 Long-Term Incentive Plan (the "2020 Plan") provides for the granting of stock appreciation rights, stock awards, stock units, and other stock-based awards and for accelerated vesting under certain change of control transactions. The number of shares of our common stock available for issuance under the 2020 plan will automatically increase on January 1 of each year through 2030, by an amount equal to the smaller of (a) 4% of the number of shares of common stock issued and outstanding on the immediately preceding December 31, or (b) an amount determined by the Board of Directors (the "Evergreen Provision"). On January 1, 2024, the number of shares of common stock available for issuance under the 2020 Plan automatically increased by 2,745,183 shares pursuant to the Evergreen Provision. As of December 31, 2023, there were 72,337 shares available for future grants under the 2020 Plan.

The 2020 Plan replaced all prior equity award plans and such plans have been discontinued. However, the awards outstanding under the prior equity award plans will continue to remain in effect in accordance with their terms. Awards that are forfeited under these prior plans upon cancellation, termination or expiration will not be available for grant under the 2020 Plan. As of December 31, 2023, a total of 655,341 shares of common stock were reserved for issuance related to the remaining outstanding equity awards granted under the prior plans.

2022 Inducement Plan

On January 25, 2022, the Board of Directors approved the adoption of our 2022 Inducement Plan (the "2022 Inducement Plan"). The 2022 Inducement Plan was recommended for approval by the Compensation Committee of the Board (the "Compensation Committee"), and subsequently approved and adopted by the Board of Directors without stockholder approval pursuant to Rule 5635(c)(4) of the rules and regulations of The Nasdaq Stock Market, LLC (the "Nasdaq Listing Rules").

310,000 shares of our common stock were reserved for issuance pursuant to equity awards that may be granted under the 2022 Inducement Plan, and the 2022 Inducement Plan will be administered by the Compensation Committee. In accordance with Rule 5635(c)(4) of the Nasdaq Listing Rules, equity awards under the 2022 Inducement Plan may only be made to an employee who has not previously been an employee or member of the Board of Directors, or following a bona fide period of non-employment by us, if he or she is granted such equity awards in connection with his or her commencement of employment with us and such grant is an inducement material to his or her entering into employment with us. As of December 31, 2023, a total of 26,650 shares were available for issuance under the 2022 Inducement Plan.

Employee Stock Purchase Plan

In November 2020, stockholders approved the Liquidia Corporation 2020 Employee Stock Purchase Plan (the "ESPP"). The number of shares of our common stock available for issuance under the ESPP will automatically increase on January 1 of each year through 2030, by the lesser of (a) 1.0% of the number of shares of common stock issued and outstanding on the immediately preceding December 31, (b) 150,000 shares, or (c) an amount determined by the Board

of Directors. On January 1, 2024, the number of shares of common stock available for issuance under the ESPP increased by 150,000 shares. As of December 31, 2023, a total of 707,137 shares of common stock are reserved for issuance under the ESPP. The ESPP allows eligible employees to purchase shares of our common stock at a discount through payroll deductions, subject to plan limitations. Unless otherwise determined by the administrator, the common stock will be purchased for the accounts of employees participating in the ESPP at a price per share that is 85% of the lesser of the fair market value of our common stock on the first and last trading day of the offering period. During the years ended December 31, 2023 and 2022, 140,922 and 51,941 shares were issued under the ESPP, respectively.

CEO Options

During December 2020, we issued a stock option grant to our then new Chief Executive Officer, Damian deGoa, to purchase up to 2,000,000 shares of our common stock (the "CEO Option") at an exercise price of $3.00 per share. The CEO Option was issued outside of the 2020 Plan and 1,375,000 options vested in the fourth quarter of 2021 upon the achievement of certain milestones and the passage of time and ceased vesting upon the termination of Mr. deGoa's employment on January 31, 2022. However, the CEO Option will remain exercisable so long as Mr. deGoa remains a member of our Board of Directors in accordance with his Separation Agreement. This change to vesting terms was treated as a modification of the original award resulting in a stock-based compensation charge of $2.9 million during the year ended December 31, 2022.

Stock-Based Compensation Valuation and Expense

We account for employee stock-based compensation plans using the fair value method. The fair value method requires us to estimate the grant-date fair value of stock-based awards and amortize this fair value to compensation expense over the requisite service period or vesting term. The fair value of each option grant is estimated using a Black-Scholes option-pricing model.

For restricted stock units ("RSUs"), the grant-date fair value is based upon the market price of our common stock on the date of the grant. This fair value is then amortized to compensation expense over the requisite service period or vesting term.

Total stock-based compensation expense recognized for employees and non-employees was as follows:

	Year Ended December 31,	
By Expense Category:	**2023**	**2022**
Research and development	$ 2,294	$ 1,409
General and administrative	7,795	7,889
Total stock-based compensation expense	$ 10,089	$ 9,298

The following table summarizes the unamortized compensation expense and the remaining years over which such expense would be expected to be recognized, on a weighted average basis, by type of award:

	As of December 31, 2023	
	Unamortized Expense	**Weighted Average Remaining Recognition Period (Years)**
Stock options	$ 15,395	2.2
Restricted stock units	$ 8,347	2.9

Fair Value of Stock Options Granted and Purchase Rights Issued under the ESPP

We use the Black-Scholes option-pricing model to determine the fair value of stock options granted and purchase rights issued under the ESPP.

The following table summarizes the assumptions used for estimating the fair value of stock options granted under the Black-Scholes option-pricing model:

	Year Ended December 31,	
	2023	2022
Expected dividend yield	—	—
Risk-free interest rate	3.46% - 4.73%	1.46% - 3.96%
Expected volatility	90% - 95%	90% - 95%
Expected life (years)	5.8 - 6.1	5.8 - 6.1

The following table summarizes the assumptions used for estimating the fair value of purchase rights granted to employees under the ESPP under the Black-Scholes option-pricing model:

	Year Ended December 31,	
	2023	2022
Expected dividend yield	—	—
Risk-free interest rate	5.20% - 5.47%	0.69% - 3.92%
Expected volatility	60% - 64%	80% - 129%
Expected life (years)	0.50	0.50

The following describes our methodology for determining each assumption:

Expected Dividend Yield: The dividend yield percentage is zero because we have not historically paid dividends and do not expect to for the foreseeable future.

Risk-Free Interest Rate: The risk-free interest rate is based on the U.S. Treasury yield curve approximating the term of the expected life of the award in effect on the date of grant.

Expected Volatility: Expected stock price volatility is based on a weighted average of several peer public companies and the historical volatility of our common stock during the period for which it has traded since the initial public offering. For purposes of identifying peer companies, we considered characteristics such as industry, length of trading history and similar vesting terms.

Expected Life: The expected life represents the period the awards are expected to be outstanding. Our historical share option exercise experience does not provide a reasonable basis upon which to estimate an expected term because of a lack of sufficient data. Therefore, we estimate the expected term by using the simplified method.

Stock Options

The following table summarizes stock option activity during the year ended December 31, 2023:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2022	8,398,262	$ 4.49		
Granted	1,463,846	6.57		
Exercised	(137,576)	3.59		
Cancelled	(150,595)	5.60		
Outstanding as of December 31, 2023	9,573,937	$ 4.80	7.8	$ 69,440
Exercisable as of December 31, 2023	5,688,548	$ 4.44	7.3	$ 43,433
Vested and expected to vest as of December 31, 2023	8,974,357	$ 4.75	7.7	$ 65,561

The weighted average fair value for options granted during the years ended December 31, 2023 and 2022 was $5.09 and $3.94 per share, respectively. The aggregate intrinsic value of stock options in the table above represents the difference between the $12.03 closing price of our common stock as of December 31, 2023 and the exercise price of outstanding, exercisable, and vested and expected to vest in-the-money stock options.

Additional information related to our stock options is summarized below:

	December 31,	
	2023	2022
Cash proceeds from options exercised	$ 495	$ 837
Aggregate intrinsic value of options exercised	$ 468	$ 553
Fair value of options vested	$ 10,143	$ 4,427

Restricted Stock Units

Restricted Stock Units (“RSUs”) represent the right to receive shares of our common stock at the end of a specified time period or upon the achievement of a specific milestone. RSUs can only be settled in shares of our common stock. RSUs generally vest over a four-year period similar to stock options granted to employees.

The tax withholding method used for most RSUs is the sell-to-cover method, in which shares with a market value equivalent to the tax withholding obligation are sold on behalf of the holder of the RSUs upon vesting and settlement to cover the tax withholding liability and the cash proceeds from such sales are remitted to taxing authorities by us. In circumstances where the sell-to-cover method is not used, the holder of the RSUs is required to remit cash to us to cover the tax withholding liability and the cash is then remitted to taxing authorities by us.

The following table summarizes our RSU activity during the year ended December 31, 2023:

	Number of RSUs	Weighted Average Grant-Date Fair Value (per RSU)
Unvested as of December 31, 2022	407,726	$ 5.57
Granted	1,508,166	6.50
Vested	(201,880)	5.41
Forfeited	(56,034)	6.22
Unvested as of December 31, 2023	1,657,978	$ 6.41

9. Revenue From Contracts With Customers

In August 2018, we entered into a Promotion Agreement with Sandoz under which we have the exclusive rights to conduct commercial activities to encourage the appropriate use of Treprostinil Injection for the treatment of patients with PAH in the United States. We paid Sandoz $20 million at the inception of the Promotion Agreement in consideration for these rights. In exchange for conducting these commercial activities, we are entitled to receive a share of Net Profits (as defined within the Promotion Agreement) based on specified profit levels. The share of Net Profits received is subject to adjustments from Sandoz for certain items, such as distributor chargebacks, rebates, inventory returns, inventory write-offs and other adjustments. We expect to refund certain amounts to Sandoz through a reduction of the cash received from future Net Profits generated under the Promotion Agreement. As of December 31, 2023 and 2022, a $0.5 million refund liability is offset against accounts receivable from Sandoz related to expected refund amounts. Approximately 99% and 98% of revenue during the years ended December 31, 2023 and 2022, respectively, was generated from the Promotion Agreement.

10. Income Taxes

No provision for federal and state income tax expense has been recorded for the years ended December 31, 2023 and 2022 due to the valuation allowance recorded against the net deferred tax asset and recurring losses.

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of our deferred tax assets and liabilities are as follows as of December 31, 2023 and 2022:

	2023	2022
Deferred income tax assets:		
Tax loss carryforwards	$ 66,956	$ 59,241
Research and development credits	3,942	3,942
R&D section 174 costs	9,446	4,584
Share-based compensation	1,520	4,637
Lease liability	863	1,157
Compensation	1,982	621
Fixed assets	404	369
Patent amortization	396	476
Accrued litigation costs	1,652	1,546
Settlement reserve	130	123
Licensing agreement	2,367	—
OID Interest	383	—
Other	21	2
Valuation allowance	(87,963)	(74,549)
Total deferred income tax assets	2,099	2,149
Deferred income tax liabilities:		
Section 481(a) adjustment	—	21
Intangible assets	1,652	1,546
Right of use asset	447	582
Total deferred income tax liabilities	2,099	2,149
Total net deferred tax	$ —	$ —

As of December 31, 2023 and 2022, we established a full valuation allowance against our net deferred tax assets since, at the time, we could not assert that it was more likely than not that our deferred tax assets would be realized. As a result, there was an increase in the valuation allowance in 2023 of approximately $13.4 million.

As of December 31, 2023, we had federal and state income tax loss carryforwards of $308.6 million and $324.6 million, respectively, which begin to expire in 2024 for both federal and state purposes. In addition, we have tax credit carryforwards for federal tax purposes of approximately $4.3 million as of December 31, 2023, which begin to expire in

2026. The utilization of net operating loss and tax credit carryforwards to reduce future income taxes will depend on our ability to generate sufficient taxable income prior to the expiration of the loss carryforwards.

The Internal Revenue Code of 1986, as amended, contains provisions which limit the ability to utilize the net operating loss carryforwards in the case of certain events, including significant changes in ownership interests. If our net operating loss carryforwards are limited, and we have taxable income which exceeds the permissible yearly net operating loss carryforwards, we would incur a federal income tax liability even though net operating loss carryforwards would be available in future years.

The reasons for the difference between actual income tax expense for the years ended December 31, 2023 and 2022 and the amount computed by applying the statutory federal income tax rate to income before income tax are as follows:

	2023		2022	
	Amount	% of Pretax Earnings	Amount	% of Pretax Earnings
Income tax benefit at statutory rate	$ (16,486)	21.0 %	$ (8,613)	21.0 %
State income taxes, net of federal tax benefit	(2,553)	3.3	(1,787)	4.4
Non-deductible expenses	493	—	1	—
Stock-based compensation	2,015	(2.6)	310	(0.8)
Credits	—	—	—	—
Deferred tax true-up	2,823	(3.6)	1,159	(2.9)
Change in state rate	260	(0.3)	1,368	(3.3)
Other	34	—	—	—
Change in valuation allowance	13,414	(17.8)	7,562	(18.4)
Provision for income taxes	$ —	— %	$ —	— %

We have determined that there may be a future limitation on our ability to utilize its entire federal R&D credit carryover. Therefore, we recognized an uncertain tax benefit associated with the federal R&D credit carryover during the years ended December 31, 2023 and 2022, as follows:

Balance at December 31, 2021	$ 455
Increases related to 2022	(65)
Balance at December 31, 2022	390
Decreases related to 2023	—
Balance at December 31, 2023	$ 390

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. We have determined that it had no other material uncertain tax benefits for the year ended December 31, 2023. Our policy for recording interest and penalties related to uncertain tax provisions is to record them as a component of the provision for income taxes. We did not have any accrued interest or penalties associated with any unrecognized tax positions as of December 31, 2023 and 2022, and there were no such interest or penalties recognized during the years ended December 31, 2023 and 2022.

On November 18, 2021, North Carolina enacted the 2021 Appropriations Act, which included a gradual corporate income tax rate decrease from the current 2.5% to 0% by 2030. We are in a cumulative loss position and do not have significant deferred tax liabilities that can be utilized as a source of taxable income in the future. Therefore, in 2021, we reduced our deferred tax asset related to North Carolina NOLs to zero, as no benefit is expected to be realized from these deferred tax assets prior to 2030 when there would be no income tax in North Carolina. The reduction in the value of the deferred tax assets resulted in $5.7 million of cumulative tax expense, which is fully offset by the reduction in the corresponding valuation allowance. If we become profitable prior to 2030, we will recognize an income tax benefit related to the portion of its deferred tax asset related to North Carolina NOLs utilized.

We have all tax years open to examination by federal tax and state tax jurisdictions. No income tax returns are currently under examination by taxing authorities.

11. Leases

Operating Leases

We are party to a non-cancelable operating lease for our laboratory and office space in Morrisville, North Carolina. The lease expires on October 31, 2026 with an option to extend for an additional period of five years with appropriate notice. We have not included the optional extension period in the measurement of lease liabilities because it is not reasonably certain that we will exercise the option to extend. The payments under this lease are subject to escalation clauses. Operating lease cost is allocated between research and development and general and administrative expenses based on the usage of the leased facilities. The related right-of-use assets are amortized on a straight-line basis over the lesser of the lease term or the estimated useful life of the asset.

Finance Leases

We lease specialized laboratory equipment under finance leases. We do not have access to certain inputs used by our lessors to calculate the rate implicit in our finance leases and, as such, use our estimated incremental borrowing rate at the time of lease inception for the discount rate applied to our finance leases. The incremental borrowing rate used on finance leases was 6.5%. Certain finance leases also include options to purchase the leased property. We recognize all such purchase options as part of our right-of-use assets and lease liabilities if we are reasonably certain that such purchase options will be exercised.

Lease Balances, Costs, and Future Minimum Payments

Leases with an initial term of 12 months or less are not recorded on the balance sheet. As of December 31, 2023, we have not entered into any short-term leases. For lease agreements entered into or reassessed after the adoption of ASC 842 Leases, we combine lease and non-lease components, if any. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Our lease cost is reflected in the accompanying statements of operations and comprehensive loss as follows:

	Classification	Year Ended December 31, 2023	2022
Operating lease cost:			
Fixed lease cost	Research and development	$ 702	$ 702
Fixed lease cost	General and administrative	78	78
Finance lease cost:			
Amortization of lease assets	Research and development	96	135
Interest on lease liabilities	Interest expense	15	32
Total Lease Cost		$ 891	$ 947

The weighted average remaining lease term and discount rates as of December 31, 2023 were as follows:

Weighted average remaining lease term (years):	
Operating leases	2.8
Finance leases	1.3
Weighted average discount rate:	
Operating leases	10.3 %
Finance leases	6.5 %

The discount rate for leases was estimated based upon market rates of collateralized loan obligations of comparable companies on comparable terms at the time of lease inception.

The future minimum lease payments as of December 31, 2023 were as follows:

Year ending December 31:	Operating Leases	Finance Leases	Total
2024	$ 1,317	$ 115	$ 1,432
2025	1,356	64	1,420
2026	1,158	—	1,158
Total minimum lease payments	3,831	179	4,010
Less: interest	(499)	(8)	(507)
Present value of lease liabilities	$ 3,332	$ 171	$ 3,503

12. Revenue Interest Financing Payable

On January 9, 2023, we entered into the RIFA with HCR and HealthCare Royalty Management, LLC, pursuant to which and subject to the terms and conditions contained therein, HCR agreed to pay us an aggregate investment amount of up to $100.0 million (the "Investment Amount") in four tranches. On January 27, 2023, $32.5 million of the Investment Amount was funded from the first tranche, $22.2 million of which was used to satisfy our existing obligations under the A&R SVB LSA (see Note 13).

On June 28, 2023 and July 27, 2023, we entered into the Second Amendment to the RIFA and Third Amendment to the RIFA, respectively, pursuant to which HCR moved $2.5 million from the fourth tranche to the second tranche such that HCR would fund a total of $10.0 million of the Investment Amount under the second tranche. $10.0 million from the second tranche was funded on July 27, 2023.

On January 3, 2024, we entered into the Fourth Amendment to the RIFA pursuant to which HCR moved $25.0 million from the third tranche to the second tranche, such that the total of the second tranche totals $35.0 million under the second tranche. The additional $25.0 million from the second tranche was funded on January 4, 2024. The remaining third tranche of $10.0 million and fourth tranche of $22.5 million can be funded in the future upon the mutual agreement of both parties.

As consideration for the Investment Amount and pursuant to the RIFA, we have agreed to pay HCR either (a) quarterly fixed payments and a one-time fixed payment or (b) a tiered royalty on our annual net revenue after the first commercial sale of YUTREPIA (the "Revenue Interests") depending on whether the Third Investment Amount has been funded.

We are currently required to make certain fixed quarterly payments to HCR which include an additional amount on a ratable basis to reflect the funding of additional amounts by HCR under the RIFA and a one-time fixed payment. As of December 31, 2023, we were required to pay $2.6 million during the year ended December 31, 2024, which is classified as current in our consolidated balance sheet. As a result of the Fourth Amendment, if the Third Investment Amount is not funded our quarterly fixed payment will increase to $1.0 million beginning in the second quarter of 2024 and then to $5.8 million beginning in the third quarter of 2025 through 2028. Additionally, we will be obligated to pay an incremental one-time fixed payment of $23.8 million also during the third quarter of 2025 in the event that the Third Investment Amount has not been funded by June 30, 2025.

If the Third Investment Amount is funded, the applicable tiered percentage will range from 3.60% to 10.28% on the first $250 million on annual net revenue, 1.44% to 4.11% on the next $250 million in annual net revenue, and 0.36% to 1.03% on all annual net revenue in excess of $500 million. The specific royalty rate within such ranges will depend upon the total amount advanced by HCR and our achievement of a certain annual net revenue threshold for the calendar year 2025.

If HCR has not received cumulative payments equaling at least 60% of the amount funded to date by December 31, 2026 or at least 100% of the amount funded to date by December 31, 2028, we will be obligated to make a cash payment to HCR immediately following each applicable date in an amount sufficient to achieve such percentage funded amounts to HCR giving full consideration of the cumulative amounts paid to HCR by us through each date.

HCR's rights to receive the Revenue Interests will terminate on the date on which HCR has received payments equal to 175% of funded portion of the Investment Amount less the aggregate amount of all payments made to HCR as of such date (the "Hard Cap"), plus an amount, if any, that HCR would need to receive to yield an internal rate of return on the funded Investment Amount equal to 18% (the "IRR True-Up Payment"), unless the RIFA is earlier terminated. If a change of control occurs or upon the occurrence of an event of default, HCR may accelerate payments due under the RIFA up to the Hard Cap, plus the IRR True-Up Payment, plus any other obligations payable under the RIFA.

The RIFA contains customary affirmative and negative covenants and customary events of default and other events that would cause acceleration, including, among other things, the occurrence of certain material adverse events or the material breach of certain representations and warranties and specified covenants, in which event HCR may elect to terminate the RIFA and require us to make payments to HCR equal to the lesser of (a) the Hard Cap, plus any other obligations payable under the RIFA, or (b) the funded portion of the Investment Amount, minus payments received by HCR in respect of the Revenue Interests, plus the IRR True-Up Payment. If the FDA grants final approval to an inhaled treprostinil product therapeutically equivalent to YUTREPIA and HCR has not received 100% of the amount funded by HCR to date, then we will be required to make payments to HCR equal to 100% of the amount funded by HCR to date, minus payments received by HCR in respect of the Revenue Interests.

The RIFA contains certain restrictions on our ability, among other things, to incur additional debt, grant or permit additional liens, make investments and acquisitions, dispose of assets, pay dividends and distributions, subject to certain exceptions. In addition, the RIFA contains a financial covenant that requires us to maintain cash and cash equivalents in an amount at least equal to $7.5 million during the calendar year beginning on January 1, 2024 and at least equal to $15.0 million for the remainder of the payment term after the calendar year ended December 31, 2024.

As of the filing date of these consolidated financial statements, we are not aware of any breach of covenants, or the occurrence of any material adverse event, nor have we received any notice of event of default from HCR.

We recorded the total funds received from HCR of $42.5 million under the terms of the RIFA as a liability. The issuance costs, consisting primarily of legal fees, totaled $0.9 million and were recorded as a deduction of the carrying amount of the liability and are being amortized under the effective interest method over the estimated period the liability will be repaid. We estimated the total amount of payments over the life of the RIFA to determine the interest expense to record to accrete the liability to the amount ultimately due. For the year ended December 31, 2023, we estimated an effective annual interest rate of approximately 17% inclusive of RIFA interest accretion and debt issuance cost amortization. Over the course of the RIFA, the effective annual interest rate is expected to be affected by changes in forecasted payments. On a quarterly basis, we will reassess the expected amount and timing of payments, recalculate the amortization and effective interest rate and adjust the accounting prospectively as needed.

The following table presents the changes in the liability related to RIFA during the year ended December 31, 2023:

	December 31, 2023
Balance as of January 27, 2023 closing	$ 32,500
Issuance costs	(906)
Second tranche funding	10,000
Accretion	5,974
Amortization of issuance costs	119
Payments	(1,654)
Balance as of December 31, 2023	$ 46,033
Less: current portion of revenue interest financing payable	(2,615)
Long-term portion of revenue interest financing payable	$ 43,418

13. Long-Term Debt

Long-term debt consisted of the following:

	Maturity Date	December 31, 2023	December 31, 2022
A&R Silicon Valley Bank term loan	December 1, 2025	$ —	$ 19,879

Concurrent with the closing of the RIFA on January 27, 2023 (see Note 12), we repaid the amounts due under the SVB A&R LSA (as defined below), including termination fees and the Final Payment Fee, in full. This repayment resulted in a loss on extinguishment during the year ended December 31, 2023 of $2.3 million.

On January 7, 2022 (the "A&R SVB LSA Effective Date"), we entered into an Amended and Restated Loan and Security Agreement with SVB and SVB Innovation Credit Fund VIII, L.P. ("Innovation") (the "A&R SVB LSA") under which $20.0 million was funded on the A&R SVB LSA Effective Date. $10.5 million of the proceeds were used to satisfy our existing obligations with SVB and such obligations are considered fully repaid and terminated as of that date. We accounted for such repayment in accordance with ASC 405-20, Extinguishments of Liabilities, which resulted in a loss on extinguishment during the year ended December 31, 2022 of $1.0 million.

The A&R SVB LSA was to mature on December 1, 2025, and consisted of interest-only payments equal to the greater of 7.25% and the prime rate of interest plus 4.0% of the outstanding principal amount. The SVB A&R LSA also provided for a "Final Payment Fee" of 5.0% of the aggregate original principal amount of all loans made and a payment solely to SVB of $185,000 due on the earliest of the maturity date, the repayment of the debt in full, any optional prepayment or mandatory prepayment, or the termination of the A&R SVB LSA.

As an inducement to enter into the A&R SVB LSA, we issued SVB, Innovation, and Innovation Credit Fund VIII-A L.P. ("Innovation Credit") warrants to purchase an aggregate of 250,000 shares of our common stock at an exercise price of $5.14 per share. The A&R SVB Warrants provide an option for a cashless exercise.

We evaluated the features of the A&R SVB LSA and A&R SVB Warrants in accordance with ASC 480, Distinguishing Liabilities from Equity and ASC 815, Derivatives and Hedging and determined that they did not contain any features that would qualify as a derivative or embedded derivative. In addition, we determined that the A&R SVB Warrants should be classified as equity.

In accordance with ASC 470, Debt, the value of the A&R SVB Warrants and A&R SVB LSA was allocated using a relative fair value allocation. The fair value of the A&R SVB Warrants was determined to be $1.3 million and included in additional paid-in-capital, of which $0.7 million was recognized as a component of the loss on extinguishment and $0.6 million as a debt discount. The remaining $19.4 million was allocated to the A&R SVB LSA. In addition, we incurred fees of less than $0.1 million, which were recorded as debt issuance costs. The debt discount and debt issuance costs were being amortized to interest expense and the Final Payment Fee was being accreted using the effective interest method over the term of the A&R SVB LSA.

The estimated fair value of the SVB Warrant was calculated using the Black-Scholes Option Pricing Model based on the following inputs:

Expected dividend yield	—
Risk-free interest rate	1.76%
Expected volatility	97.2%
Expected life (years)	10.0

14. Defined Contribution Retirement Plan

We maintain a defined contribution 401(k) retirement plan for our employees, pursuant to which employees may elect to contribute a portion of their compensation on a tax-deferred basis. We match 100% of eligible employee contributions up to 4% of an employee's salary, subject to the maximum amount permitted by the Internal Revenue Code. Our matching contributions were $0.7 million and $0.4 million for the years ended December 31, 2023 and 2022, respectively.

15. Legal Proceedings

YUTREPIA-Related Litigation

In June 2020, United Therapeutics filed a complaint for patent infringement against the Company in the U.S. District Court for the District of Delaware (Case No. 1:20 cv 00755 RGA) (the "Original Hatch-Waxman Litigation"), asserting infringement by the Company of U.S. Patent Nos. 9,604,901, entitled "Process to Prepare Treprostinil, the Active Ingredient in Remodulin®" (the "'901 Patent"), and 9,593,066, entitled "Process to Prepare Treprostinil, the Active Ingredient in Remodulin®" (the "'066 Patent"), relating to United Therapeutics' Tyvaso®, a nebulized treprostinil solution for the treatment of PAH. United Therapeutics' complaint was in response to the Company's NDA for YUTREPIA, filed with the FDA, requesting approval to market YUTREPIA, a dry powder formulation of treprostinil for the treatment of PAH. The YUTREPIA NDA was filed under the 505(b)(2) regulatory pathway with Tyvaso® as the reference listed drug.

In July 2020, the U.S. Patent and Trademark Office (the "USPTO") issued U.S. Patent No. 10,716,793 (the "'793 Patent"), entitled "Treprostinil Administration by Inhalation", to United Therapeutics. In July 2020, United Therapeutics filed an amended complaint in the Original Hatch-Waxman Litigation asserting infringement of the '793 Patent by the practice of YUTREPIA.

In June 2021, the Court held a claim construction hearing. Based on the Court's construction of the claim terms, United Therapeutics filed a stipulation of partial judgment with respect to the '901 Patent in December 2021 under which United Therapeutics agreed to the entry of judgment of the Company's non-infringement of the '901 Patent. United Therapeutics did not file an appeal with respect to the '901 Patent.

Trial proceedings in the Original Hatch-Waxman Litigation were held in March 2022. In August 2022, Judge Andrews, who was presiding over the Original Hatch-Waxman Litigation, issued an opinion that claims 1, 2, 3, 6 and 9 of the '066 Patent were invalid, that the remaining asserted claims of the '066 Patent were not infringed by the Company, and that all of the asserted claims of the '793 Patent were both valid and infringed by the Company, based on the arguments presented by the Company in the Original Hatch-Waxman Litigation. In September 2022, Judge Andrews entered a final judgment in the Original Hatch-Waxman Litigation that incorporated the findings from his opinion and ordered that the effective date of any final approval by the FDA of YUTREPIA shall be a date which is not earlier than the expiration date of the '793 Patent, which will be in 2027. Both the Company and United Therapeutics appealed Judge Andrews' decision to the United States Court of Appeals for the Federal Circuit. On July 24, 2023, the United States Court of Appeals for the Federal Circuit affirmed Judge Andrews' decision with respect to both the '066 patent and the '793 patent.

In March 2020, the Company filed two petitions for inter partes review with the Patent Trial and Appeal Board (the "PTAB") of the USPTO. One petition was for inter partes review of the '901 Patent, and sought a determination that the claims in the '901 Patent are invalid, and a second petition was for inter partes review of the '066 Patent, and sought a determination that the claims in the '066 Patent are invalid. In October 2020, the PTAB instituted an inter partes review of the '901 Patent and concurrently denied institution on the '066 Patent, stating that the '066 petition has not established a reasonable likelihood that it would prevail in showing that at least one of the challenged claims is unpatentable. In October 2021, the PTAB issued a final written decision concluding that seven of the claims in the '901 patent were unpatentable, leaving only the narrower dependent claims 6 and 7, both of which require actual storage at ambient temperature of treprostinil sodium. In November 2021, United Therapeutics submitted a rehearing request with respect to the PTAB's decision in the inter partes review of the '901 Patent. The rehearing request was denied in June 2022. In

August 2022, United Therapeutics appealed the decision of the PTAB with respect to the ‘901 Patent to the United States Court of Appeals for the Federal Circuit. Oral argument was held in February 2024, and the appeal remains pending.

In January 2021, the Company filed a petition for inter partes review with the PTAB relating to the ‘793 Patent, seeking a determination that the claims in the ‘793 Patent are invalid. In August 2021, the PTAB instituted an inter partes review of the ‘793 Patent, finding that the Company had demonstrated a reasonable likelihood that it would prevail with respect to showing that at least one challenged claim of the ‘793 patent is unpatentable as obvious over the combination of certain prior art cited by the Company in its petition to the PTAB. In July 2022, the PTAB ruled in the Company’s favor, concluding that based on the preponderance of the evidence, all the claims of the ’793 Patent have been shown to be unpatentable. In August 2022, United Therapeutics submitted a rehearing request with respect to the PTAB’s decision in the inter partes review of the ‘793 Patent. The rehearing request was denied in February 2023. In April 2023, United Therapeutics appealed the decision of the PTAB with respect to the ‘793 Patent to the United States Court of Appeals for the Federal Circuit. In December 2023, the United States Court of Appeals for the Federal Circuit affirmed the earlier decision by the PTAB, which found all claims of the ‘793 Patent to be unpatentable due to the existence of prior art cited by us in inter partes review proceedings. As a result of this decision by the United States Court of Appeals for the Federal Circuit, in December 2023, we filed a motion for Judge Andrews to set aside the injunction he issued in the Original Hatch-Waxman Litigation. The motion has been fully briefed and remains pending. In January 2024, United Therapeutics filed a request for rehearing of the decision by the United States Court of Appeals for the Federal Circuit. The request for rehearing was denied on March 12, 2024. United Therapeutics has the right to file a petition for a writ of certiorari to seek an appeal with the United States Supreme Court, but no such petition has been filed to date.

In September 2023, United Therapeutics filed a second complaint for patent infringement against the Company in the U.S. District Court for the District of Delaware (Case No. 1:23-cv-00975-RGA) (the “New Hatch-Waxman Litigation”), again asserting infringement by the Company of the ‘793 Patent. United Therapeutics’ new complaint was in response to the Company’s amended NDA for YUTREPIA, filed with the FDA in July 2023, requesting approval to add PH-ILD to the label for YUTREPIA. In the event the decision of the PTAB invalidating the ‘793 Patent is affirmed on appeal, then such ruling would have precedential effect in the New Hatch-Waxman Litigation.

In connection with an amendment to our NDA filed in July 2023 to add PH-ILD as an indication for YUTREPIA, we provided a new notice of the paragraph IV certification to United Therapeutics as the owner of the patents that are the subject of the certification to which the NDA for YUTREPIA refers. As a result, in September 2023, United Therapeutics filed a second complaint for patent infringement against us in the U.S. District Court for the District of Delaware (Case No. 1:23-cv-00975-RGA) (the “New Hatch-Waxman Litigation”), again asserting infringement by the Company of the ‘793 Patent. In November 2023, the U.S. Patent and Trademark Office (the USPTO) issued U.S. Patent No. 11,826,327, or the ‘327 Patent, entitled “Treatment for Interstitial Lung Disease”, to United Therapeutics. On November 30, 2023, United Therapeutics filed an amended complaint in the New Hatch-Waxman Litigation asserting infringement of the ‘327 Patent by the practice of YUTREPIA based on the amended NDA. In January 2024, we filed an answer, counterclaims and a partial motion to dismiss the claims related to the ‘793 Patent as a result of the decision by the United States Court of Appeals for the Federal Circuit to affirm the PTAB’s finding that the ’793 patent is unpatentable. In February 2024, United Therapeutics stipulated to the dismissal of the claims in the New Hatch-Waxman Litigation related to the ‘793 Patent. In February 2024, United Therapeutics also filed a motion seeking a preliminary injunction to prevent us from manufacturing, marketing, storing, importing, distributing, offering for sale, and/or selling YUTREPIA for the treatment of PH-ILD. Briefing on the motion for preliminary injunction is ongoing, and the motion remains pending.

FDA Litigation

In February 2024, United Therapeutics filed a complaint against the FDA in the U.S. District Court for the District of Columbia, challenging the FDA’s acceptance of our amended NDA for review (the “FDA Litigation”). On March 4, 2024, United Therapeutics filed a motion for a temporary restraining order in the FDA Litigation, seeking to enjoin the FDA from approving our NDA for YUTREPIA with respect to the indication to treat PH-ILD. Briefing on the motion for a temporary restraining order is ongoing, and the motion remains pending.

Trade Secret Litigation

In December 2021, United Therapeutics filed a complaint in the Superior Court in Durham County, North Carolina, alleging that the Company and a former United Therapeutics employee, who later joined the Company as an employee many years after terminating his employment with United Therapeutics, conspired to misappropriate certain trade secrets of United Therapeutics and engaged in unfair or deceptive trade practices. In January 2024, our co-defendant in the lawsuit filed a motion to dismiss all claims. The motion is being briefed and remains pending. Fact discovery in the case has concluded, and expert discovery is in process.

RareGen Litigation

In April 2019, Sandoz and Liquidia PAH (then known as RareGen) filed a complaint against United Therapeutics and Smiths Medical in the District Court of New Jersey (Case No. No. 3:19 cv 10170), (the "RareGen Litigation"), alleging that United Therapeutics and Smiths Medical violated the Sherman Antitrust Act of 1890, state law antitrust statutes and unfair competition statutes by engaging in anticompetitive acts regarding the drug treprostinil for the treatment of PAH. In March 2020, Sandoz and Liquidia PAH filed a first amended complaint adding a claim that United Therapeutics breached a settlement agreement that was entered into in 2015, in which United Therapeutics agreed to not interfere with Sandoz's efforts to launch its generic treprostinil, by taking calculated steps to restrict and interfere with the launch of Sandoz's competing generic product. United Therapeutics developed treprostinil under the brand name Remodulin® and Smiths Medical manufactured a pump and cartridges that are used to inject treprostinil into patients continuously throughout the day. Sandoz and Liquidia PAH allege that United Therapeutics and Smiths Medical entered into anticompetitive agreements (i) whereby Smiths Medical placed restrictions on the cartridges such that they can only be used with United Therapeutics' branded Remodulin® product and (ii) requiring Smiths Medical to enter into agreements with specialty pharmacies to sell the cartridges only for use with Remodulin®.

In November 2020, Sandoz and Liquidia PAH entered into a binding term sheet (the "Term Sheet") with Smiths Medical in order to resolve the outstanding RareGen Litigation solely with respect to disputes between Smiths Medical, Liquidia PAH and Sandoz. In April 2021, Liquidia PAH and Sandoz entered into a Long Form Settlement Agreement (the "Settlement Agreement") with Smiths Medical to further detail the terms of the settlement among such parties as reflected in the Term Sheet. Pursuant to the Term Sheet and the Settlement Agreement, the former RareGen members and Sandoz received a payment of $4.25 million that was evenly split between the parties. In addition, pursuant to the Term Sheet and Settlement Agreement, Smiths Medical disclosed and made available to Sandoz and Liquidia PAH certain specifications and other information related to the cartridge that Smiths Medical developed and manufactures for use with the CADD-MS 3 infusion pump (the "CADD-MS 3 Cartridge"). Pursuant to the Settlement Agreement, Smiths Medical also granted Liquidia PAH and Sandoz a non-exclusive, royalty-free license in the United States to Smiths Medical's patents and copyrights associated with the CADD-MS 3 Cartridge and certain other information for use of the CADD-MS 3 pump and the CADD-MS 3 Cartridges. Smiths also agreed in the Settlement Agreement to provide information and assistance in support of Liquidia PAH's efforts to receive FDA clearance for the RG 3ml Medication Cartridge (the "RG Cartridge") and to continue to service certain CADD-MS 3 pumps that are available for use with the Treprostinil Injection through January 1, 2025. Liquidia PAH and Sandoz agreed, among other things, to indemnify Smiths from certain liabilities related to the RG Cartridge.

In September 2021, United Therapeutics filed a motion for summary judgment with respect to all of the claims brought by Sandoz and Liquidia PAH against United Therapeutics. At the same time, Sandoz filed a motion for summary judgment with respect to the breach of contract claim. In March 2022, the Court issued an order granting partial summary judgment to United Therapeutics with respect to the antitrust and unfair competition claims, denying summary judgment to United Therapeutics with respect to the breach of contract claim, and granting partial summary judgment to Sandoz with respect to the breach of contract claim. The RareGen Litigation will now proceed to a trial to determine the amount of damages due from United Therapeutics to Sandoz with respect to the breach of contract claim. Trial is scheduled to start on April 29, 2024.

Under the Promotion Agreement, all proceeds from the litigation will be divided evenly between Sandoz and Liquidia PAH. Under the litigation finance agreements that Liquidia PAH has entered into with Henderson and PBM, any net

proceeds received by Liquidia PAH with respect to the RareGen Litigation will be divided between Henderson and PBM.

16. Commitments and Contingencies

Pharmosa License Agreement and Asset Transfer Agreement

In June 2023, we entered into a License Agreement with Pharmosa Biopharm Inc. ("Pharmosa") pursuant to which we were granted an exclusive license in North America to develop and commercialize L606, an inhaled, sustained-release formulation of treprostinil currently being evaluated in a clinical trial for the treatment of pulmonary arterial hypertension (PAH) and pulmonary hypertension associated with interstitial lung disease (PH-ILD), and a non-exclusive license for the manufacture, development and use (but not commercialization) of such licensed product in most countries outside North America (the "Pharmosa License Agreement").

Under the terms of the Pharmosa License Agreement, we will be responsible for development, regulatory and commercial activities of L606 in North America. Pharmosa will manufacture clinical and commercial supplies of the liposomal formulation through its global supply chain and support us in establishing a redundant global supply chain. In consideration for these exclusive rights, we paid Pharmosa an upfront license fee of $10 million and will pay Pharmosa potential development milestone payments tied to PAH and PH-ILD indications of up to $30 million, potential sales milestones of up to $185 million and two tiers of low, double-digit royalties on net sales of L606. Pharmosa will also receive a $10 million milestone payment for each additional indication approved after PAH and PH-ILD and each additional product approved under the license. We also retain the first right to negotiate for development and commercialization of L606 in Europe and other territories should Pharmosa seek a partner, subject to satisfaction of certain conditions as set forth in the Pharmosa License Agreement.

Concurrently with the execution of the Pharmosa License Agreement, we also entered into an Asset Transfer Agreement with Pharmosa pursuant to which Pharmosa will transfer its inventory of physical materials.

Mainbridge Health Care Device Development and Supply Agreement

In December 2022, we entered into a Device Development and Supply Agreement (the "Pump Development Agreement") with Mainbridge Health Partners, LLC ("Mainbridge") and Sandoz Inc. ("Sandoz"). The Pump Development Agreement provides for the cooperation between us, Sandoz and Mainbridge to develop a new pump that is suitable for the subcutaneous administration of Treprostinil Injection. Mainbridge will perform all development, validation and testing activities required for the pump and related consumables in anticipation of submitting a 510(k) clearance application for the pump to the FDA in the first half of 2024. In connection with the Pump Development Agreement, we and Sandoz have agreed to pay Mainbridge certain future contingent milestone payments in accordance with the terms and conditions set forth therein.

UNC License Agreement

We perform research under a license agreement with The University of North Carolina at Chapel Hill ("UNC") as amended to date (the "UNC License Agreement"). As part of the UNC License Agreement, we hold an exclusive license to certain research and development technologies and processes in various stages of patent pursuit, for use in our research and development and commercial activities, with a term until the expiration date of the last to expire patent subject to the UNC License Agreement, subject to industry standard contractual compliance. Under the UNC License Agreement, we are obligated to pay UNC royalties equal to a low single digit percentage of all net sales of drug products whose manufacture, use or sale includes any use of the technology or patent rights covered by the UNC License Agreement, including YUTREPIA. We may grant sublicenses of UNC licensed intellectual property in return for specified payments based on a percentage of any fee, royalty or other consideration received.

Chasm Technologies

In March 2012, we entered into an agreement, as amended, with Chasm Technologies, Inc. for manufacturing consulting services related to our manufacturing capabilities during the term of the agreement. We agreed to pay future contingent milestones and royalties on net sales totaling no more than $1.5 million, $0.2 million of which has been accrued as of December 31, 2023.

Employment Agreements

We have agreements with certain employees which require payments if certain events, such as a change in control or termination without cause, occur.

Purchase Obligations

We enter into contracts in the normal course of business with contract service providers to assist in the performance of research and development and manufacturing activities. Subject to required notice periods and obligations under binding purchase orders, we can elect to discontinue the work under these agreements at any time.

On July 14, 2023, we entered into an Amended and Restated Commercial Manufacturing Services and Supply Agreement with Lonza Tampa LLC ("Lonza") (the "CSA"). Lonza is our sole supplier for encapsulation and packaging services for YUTREPIA. Pursuant to the terms of the CSA, we deliver bulk treprostinil powder, manufactured using our proprietary PRINT® technology, and Lonza encapsulates and packages it. The CSA was effective upon signing and will be in effect for an initial term of 5 years from receipt of regulatory approval of YUTREPIA by the FDA ("Regulatory Approval") absent termination by either party in accordance with the terms of the CSA. We may terminate the CSA upon 60 days' written notice to Lonza in the event that the application for regulatory approval is rejected by the FDA and such FDA decision is not caused by the fault of the Company (the "Termination for FDA Rejection"). Lonza may terminate the CSA upon 120 days written notice if we do not receive regulatory approval by December 31, 2024 (the "Termination for FDA Delay"). Upon any Termination for FDA Rejection or Termination for FDA Delay, we would reimburse Lonza for 50% of its documented out-of-pocket expenditures for any capital equipment that is purchased by Lonza after the effective date of the Agreement to perform the services for us, not to exceed $2.5 million in the aggregate.

We are required to provide Lonza with quarterly forecasts of our expected production requirements for the following 24-month period, the first twelve months of which is considered a binding, firm order. We are required to purchase certain minimum annual order quantities, which may be adjusted by us after the thirteenth month after receipt of regulatory approval (as defined in the CSA). The CSA provides for tiered pricing depending upon the batch size ordered. As of December 31, 2023, we have non-cancelable commitments with Lonza Tampa LLC for product manufacturing costs of approximately $4.1 million for the year ending 2024.

In addition, we are party to a multi-year supply agreement with LGM Pharma, LLC (LGM) to produce active pharmaceutical ingredients for YUTREPIA. Under the supply agreement with LGM, we are required to provide rolling forecasts, a portion of which will be considered a binding, firm order, subject to an annual minimum purchase commitment of $2.7 million for the term of the agreement. As of December 31, 2023, we have incurred and paid the full annual purchase commitment of $2.7 million. The agreement expires five years from the first marketing authorization approval of YUTREPIA.

Other Contingencies and Commitments

From time-to-time we are subject to claims and litigation in the normal course of business, none of which do we believe represent a risk of material loss or exposure. See Note 15 for further discussion of pending legal proceedings.

In addition to the commitments described above, we are party to other commitments, including non-cancelable leases and long-term debt, which are described elsewhere in these notes to the consolidated financial statements.

17. Subsequent Events

Fourth Amendment to Revenue Interest Financing Agreement

On January 3, 2024, we entered into the Fourth Amendment to the RIFA pursuant to which HCR moved $25.0 million from the third tranche to the second tranche, such that HCR will have funded a total of $35.0 million under the second tranche. The additional $25.0 million from the second tranche was funded on January 4, 2024. The remaining third tranche of $10.0 million and fourth tranche of $22.5 million can be funded in the future upon the mutual agreement of both parties. See Note 12 for further information.

Private Placement

On January 4, 2024, we entered into a Common Stock Purchase Agreement with Legend Aggregator, LP, for the sale by us in a private placement (the "2024 Private Placement") of an aggregate of 7,182,532 shares of our common stock at a purchase price of $10.442 per share. The 2024 Private Placement closed on January 8, 2024, and we received gross proceeds of approximately $75.0 million, before deducting offering costs of less than $0.1 million.

Exhibit 4.7

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The only class of securities of Liquidia Corporation, a Delaware corporation (the "Company"), registered under Section 12 of the Securities Exchange Act of 1934, as amended, is common stock, par value $0.001 per share ("common stock"). The following description of the Company's common stock and preferred stock, $0.001 par value per share ("preferred stock"), summarizes the material terms and provisions of the Company's common stock and preferred stock.

General

The total number of shares of capital stock that the Company has authorized is 110,000,000, divided into two classes consisting of (i) 100,000,000 shares of common stock and (ii) 10,000,000 shares of preferred stock.

Common Stock

The holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. The holders of common stock are entitled to receive ratably those dividends, if any, that may be declared from time to time by the Board of Directors of the Company (the "Board") out of funds legally available, subject to preferences that may be applicable to preferred stock, if any, then outstanding. In the event of a liquidation, dissolution or winding up of the Company, the holders of common stock will be entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding. The common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are fully paid and non-assessable.

Preferred Stock

The Board is authorized to issue preferred stock in one or more series, to establish the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of these shares and any qualifications, limitations or restrictions thereof. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of the Company without further action by the stockholders and may adversely affect the voting and other rights of the holders of common stock. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of common stock, including the loss of voting control to others. At present, the Company has no plans to issue any of the preferred stock.

Warrants

As of December 31, 2023, we had outstanding warrants to purchase an aggregate of 415,572 shares of our common stock, comprised of 250,000 warrants, 100,000 warrants and 65,572 warrants at exercise prices per share of $5.14, $3.05 and $0.02, respectively. These warrants expire on December 31, 2026, February 26, 2031 or January 6, 2032, as applicable.

Registration Rights

On December 23, 2019, Liquidia Technologies, Inc., a wholly owned subsidiary of the Company and predecessor-in-interest for U.S. Securities and Exchange Commission ("SEC") reporting purposes ("Liquidia Technologies"), entered into a common stock purchase agreement for a private placement with certain purchasers whereby, on December 27, 2019 Liquidia Technologies issued and sold 7,164,534 shares of its common stock at a price of $3.13 per share for aggregate gross proceeds of approximately $22.4 million (the "2019 Private Placement"). In connection with the Private Placement, on December 23, 2019, Liquidia Technologies entered into a registration rights agreement with the purchasers (the "2019 Registration Rights Agreement"), pursuant to which Liquidia Technologies agreed to file a registration statement with the SEC covering the resale of the shares of Liquidia Technologies common stock sold in the 2019 Private Placement.

Liquidia Technologies agreed to file such registration statement within 60 days following the date of the 2019 Registration Rights Agreement, which registration statement was filed with the SEC on February 3, 2020 and declared effective by the SEC on February 13, 2020. The 2019 Registration Rights Agreement includes customary indemnification rights in connection with the registration statement.

Pursuant to a Limited Waiver and Modification, dated as of August 3, 2020, to that certain Agreement and Plan of Merger, dated as of June 29, 2020, by and among the Company, Liquidia Technologies and RareGen, LLC ("RareGen"), among other parties (the "Merger Agreement"), (i) RareGen waived the requirement in the Merger Agreement that the shares issuable to RareGen members in the merger transaction be registered on the related Registration Statement on Form S-4 and (ii) the Company covenanted and agreed to file with the SEC a resale registration statement as promptly as practicable following the closing of the merger transaction to register for resale the shares of common stock issuable to RareGen members in the merger transaction and to use reasonable best efforts to cause such resale registration statement to be declared effective by the SEC within 60 days following the closing date of the merger transaction, which registration statement was initially filed with the SEC on December 16, 2020 and declared effective on December 23, 2020.

Additionally, Liquidia Technologies entered into a Seventh Amended and Restated Investors' Rights Agreement ("IRA") on February 2, 2018 with its then-largest stockholders. Subject to the terms of the IRA, Holders (as defined in the IRA) of shares having registration rights ("Registrable Securities", as defined in the IRA) can demand that the Company file a registration statement or request that their shares be covered by a registration statement that the Company is otherwise filing, until the earliest to occur of: (i) July 30, 2023, (ii) as to any Holder, such earlier time at which such Holder can sell all Registrable Securities held by such Holder (together with any affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) in a single three (3)-month period without registration in compliance with Rule 144 of the Securities Act of 1933, as amended (the "Securities Act"), or (iii) after the consummation of a "Liquidation Event," as defined in the IRA.
All registration rights granted under the IRA terminated on the fifth anniversary of the completion of our initial public offering, or July 30, 2023.

On December 12, 2023, the Company entered into a common stock purchase agreement, or the December 2023 Purchase Agreement, with Roger Jeffs, the Chief Executive Officer of the Company, or the Investor, in connection with the private sale of 139,665 unregistered shares of the Company's common stock, in a private placement at a purchase price of $7.16 per share for an aggregate investment amount of approximately $1.0 million, which is referred to herein to as the 2023 Private Placement. The December 2023 Purchase Agreement contains customary representations and warranties, agreements and obligations, closing conditions and termination provisions. Additionally, pursuant to the December 2023 Purchase Agreement, the Company agreed to promptly file a registration statement with the SEC covering the resale of the shares of common stock sold in the 2023 Private Placement upon written request by the Investor.

On January 4, 2024, the Company entered into a common stock purchase agreement, or the January 2024 Purchase Agreement, with Legend Aggregator, LP (the "Purchaser"), for the sale by the Company in a private placement of an aggregate of 7,182,532 shares of the Company's common stock at a purchase price of $10.442 per share for an aggregate investment amount of approximately $75.0 million, which is referred to herein as the 2024 Private Placement. The January 2024 Purchase Agreement contains customary representations and warranties, agreements and obligations, closing conditions and termination provisions. In connection with the 2024 Private Placement, the Company entered into a registration rights agreement (the "2024 Registration Rights Agreement") with the Purchaser. Pursuant to the 2024 Registration Rights Agreement, the Company agreed to file a shelf registration statement with the SEC within 180 days following the date of entry into the 2024 Registration Rights Agreement (the "Filing Deadline") to register the 2024 Private Placement shares for resale and use its best efforts to cause the Registration Statement to be declared effective by the SEC or otherwise become effective under the Securities Act as soon as practicable after the filing thereof, but in no event later than that date that is the earlier of (i) in the event that such registration statement (x) is not subject to a review by the SEC, 60 days after the earlier of (A) the Filing Deadline and (B) the date such registration statement was filed with the SEC and (y) is subject to a review by the SEC, 90 days after the earlier of (A) the Filing Deadline and (B) the date such registration statement was filed with the SEC and (ii) five (5) business days after the date the Company receives written notification from the SEC that the registration statement will not be reviewed. The Company also agreed, among other things, to indemnify the selling holders under the registration statement from

certain liabilities and to pay all fees and expenses incident to the Company's performance of or compliance with the 2024 Registration Rights Agreement.

Anti-Takeover Effects of the Company's Charter and Bylaws and Delaware Law

Some provisions of Delaware law and the Company's certificate of incorporation and bylaws could make the following transactions more difficult:

- acquisition of the Company by means of a tender offer, a proxy contest or otherwise; and
- removal of the Company's incumbent officers and directors.

These provisions, summarized below, are expected to discourage and prevent coercive takeover practices and inadequate takeover bids. These provisions are designed to encourage persons seeking to acquire control of the Company to negotiate first with the Board. They are also intended to provide Company management with the flexibility to enhance the likelihood of continuity and stability if the Board determines that a takeover is not in the best interests of its stockholders. These provisions, however, could have the effect of discouraging attempts to acquire the Company, which could deprive the Company's stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices. The Company believes that the benefits of these provisions, including increased protection of the Company's potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company, outweigh the disadvantages of discouraging takeover proposals, because negotiation of takeover proposals could result in an improvement of their terms.

Election and Removal of Directors

The Company's certificate of incorporation and bylaws contain provisions that establish specific procedures for appointing and removing members of the Board. Under the Company's certificate of incorporation and bylaws, the Board consists of three classes of directors: Class I, Class II and Class III. A nominee for director shall be elected to the Board if the votes cast for such nominee's election exceed the votes cast against such nominee's election. Each director will serve a three-year term and will stand for election upon the third anniversary of the annual meeting at which such director was elected. In addition, the Company's certificate of incorporation and bylaws provide that vacancies and newly created directorships on the Board may be filled only by a majority of the directors then serving on the Board. Under the Company's certificate of incorporation, directors may be removed by the stockholders only by the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the Company's capital stock entitled to vote generally in the election of directors, voting together as a single class.

Authorized but Unissued Shares. The authorized but unissued shares of common stock and preferred stock are available for future issuance without any further vote or action by the Company's stockholders. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control over the Company by means of a proxy contest, changes in the Company's management, tender offer, merger or otherwise. In particular, the authorization of undesignated preferred stock makes it possible for the Board to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of the Company.

Stockholder Action; Advance Notification of Stockholder Nominations and Proposals. The Company's certificate of incorporation and bylaws require that any action required or permitted to be taken by its stockholders must be effected at a duly called annual or special meeting of stockholders and does not allow for stockholders to act by written consent without a meeting. In addition, the Company's bylaws provide that candidates for director may be nominated and other business brought before an annual meeting only by the Board or by a stockholder who gives written notice to the Company no later than 90 days prior to nor earlier than 120 days prior to the first anniversary of the last annual meeting of stockholders. These provisions may have the effect of deterring unsolicited offers to acquire the Company or delaying changes in the Company's management, which could depress the market price of the common stock.

Special Stockholder Meetings. Under the Company's certificate of incorporation and bylaws, only the Board, the Chairman of the Board or the Company's Chief Executive Officer may call special meetings of stockholders.

Delaware Anti-Takeover Law. The Company is subject to Section 203 of the Delaware General Corporation Law (the "DGCL"), which is an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date that the person became an interested stockholder, unless the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a business combination includes a merger, asset or stock sale, or another transaction resulting in a financial benefit to the interested stockholder. Generally, an interested stockholder is a person who, together with affiliates and associates, owns 15% or more of the corporation's voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions that are not approved in advance by the Board, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

No Cumulative Voting. Under Delaware law, cumulative voting for the election of directors is not permitted unless a corporation's certificate of incorporation authorizes cumulative voting. The Company's certificate of incorporation does not provide for cumulative voting in the election of directors. Cumulative voting allows a minority stockholder to vote a portion or all of its shares for one or more candidates for seats on the Board. Without cumulative voting, a minority stockholder will not be able to gain as many seats on the Board based on the number of shares of Company stock the stockholder holds as the stockholder would be able to gain if cumulative voting were permitted. The absence of cumulative voting makes it more difficult for a minority stockholder to gain a seat on the Board to influence its decision regarding a takeover.

Amendment of Charter Provisions. The amendment of certain of the above provisions in the Company's certificate of incorporation and bylaws requires approval by holders of at least a majority of the Company's outstanding capital stock entitled to vote generally in the election of directors.
These and other provisions could have the effect of discouraging others from attempting hostile takeovers, and, as a consequence, they may also inhibit temporary fluctuations in the market price of the common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the Company's management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders might otherwise deem to be in their best interests.

Exclusive Forum

The Company's certificate of incorporation provides that the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for any (1) derivative action or proceeding brought on behalf of the Company, (2) action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Company to the Company or its stockholders, (3) action asserting a claim against the Company arising pursuant to any provision of the DGCL or the Company's certificate of incorporation or bylaws or (4) action asserting a claim against the Company governed by the internal affairs doctrine. This provision does not apply to any actions arising under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and consented to the forum provisions in the Company's certificate of incorporation. However, the enforceability of similar forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be unenforceable.

Transfer Agent

The transfer agent and registrar for the common stock is Computershare Trust Company, N.A. and its address is 150 Royall Street, Canton, MA 02021.

LIQUIDIA CORPORATION
2020 LONG-TERM INCENTIVE PLAN

TABLE OF CONTENTS

1. History; Existence of the Plan.

LIQUIDIA CORPORATION, a Delaware corporation ("*Liquidia Corporation*"), has established the LIQUIDIA CORPORATION 2020 LONG-TERM INCENTIVE PLAN, as set forth herein, and as the same may be amended from time to time (the "*Plan*"). The Plan will come into existence on the Adoption Date; *provided, however*, that no Award may be granted prior to the closing of the merger transaction between Liquidia Technologies, Inc. and RareGen, LLC (the "*Effective Date*"). In addition, no Award will be exercised (or, in the case of Restricted Stock, Restricted Stock Units, Performance Shares, or Other Stock-Based Awards, no Award will be granted) and no Performance Units will be settled unless and until the Plan has been approved by the shareholders of Liquidia Corporation, which approval will be within 12 months after the date the Plan is adopted by the Board of Directors of Liquidia Corporation (the "*Board*").

On the Effective Date, (i) Liquidia Corporation will assume the Liquidia Technologies, Inc. 2018 Long-Term Incentive Plan (the "*Liquidia 2018 Plan*"), the Liquidia Technologies, Inc. 2016 Equity Incentive Plan, as amended, and the Liquidia Technologies, Inc. Stock Option Plan (collectively the "*Assumed Plans"*), and the outstanding awards under each such plan and such awards will remain subject to the same terms and conditions set forth in the Assumed Plans and related agreements.

No awards will be made under Liquidia 2018 Plan on or after the Effective Date.

2. Purposes of the Plan.

The Plan is designed to:

(a) promote the long-term financial interests and growth of Liquidia Corporation and its Subsidiaries (together, the "*Company*") by attracting and retaining management and other personnel of Liquidia Corporation and other Eligible Individuals.

(b) motivate management personnel by means of growth-related incentives to achieve long-range goals; and

(c) further the alignment of interests of Participants with those of the stockholders of Liquidia Corporation through opportunities for increased stock or stock-based ownership in Liquidia Corporation.

Toward these objectives, the Administrator may grant stock options, stock appreciation rights, stock awards, stock units, performance shares, performance units, and other stock-based awards to eligible individuals on the terms and subject to the conditions set forth in the Plan.

3. Terminology.

Except as otherwise specifically provided in an Award Agreement, capitalized words and phrases used in the Plan or an Award Agreement shall have the meaning set forth in the glossary at Section 17 of the Plan or as defined the first place such word or phrase appears in the Plan.

4. Administration.

(a) *Administration of the Plan*. The Plan shall be administered by the Administrator.

(b) *Powers of the Administrator*. The Administrator shall, except as otherwise provided under the Plan, have plenary authority, in its sole and absolute discretion, to grant Awards pursuant to the terms of the Plan to Eligible Individuals and to take all other actions necessary or desirable to carry out the purpose and intent of the Plan. Among other things, the Administrator shall have the authority, in its sole and absolute discretion, subject to the terms and conditions of the Plan to:

(i) determine the Eligible Individuals to whom, and the time or times at which, Awards shall be granted;

(ii) determine the types of Awards to be granted any Eligible Individual;

(iii) determine the number of shares of Common Stock to be covered by or used for reference purposes for each Award or the value to be transferred pursuant to any Award;

(iv) determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares acquired pursuant thereto, including, without limitation, (A) the purchase price of any shares of Common Stock, (B) the method of payment for shares purchased pursuant to any Award, (C) the method for satisfying any tax withholding obligation arising in connection with any Award, including by the withholding or delivery of shares of Common Stock, (D) the timing, terms and conditions of the exercisability, vesting or payout of any Award or any shares acquired pursuant thereto, (E) the Performance Goals applicable to any Award and the extent to which such Performance Goals have been attained, (F) the time of the expiration of any Award, (G) the effect of the Participant's Termination of Service on any of the foregoing, and (H) all other terms, conditions and restrictions applicable to any Award or shares acquired pursuant thereto as the Administrator shall consider to be appropriate and not inconsistent with the terms of the Plan;

(v) subject to Sections 7(e), 10(c) and 15, modify, amend or adjust the terms and conditions of any Award;

(vi) accelerate or otherwise change the time at or during which an Award may be exercised or becomes payable and waive or accelerate the lapse, in whole or in part, of any restriction, condition or risk of forfeiture with respect to such Award; *provided*, *however*, that, except in connection with death, disability or a Change in Control, no such change, waiver or acceleration to any Award that is considered "deferred compensation" within the meaning of Section 409A of the Code if the effect of such action is inconsistent with Section 409A of the Code;

(vii) determine whether an Award will be paid or settled in cash, shares of Common Stock, or in any combination thereof and whether, to what extent and under what circumstances cash or shares of Common Stock payable with respect to an Award shall be deferred either automatically or at the election of the Participant;

(viii) for any purpose, including but not limited to, qualifying for preferred or beneficial tax treatment, accommodating the customs or administrative challenges or otherwise complying with the tax, accounting or regulatory requirements of one or more jurisdictions, adopt, amend, modify, administer or terminate sub-plans, appendices, special provisions or supplements applicable to Awards regulated by the laws of a particular jurisdiction, which sub-plans, appendices, supplements and special provisions may take precedence over other provisions of the Plan, and prescribe, amend and rescind rules and regulations relating to such sub-plans, supplements and special provisions;

(ix) establish any "blackout" period, during which transactions affecting Awards may not be effectuated, that the Administrator in its sole discretion deems necessary or advisable;

(x) determine the Fair Market Value of shares of Common Stock or other property for any purpose under the Plan or any Award;

(xi) administer, construe and interpret the Plan, Award Agreements and all other documents relevant to the Plan and Awards issued thereunder, and decide all other matters to be determined in connection with an Award;

(xii) establish, amend, rescind and interpret such administrative rules, regulations, agreements, guidelines, instruments and practices for the administration of the Plan and for the conduct of its business as the Administrator deems necessary or advisable;

(xiii) correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award or Award Agreement in the manner and to the extent the Administrator shall consider it desirable to carry it into effect; and

(xiv) otherwise administer the Plan and all Awards granted under the Plan.

(c) *Delegation of Administrative Authority.* The Administrator may designate officers or employees of the Company to assist the Administrator in the administration of the Plan and, to the extent permitted by applicable law and stock exchange rules, the Administrator may delegate to officers or other employees of the Company the Administrator's duties and powers under the Plan, subject to such conditions and limitations as the Administrator shall prescribe, including without limitation the authority to execute agreements or other documents on behalf of the Administrator; provided, however, that such delegation of authority shall not extend to the granting of, or exercise of discretion with respect to, Awards to Eligible Individuals who are officers under Section 16 of the Exchange Act.

(d) *Non-Uniform Determinations*. The Administrator's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the Award Agreements evidencing such Awards, and the ramifications of a Change in Control upon outstanding Awards) need not be uniform and may be made by the Administrator selectively among Awards or persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

(e) *Limited Liability; Advisors.* To the maximum extent permitted by law, no member of the Administrator, nor any director, officer, employee or representative of Liquidia Corporation shall be liable for any action taken or decision made in good faith relating to the Plan or any Award thereunder. The Administrator may employ counsel, consultants, accountants, appraisers, brokers or other persons. The Administrator, Liquidia Corporation and the officers and directors Liquidia Corporation shall be entitled to rely upon the advice, opinions or valuations of any such persons.

(f) *Indemnification*. To the maximum extent permitted by law, by Liquidia Corporation' charter and by-laws, and by any directors' and officers' liability insurance coverage which may be in effect from time to time, the members of the Administrator and any agent or delegate of the Administrator who is a director, officer or employee of Liquidia Corporation or an Affiliate shall be indemnified by Liquidia Corporation against any and all liabilities and expenses to which they may be subjected by reason of any act or failure to act with respect to their duties on behalf of the Plan.

(g) *Effect of Administrator's Decision*. All actions taken and determinations made by the Administrator on all matters relating to the Plan or any Award pursuant to the powers vested in it hereunder shall be in the Administrator's sole and absolute discretion, unless in contravention of any express term of the Plan, including, without limitation, any determination involving the appropriateness or equitableness of any action. All determinations made by the Administrator shall be conclusive, final and binding on all parties concerned, including Liquidia Corporation, any Participants and any other employee, or director of Liquidia Corporation and its Affiliates, and their respective successors in interest. No member of the Administrator, nor any director, officer, employee or representative of Liquidia Corporation shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or Awards.

5. Shares Issuable Pursuant to Awards.

(a) *Initial Share Pool.* Subject to adjustments as provided in Section 10 of the Plan, the number of shares of Common Stock issuable pursuant to Awards that may be granted under the Plan shall equal 1,700,000 (the "*Share Pool*").

(b) *Adjustments to Share Pool*. On and after the Effective Date, the Share Pool shall be adjusted, in addition to any adjustments to be made pursuant to Section 10 of the Plan, as follows:

(i) The Share Pool shall be increased automatically, without further action of the Board, on January 1st of each calendar year commencing after the Effective Date and ending on (and including) January 1, 2030, by a number of shares of Common Stock equal to the lesser of (A) four percent (4%) of the aggregate number of shares of Common Stock outstanding on December 31st of the immediately preceding calendar year, excluding for this purpose any such outstanding shares of Common Stock that were granted under this Plan and remain unvested and subject to forfeiture as of the relevant December 31st, or (B) a lesser number of shares of Common Stock determined by the Board or Compensation Committee prior to the relevant January 1st.

(ii) The Share Pool shall be reduced, on the date of grant, by one share for each share of Common Stock made subject to an Award granted under the Plan;

(iii) The Share Pool shall be increased, on the relevant date, by the number of unissued shares of Common Stock underlying or used as a reference measure for any Award or portion of an Award that is cancelled, forfeited, expired, terminated unearned or settled in cash, in any such case without the issuance of shares and by the number of shares of Common Stock used as a reference measure for any Award that are not issued upon settlement of such Award either due to a net settlement or otherwise;

(iv) The Share Pool shall be increased, on the forfeiture date, by the number of shares of Common Stock that are forfeited back to Liquidia Corporation after issuance due to a failure to meet an Award contingency or condition with respect to any Award or portion of an Award;

(v) The Share Pool shall be increased, on the exercise date, by the number of shares of Common Stock withheld by or surrendered (either actually or through attestation) to Liquidia Corporation in payment of the exercise price of any Award; and

(vi) The Share Pool shall be increased, on the relevant date, by the number of shares of Common Stock withheld by or surrendered (either actually or through attestation) to Client in payment of the Tax Withholding Obligation that arises in connection with any Award.

(vii) Notwithstanding the foregoing, the Share Pool will not be increased to include any shares of Common Stock issuable upon exercise of options granted under the Assumed Plans that expire or terminate without having been exercised in full.

(c) *ISO Limit*. Subject to adjustment pursuant to Section 10 of the Plan, the maximum number of shares of Common Stock that may be issued pursuant to stock options granted under the Plan that are intended to qualify as Incentive Stock Options within the meaning of Section 422 of the Code shall be equal to 10,000,000.

(d) *Source of Shares*. The shares of Common Stock with respect to which Awards may be made under the Plan shall be shares authorized for issuance under Liquidia Corporation' charter but unissued, or issued and reacquired, including without limitation shares purchased in the open market or in private transactions.

(e) *Non-Employee Director Award Limit*. In addition, the Administrator may establish compensation for Non-Employee Directors from time to time, subject to the limitations in the Plan. The Administrator will from time to time determine the terms, conditions and amounts of all such Non-Employee Director compensation in its discretion and pursuant to the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, provided that the sum of any cash compensation and the grant date fair value of Awards (as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor thereto) granted under the Plan to a Non-Employee Director as compensation for services as a Non-Employee Director during any calendar year of the Company may not exceed $500,000 for an annual grant, *provided however*, in a Non-Employee Director's first year of service compensation for services may not exceed $1,000,000 (such limits, the "*Director Limits*"). The Administrator may make exceptions to this limit for individual Non-Employee directors in extraordinary circumstances, as the Administrator may determine in its discretion, provided that the Non-Employee Director receiving such additional compensation may not participate in the decision to award such compensation or in other compensation decisions involving Non-Employee Director.

6. Participation.

Participation in the Plan shall be open to all Eligible Individuals, as may be selected by the Administrator from time to time. The Administrator may also grant Awards to Eligible Individuals in connection with hiring, recruiting or otherwise, prior to the date the individual first performs services for Liquidia Corporation or an Affiliate; *provided, however*, that such Awards shall not become vested or exercisable and no shares shall be issued to such individual, prior to the date the individual first commences performance of such services.

7. Awards.

(a) *Awards, In General.* The Administrator, in its sole discretion, shall establish the terms of all Awards granted under the Plan consistent with the terms of the Plan. Awards may be granted individually or in tandem with other types of Awards, concurrently with or with respect to outstanding Awards. All Awards are subject to the terms and conditions provided in the Award Agreement, which shall be delivered to the Participant receiving such Award upon, or as promptly as is reasonably practicable following, the grant of such Award. Unless otherwise specified by the Administrator, in its sole discretion, or otherwise provided in the Award Agreement, an Award shall not be effective unless the Award Agreement is signed or otherwise accepted by Liquidia Corporation and the Participant receiving the Award (including by electronic delivery and/or electronic signature).

(b) *Stock Options*.

(i) *Grants*. A stock option means a right to purchase a specified number of shares of Common Stock from Liquidia Corporation at a specified price during a specified period of time. The Administrator may from time to time grant to Eligible Individuals Awards of Incentive Stock Options or Nonqualified Options; *provided*, *however*, that Awards of Incentive Stock Options shall be limited to employees of Liquidia Corporation or of any current or hereafter existing "parent corporation" or "subsidiary corporation," as defined in Sections 424(e) and 424(f) of the Code, respectively, of Liquidia Corporation, and any other Eligible Individuals who are eligible to receive Incentive Stock Options under the provisions of Section 422 of the Code. No stock option shall be an Incentive Stock Option unless so designated by the Administrator at the time of grant or in the applicable Award Agreement.

(ii) *Exercise*. Stock options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Administrator; *provided, however,* that Awards of stock options may not have a term in excess of ten years' duration unless required otherwise by applicable law.

(iii) *Termination of Service*. Except as provided in the applicable Award Agreement or otherwise determined by the Administrator, to the extent stock options are not vested and exercisable, a Participant's stock options shall be forfeited upon his or her Termination of Service.

(iv) *Additional Terms and Conditions*. The Administrator may, by way of the Award Agreement or otherwise, determine such other terms, conditions, restrictions, and/or limitations, if any, of any Award of stock options, *provided* they are not inconsistent with the Plan.

(c) *Limitation on Reload Options*. The Administrator shall not grant stock options under this Plan that contain a reload or replenishment feature pursuant to which a new stock option would be granted automatically upon receipt of delivery of Common Stock to Liquidia Corporation in payment of the exercise price or any tax withholding obligation under any other stock option.

(d) *Stock Appreciation Rights*.

(i) *Grants.* The Administrator may from time to time grant to Eligible Individuals Awards of stock appreciation rights. A stock appreciation right entitles the Participant to receive, subject to the provisions of the Plan and the Award Agreement, a payment having an aggregate value equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one share of Common Stock over (B) the base price per share specified in the Award Agreement, times (ii) the number of shares specified by the stock appreciation right, or portion thereof, which is exercised. The base price per share specified in the Award Agreement shall not be less than the lower of the Fair Market Value on the date of grant or the exercise price of any tandem stock option to which the stock appreciation right is related, or with respect to stock appreciation rights that are granted in substitution of similar types of awards of a company acquired by Liquidia Corporation or a Subsidiary or with which Liquidia Corporation or a Subsidiary combines (whether in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock, or otherwise) such base price as is necessary to preserve the intrinsic value of such awards.

(ii) *Exercise*. Stock appreciation rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Administrator; *provided, however,* that stock appreciation rights granted under the Plan may not have a term in excess of ten years' duration unless required otherwise by applicable law. The applicable Award Agreement shall specify whether payment by Liquidia Corporation of the amount receivable upon any exercise of a stock appreciation right is to be made in cash or shares of Common Stock or a combination of both, or shall reserve to the Administrator or the Participant the right to make that determination prior to or upon the exercise of the stock appreciation right. If upon the exercise of a stock appreciation right a Participant is to receive a portion of such payment in shares of Common Stock, the number of shares shall be determined by dividing such portion by the Fair Market Value of a share of Common Stock on the exercise date. No fractional shares shall be used for such payment and the Administrator shall determine whether cash shall be given in lieu of such fractional shares or whether such fractional shares shall be eliminated.

(iii) *Termination of Service*. Except as provided in the applicable Award Agreement or otherwise determined by the Administrator, to the extent stock appreciation rights are not vested and exercisable, a Participant's stock appreciation rights shall be forfeited upon his or her Termination of

(iv) *Additional Terms and Conditions*. The Administrator may, by way of the Award Agreement or otherwise, determine such other terms, conditions, restrictions, and/or limitations, if any, of any Award of stock appreciation rights, *provided* they are not inconsistent with the Plan.

(e) *Repricing.* Notwithstanding anything herein to the contrary, except in connection with a corporate transaction involving Liquidia Corporation (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of options and stock appreciation rights granted under the Plan may not be amended, after the date of grant, to reduce the exercise price of such options or stock appreciation rights, nor may outstanding options or stock appreciation rights be canceled in exchange for (i) cash, (ii) options or stock appreciation rights with an exercise price or base price that is less than the exercise price or base price of the original outstanding options or stock appreciation rights, or (iii) other Awards, unless such action is approved by Liquidia Corporation' stockholders.

(f) *Stock Awards*.

(i) *Grants*. The Administrator may from time to time grant to Eligible Individuals Awards of unrestricted Common Stock or Restricted Stock (collectively, "*Stock Awards*") on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as the Administrator shall determine, subject to the limitations set forth in Section 7(b). Stock Awards shall be evidenced in such manner as the Administrator may deem appropriate, including via book-entry registration.

(ii) *Vesting*. Restricted Stock shall be subject to such vesting, restrictions on transferability and other restrictions, if any, and/or risk of forfeiture as the Administrator may impose at the date of grant or thereafter. The Restriction Period to which such vesting, restrictions and/or risk of forfeiture apply may lapse under such circumstances, including without limitation upon the attainment of Performance Goals, in such installments, or otherwise, as the Administrator may determine. Subject to the provisions of the Plan and the applicable Award Agreement, during the Restriction Period, the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber shares of Restricted Stock.

(iii) *Rights of a Stockholder; Dividends*. Except to the extent restricted under the Award Agreement relating to the Restricted Stock, a Participant granted Restricted Stock shall have all of the rights of a stockholder of Common Stock including, without limitation, the right to vote Restricted Stock. Cash dividends declared payable on Common Stock shall be paid, with respect to outstanding Restricted Stock, either as soon as practicable following the dividend payment date or deferred for payment to such later date as determined by the Administrator, and shall be paid in cash or as unrestricted shares of Common Stock having a Fair Market Value equal to the amount of such dividends or may be reinvested in additional shares of Restricted Stock as determined by the Administrator; *provided*, *however*, that dividends declared payable on Restricted Stock that is granted as a Performance Award shall be held by Liquidia Corporation and made subject to forfeiture at least until achievement of the applicable Performance Goal related to such shares of Restricted Stock. Stock distributed in connection with

a stock split or stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Common Stock or other property has been distributed. As soon as is practicable following the date on which restrictions on any shares of Restricted Stock lapse, Liquidia Corporation shall deliver to the Participant the certificates for such shares or shall cause the shares to be registered in the Participant's name in book-entry form, in either case with the restrictions removed, provided that the Participant shall have complied with all conditions for delivery of such shares contained in the Award Agreement or otherwise reasonably required by Liquidia Corporation.

(iv) *Termination of Service*. Except as provided in the applicable Award Agreement, upon Termination of Service during the applicable Restriction Period, Restricted Stock and any accrued but unpaid dividends that are at that time subject to restrictions shall be forfeited; *provided* that the Administrator may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and the Administrator may in other cases waive in whole or in part the forfeiture of Restricted Stock.

(v) *Additional Terms and Conditions*. The Administrator may, by way of the Award Agreement or otherwise, determine such other terms, conditions, restrictions, and/or limitations, if any, of any Award of Restricted Stock, *provided* they are not inconsistent with the Plan.

(g) *Stock Units*.

(i) *Grants*. The Administrator may from time to time grant to Eligible Individuals Awards of unrestricted stock Units or Restricted Stock Units on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as the Administrator shall determine, subject to the limitations set forth in Section 7(b). Restricted Stock Units represent a contractual obligation by Liquidia Corporation to deliver a number of shares of Common Stock, an amount in cash equal to the Fair Market Value of the specified number of shares subject to the Award, or a combination of shares of Common Stock and cash, in accordance with the terms and conditions set forth in the Plan and any applicable Award Agreement.

(ii) *Vesting and Payment*. Restricted Stock Units shall be subject to such vesting, risk of forfeiture and/or payment provisions as the Administrator may impose at the date of grant. The Restriction Period to which such vesting and/or risk of forfeiture apply may lapse under such circumstances, including without limitation upon the attainment of Performance Goals, in such installments, or otherwise, as the Administrator may determine. Shares of Common Stock, cash or a combination of shares of Common Stock and cash, as applicable, payable in settlement of Restricted Stock Units shall be delivered to the Participant as soon as administratively practicable, but no later than 30 days, after the date on which payment is due under the terms of the Award Agreement *provided* that the Participant shall have complied with all conditions for delivery of such shares or payment contained in the Award Agreement or otherwise reasonably required by Liquidia Corporation, or in accordance with an election of the Participant, if the Administrator so permits, that meets the requirements of Section 409A of the Code.

(iii) *No Rights of a Stockholder; Dividend Equivalents*. Until shares of Common Stock are issued to the Participant in settlement of stock Units, the Participant shall not have any rights of a stockholder of Liquidia Corporation with respect to the stock Units or the shares issuable thereunder. The Administrator may grant to the Participant the right to receive Dividend Equivalents on stock Units, on a current, reinvested and/or restricted basis, subject to such terms as the Administrator may determine *provided*, *however*, that Dividend Equivalents payable on stock Units that are granted as a Performance Award shall, rather than be paid on a current basis, be accrued and made subject to forfeiture at least until achievement of the applicable Performance Goal related to such stock Units.

(iv) *Termination of Service*. Upon Termination of Service during the applicable deferral period or portion thereof to which forfeiture conditions apply, or upon failure to satisfy any other conditions precedent to the delivery of shares of Common Stock or cash to which such Restricted Stock Units relate, all Restricted Stock Units and any accrued but unpaid Dividend Equivalents with respect to such Restricted Stock Units that are then subject to deferral or restriction shall be forfeited; *provided* that the Administrator may provide, by rule

or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock Units will be waived in whole or in part in the event of termination resulting from specified causes, and the Administrator may in other cases waive in whole or in part the forfeiture of Restricted Stock Units.

(v) *Additional Terms and Conditions*. The Administrator may, by way of the Award Agreement or otherwise, determine such other terms, conditions, restrictions, and/or limitations, if any, of any Award of stock Units, *provided* they are not inconsistent with the Plan.

(h) *Performance Shares and Performance Units*.

(i) *Grants*. The Administrator may from time to time grant to Eligible Individuals Awards in the form of Performance Shares and Performance Units. Performance Shares, as that term is used in this Plan, shall refer to shares of Common Stock or Units that are expressed in terms of Common Stock, the issuance, vesting, lapse of restrictions on or payment of which is contingent on performance as measured against predetermined objectives over a specified Performance Period. Performance Units, as that term is used in this Plan, shall refer to dollar-denominated Units valued by reference to designated criteria established by the Administrator, other than Common Stock, the issuance, vesting, lapse of restrictions on or payment of which is contingent on performance as measured against predetermined objectives over a specified Performance Period. The applicable Award Agreement shall specify whether Performance Shares and Performance Units will be settled or paid in cash or shares of Common Stock or a combination of both, or shall reserve to the Administrator or the Participant the right to make that determination prior to or at the payment or settlement date.

(ii) *Performance Criteria*. The Administrator shall, prior to or at the time of grant, condition the grant, vesting or payment of, or lapse of restrictions on, an Award of Performance Shares or Performance Units upon (A) the attainment of Performance Goals during a Performance Period or (B) the attainment of Performance Goals and the continued service of the Participant. The length of the Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained shall be conclusively determined by the Administrator in the exercise of its absolute discretion. Performance Goals may include minimum, maximum and target levels of performance, with the size of the Award or payout of Performance Shares or Performance Units or the vesting or lapse of restrictions with respect thereto based on the level attained. Performance Goals may be applied on a per share or absolute basis and relative to one or more Performance Metrics, or any combination thereof, and may be measured pursuant to U.S. generally accepted accounting principles ("GAAP"), non-GAAP or other objective standards in a manner consistent with Liquidia Corporation' or its Subsidiary's established accounting policies, all as the Administrator shall determine at the time the Performance Goals for a Performance Period are established. The Administrator may, in its sole discretion, provide that one or more objectively determinable adjustments shall be made to the manner in which one or more of the Performance Goals is to be calculated or measured to take into account, or ignore, one or more of the following: (1) items related to a change in accounting principle; (2) items relating to financing activities; (3) expenses for restructuring or productivity initiatives; (4) other non-operating items; (5) items related to acquisitions; (6) items attributable to the business operations of any entity acquired by the Company during the Performance Period; (7) items related to the sale or disposition of a business or segment of a business; (8) items related to discontinued operations that do not qualify as a segment of a business under U.S. generally accepted accounting principles; (9) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the Performance Period; (10) any other items of significant income or expense which are determined to be appropriate adjustments; (11) items relating to unusual or extraordinary corporate transactions, events or developments, (12) items related to amortization of acquired intangible assets; (13) items that are outside the scope of the Company's core, on-going business activities; (14) changes in foreign currency exchange rates; (15) items relating to changes in tax laws; (16) certain identified expenses (including, but not limited to, cash bonus expenses, incentive expenses and acquisition-related transaction and integration expenses); (17) items relating to asset impairment charges; (18) items relating to gains or unusual or nonrecurring events or changes in applicable law, accounting principles or business conditions, or (19) or any other items selected by the Administrator. Shares or Performance Units shall be settled as and when the Award vests or at a later time specified in the Award Agreement or in accordance with an election of the Participant, if the Administrator so permits, that meets the requirements of Section 409A of the Code.

(iii) *Additional Terms and Conditions*. The Administrator may, by way of the Award Agreement or otherwise, determine such other terms, conditions, restrictions, and/or limitations, if any, of any Award of Performance Shares or Performance Units, *provided* they are not inconsistent with the Plan.

(i) *Other Stock-Based Awards.* The Administrator may from time to time grant to Eligible Individuals Awards in the form of Other Stock-Based Awards. Other Stock-Based Awards in the form of Dividend Equivalents may be (A) awarded on a free-standing basis or in connection with another Award other than a stock option or stock appreciation right, (B) paid currently or credited to an account for the Participant, including the reinvestment of such credited amounts in Common Stock equivalents, to be paid on a deferred basis, and (C) settled in cash or Common Stock as determined by the Administrator; *provided*, *however*, that Dividend Equivalents payable on Other Stock-Based Awards that are granted as a Performance Award shall, rather than be paid on a current basis, be accrued and made subject to forfeiture at least until achievement of the applicable Performance Goal related to such Other Stock-Based Awards. Any such settlements, and any such crediting of Dividend Equivalents, may be subject to such conditions, restrictions and contingencies as the Administrator shall establish.

(j) *Awards to Participants Outside the United States.* The Administrator may grant Awards to Eligible Individuals who are foreign nationals, who are located outside the United States or who are not compensated from a payroll maintained in the United States, or who are otherwise subject to (or could cause Liquidia Corporation or a Subsidiary to be subject to) tax, legal or regulatory provisions of countries or jurisdictions outside the United States, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Administrator, be necessary or desirable in order that any such Award shall conform to laws, regulations, and customs of the country or jurisdiction in which the Participant is then resident or primarily employed or to foster and promote achievement of the purposes of the Plan.

(k) *Limitation on Dividend Reinvestment and Dividend Equivalents*. Reinvestment of dividends in additional Restricted Stock at the time of any dividend payment, and the payment of shares of Common Stock with respect to dividends to Participants holding Awards of stock Units, shall only be permissible if sufficient shares are available under the Share Pool for such reinvestment or payment (taking into account then outstanding Awards). In the event that sufficient shares are not available under the Share Pool for such reinvestment or payment, such reinvestment or payment shall be made in the form of a grant of stock Units equal in number to the shares of Common Stock that would have been obtained by such payment or reinvestment, the terms of which stock Units shall provide for settlement in cash and for Dividend Equivalent reinvestment in further stock Units on the terms contemplated by this Section 7(k).

8. Withholding of Taxes.

Participants and holders of Awards shall pay to Liquidia Corporation or its Affiliate, or make arrangements satisfactory to the Administrator for payment of, any Tax Withholding Obligation in respect of Awards granted under the Plan no later than the date of the event creating the tax or social insurance contribution liability. The obligations of Liquidia Corporation under the Plan shall be conditional on such payment or arrangements. Unless otherwise determined by the Administrator, Tax Withholding Obligations may be settled in whole or in part with shares of Common Stock, including unrestricted outstanding shares surrendered to Liquidia Corporation and unrestricted shares that are part of the Award that gives rise to the Tax Withholding Obligation, having a Fair Market Value on the date of surrender or withholding equal to the statutory minimum amount (or such greater amount permitted under FASB Accounting Standards Codification Topic 718, Compensation—Stock Compensation, for equity-classified awards) required to be withheld for tax or social insurance contribution purposes, all in accordance with such procedures as the Administrator establishes. Liquidia Corporation or its Affiliate may deduct, to the extent permitted by law, any such Tax Withholding Obligations from any payment of any kind otherwise due to the Participant or holder of an Award.

9. Transferability of Awards.

(a) *General Nontransferability Absent Administrator Permission.* Except as otherwise determined by the Administrator, and in any event in the case of an Incentive Stock Option or a tandem stock appreciation right granted with respect to an Incentive Stock Option, no Award granted under the Plan shall be transferable by a Participant otherwise than by will or the laws of descent and distribution. The Administrator shall not permit any transfer of an Award for value. An Award may be exercised during the lifetime of the Participant, only by the

Participant or, during the period the Participant is under a legal disability, by the Participant's guardian or legal representative, unless otherwise determined by the Administrator. Awards granted under the Plan shall not be subject in any manner to alienation, anticipation, sale, transfer, assignment, pledge, or encumbrance, except as otherwise determined by the Administrator; *provided, however,* that the restrictions in this sentence shall not apply to the shares of Common Stock received in connection with an Award after the date that the restrictions on transferability of such shares set forth in the applicable Award Agreement have lapsed. Nothing in this paragraph shall be interpreted or construed as overriding the terms of any Liquidia Corporation stock ownership or retention policy, now or hereafter existing, that may apply to the Participant or shares of Common Stock received under an Award.

(b) *Administrator Discretion to Permit Transfers Other Than For Value.* Except as otherwise restricted by applicable law, the Administrator may, but need not, permit an Award, other than an Incentive Stock Option or a tandem stock appreciation right granted with respect to an Incentive Stock Option, to be transferred to a Participant's Family Member (as defined below) as a gift or pursuant to a domestic relations order in settlement of marital property rights. The Administrator shall not permit any transfer of an Award for value. For purposes of this Section 9, "Family Member" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Participant's household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than fifty percent (50%) of the voting interests. The following transactions are not prohibited transfers for value: (i) a transfer under a domestic relations order in settlement of marital property rights; and (ii) a transfer to an entity in which more than fifty percent of the voting interests are owned by Family Members (or the Participant) in exchange for an interest in that entity.

10. Adjustments for Corporate Transactions and Other Events.

(a) *Mandatory Adjustments*. In the event of a merger, consolidation, stock rights offering, statutory share exchange or similar event affecting Liquidia Corporation (each, a "*Corporate Event*") or a stock dividend, stock split, reverse stock split, separation, spinoff, reorganization, extraordinary dividend of cash or other property, share combination or subdivision, recapitalization, capital reduction distribution, or similar event affecting the capital structure of Liquidia Corporation (each, a "*Share Change*") that occurs at any time after the Effective Date (including any such Corporate Event or Share Change that occurs after such adoption and coincident with or prior to the Effective Date), the Administrator shall make equitable and appropriate substitutions or proportionate adjustments to (i) the aggregate number and kind of shares of Common Stock or other securities on which Awards under the Plan may be granted to Eligible Individuals, (ii) the maximum number of shares of Common Stock or other securities that may be issued with respect to Incentive Stock Options granted under the Plan, (iii) the number of shares of Common Stock or other securities covered by each outstanding Award and the exercise price, base price or other price per share, if any, and other relevant terms of each outstanding Award, and (iv) all other numerical limitations relating to Awards, whether contained in this Plan or in Award Agreements; *provided*, *however*, that any fractional shares resulting from any such adjustment shall be eliminated.

(b) *Discretionary Adjustments*. In the case of Corporate Events, the Administrator may make such other adjustments to outstanding Awards as it determines to be appropriate and desirable, which adjustments may include, without limitation, (i) the cancellation of outstanding Awards in exchange for payments of cash, securities or other property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Administrator in its sole discretion (it being understood that in the case of a Corporate Event with respect to which stockholders of Liquidia Corporation receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Administrator that the value of a stock option or stock appreciation right shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Event over the exercise price or base price of such stock option or stock appreciation right shall conclusively be deemed valid and that any stock option or stock appreciation right may be cancelled for no consideration upon a Corporate Event if its exercise price or base price equals or exceeds the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Event), (ii) the substitution of securities or other property (including, without limitation, cash or other securities of Liquidia Corporation and securities of entities other than Liquidia Corporation) for the shares of

Common Stock subject to outstanding Awards, and (iii) the substitution of equivalent awards, as determined in the sole discretion of the Administrator, of the surviving or successor entity or a parent thereof ("*Substitute Awards*").

(c) *Adjustments to Performance Goals*. The Administrator may, in its discretion, adjust the Performance Goals applicable to any Awards to reflect any unusual or non-recurring events and other extraordinary items, impact of charges for restructurings, discontinued operations and the cumulative effects of accounting or tax changes, each as defined by generally accepted accounting principles or as identified in Liquidia Corporation' consolidated financial statements, notes to the consolidated financial statements, management's discussion and analysis or other Liquidia Corporation filings with the Securities and Exchange Commission. If the Administrator determines that a change in the business, operations, corporate structure or capital structure of Liquidia Corporation or the applicable subsidiary, business segment or other operational unit of Liquidia Corporation or any such entity or segment, or the manner in which any of the foregoing conducts its business, or other events or circumstances, render the Performance Goals to be unsuitable, the Administrator may modify such Performance Goals or the related minimum acceptable level of achievement, in whole or in part, as the Administrator deems appropriate and equitable.

(d) *Statutory Requirements Affecting Adjustments*. Notwithstanding the foregoing: (A) any adjustments made pursuant to Section 10 to Awards that are considered "deferred compensation" within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code; (B) any adjustments made pursuant to Section 10 to Awards that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment, the Awards either (1) continue not to be subject to Section 409A of the Code or (2) comply with the requirements of Section 409A of the Code; (C) in any event, the Administrator shall not have the authority to make any adjustments pursuant to Section 10 to the extent the existence of such authority would cause an Award that is not intended to be subject to Section 409A of the Code at the date of grant to be subject thereto; and (D) any adjustments made pursuant to Section 10 to Awards that are Incentive Stock Options shall be made in compliance with the requirements of Section 424(a) of the Code.

(e) *Dissolution or Liquidation.* Unless the Administrator determines otherwise, all Awards outstanding under the Plan shall terminate upon the dissolution or liquidation of Liquidia Corporation.

11. Change in Control Provisions.

(a) *Termination of Awards*. Notwithstanding the provisions of Section 11(b), in the event that any transaction resulting in a Change in Control occurs, outstanding Awards will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Awards by, or for the issuance therefor of Substitute Awards of, the surviving or successor entity or a parent thereof. Solely with respect to Awards that will terminate as a result of the immediately preceding sentence and except as otherwise provided in the applicable Award Agreement:

(i) the outstanding Awards of stock options and stock appreciation rights that will terminate upon the effective time of the Change in Control shall, immediately before the effective time of the Change in Control, become fully exercisable and the holders of such Awards will be permitted, immediately before the Change in Control, to exercise the Awards;

(ii) the outstanding shares of Restricted Stock the vesting or restrictions on which are then solely time-based and not subject to achievement of Performance Goals shall, immediately before the effective time of the Change in Control, become fully vested, free of all transfer and lapse restrictions and free of all risks of forfeiture;

(iii) the outstanding shares of Restricted Stock the vesting or restrictions on which are then subject to and pending achievement of Performance Goals shall, immediately before the effective time of the Change in Control and unless the Award Agreement provides for vesting or lapsing of restrictions in a greater amount upon the occurrence of a Change in Control, become vested, free of transfer and lapse restrictions and risks of forfeiture in such amounts as if the applicable Performance Goals for the unexpired Performance Period had been achieved at the target level set forth in the applicable Award Agreement;

(iv) the outstanding Restricted Stock Units, Performance Shares and Performance Units the vesting, earning or settlement of which is then solely time-based and not subject to or pending achievement of Performance Goals shall, immediately before the effective time of the Change in Control, become fully earned and vested and shall be settled in cash or shares of Common Stock (consistent with the terms of the Award Agreement after taking into account the effect of the Change in Control transaction on the shares) as promptly as is practicable, subject to any applicable limitations imposed thereon by Section 409A of the Code; and

(v) the outstanding Restricted Stock Units, Performance Shares and Performance Units the vesting, earning or settlement of which is then subject to and pending achievement of Performance Goals shall, immediately before the effective time of the Change in Control and unless the Award Agreement provides for vesting, earning or settlement in a greater amount upon the occurrence of a Change in Control, become vested and earned in such amounts as if the applicable Performance Goals for the unexpired Performance Period had been achieved at the target level set forth in the applicable Award Agreement and shall be settled in cash or shares of Common Stock (consistent with the terms of the Award Agreement after taking into account the effect of the Change in Control transaction on the shares) as promptly as is practicable, subject to any applicable limitations imposed thereon by Section 409A of the Code.

Implementation of the provisions of this Section 11(a) shall be conditioned upon consummation of the Change in Control.

(b) *Continuation, Assumption or Substitution of Awards*. The Administrator may specify, on or after the date of grant, in an award agreement or amendment thereto, the consequences of a Participant's Termination of Service that occurs coincident with or following the occurrence of a Change in Control, if a Change in Control occurs under which provision is made in connection with the transaction for the continuation or assumption of outstanding Awards by, or for the issuance therefor of Substitute Awards of, the surviving or successor entity or a parent thereof.

(c) *Other Permitted Actions*. In the event that any transaction resulting in a Change in Control occurs, the Administrator may take any of the actions set forth in Section 10 with respect to any or all Awards granted under the Plan.

(d) *Section 409A Savings Clause*. Notwithstanding the foregoing, if any Award is considered to be a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code, this Section 11 shall apply to such Award only to the extent that its application would not result in the imposition of any tax or interest or the inclusion of any amount in income under Section 409A of the Code.

12. Substitution of Awards in Mergers and Acquisitions.

Awards may be granted under the Plan from time to time in substitution for assumed awards held by employees, officers, or directors of entities who become employees, officers, or directors of Liquidia Corporation or a Subsidiary as the result of a merger or consolidation of the entity for which they perform services with Liquidia Corporation or a Subsidiary, or the acquisition by Liquidia Corporation of the assets or stock of the such entity. The terms and conditions of any Awards so granted may vary from the terms and conditions set forth herein to the extent that the Administrator deems appropriate at the time of grant to conform the Awards to the provisions of the assumed awards for which they are substituted and to preserve their intrinsic value as of the date of the merger, consolidation or acquisition transaction. To the extent permitted by applicable law and marketplace or listing rules of the primary securities market or exchange on which the Common Stock is listed or admitted for trading, any available shares under a stockholder-approved plan of an acquired company (as appropriately adjusted to reflect the transaction) may be used for Awards granted pursuant to this Section 12 and, upon such grant, shall not reduce the Share Pool.

13. Compliance with Securities Laws; Listing and Registration.

(a) The obligation of Liquidia Corporation to sell or deliver Common Stock with respect to any Award granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal, state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Administrator. If at any time the Administrator determines that the delivery of

Common Stock under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or Federal, state or foreign (non-United States) securities laws, the right to exercise an Award or receive shares of Common Stock pursuant to an Award shall be suspended until the Administrator determines that such delivery is lawful. If at any time the Administrator determines that the delivery of Common Stock under the Plan would or may violate the rules of any exchange on which Liquidia Corporation' securities are then listed for trade, the right to exercise an Award or receive shares of Common Stock pursuant to an Award shall be suspended until the Administrator determines that such delivery would not violate such rules. If the Administrator determines that the exercise or nonforfeitability of, or delivery of benefits pursuant to, any Award would violate any applicable provision of securities laws or the listing requirements of any stock exchange upon which any of Liquidia Corporation' equity securities are listed, then the Administrator may postpone any such exercise, nonforfeitability or delivery, as applicable, but Liquidia Corporation shall use all reasonable efforts to cause such exercise, nonforfeitability or delivery to comply with all such provisions at the earliest practicable date.

(b) Each Award is subject to the requirement that, if at any time the Administrator determines, in its absolute discretion, that the listing, registration or qualification of Common Stock issuable pursuant to the Plan is required by any securities exchange or under any state, federal or foreign (non-United States) law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Award or the issuance of Common Stock, no such Award shall be granted or payment made or Common Stock issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Administrator.

(c) In the event that the disposition of Common Stock acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act of 1933, as amended (the "*Securities Act*"), and is not otherwise exempt from such registration, such Common Stock shall be restricted against transfer to the extent required by the Securities Act or regulations thereunder, and the Administrator may require a person receiving Common Stock pursuant to the Plan, as a condition precedent to receipt of such Common Stock, to represent to Liquidia Corporation in writing that the Common Stock acquired by such person is acquired for investment only and not with a view to distribution and that such person will not dispose of the Common Stock so acquired in violation of Federal, state or foreign securities laws and furnish such information as may, in the opinion of counsel for the Company, be appropriate to permit the Company to issue the Common Stock in compliance with applicable Federal, state or foreign securities laws.

14. Section 409A Compliance.

It is the intention of Liquidia Corporation that any Award that constitutes a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code shall comply in all respects with the requirements of Section 409A of the Code to avoid the imposition of any tax or interest or the inclusion of any amount in income pursuant to Section 409A of the Code, and the terms of each such Award shall be construed, administered and deemed amended, if applicable, in a manner consistent with this intention. Notwithstanding the foregoing, neither Liquidia Corporation nor any of its Affiliates nor any of its or their directors, officers, employees, agents or other service providers will be liable for any taxes, penalties or interest imposed on any Participant or other person with respect to any amounts paid or payable (whether in cash, shares of Common Stock or other property) under any Award, including any taxes, penalties or interest imposed under or as a result of Section 409A of the Code. Any payments described in an Award that are due within the "short term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. For purposes of any Award, each amount to be paid or benefit to be provided to a Participant that constitutes deferred compensation subject to Section 409A of the Code shall be construed as a separate identified payment for purposes of Section 409A of the Code. For purposes of Section 409A of the Code, the payment of Dividend Equivalents under any Award shall be construed as earnings and the time and form of payment of such Dividend Equivalents shall be treated separately from the time and form of payment of the underlying Award. Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that constitutes a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code, any payments (whether in cash, shares of Common Stock or other property) to be made with respect to the Award that become payable on account of the Participant's separation from service, within the meaning of Section 409A of the Code, while the Participant is a "specified employee" (as determined in accordance with the uniform policy adopted by the Administrator with respect to all of the arrangements subject to Section 409A of the Code maintained by Liquidia

Corporation and its Affiliates) and which would otherwise be paid within six months after the Participant's separation from service shall be accumulated (without interest) and paid on the first day of the seventh month following the Participant's separation from service or, if earlier, within 15 days after the appointment of the personal representative or executor of the Participant's estate following the Participant's death. Notwithstanding anything in the Plan or an Award Agreement to the contrary, in no event shall the Administrator exercise its discretion to accelerate the payment or settlement of an Award where such payment or settlement constitutes deferred compensation within the meaning of Code section 409A unless, and solely to the extent that, such accelerated payment or settlement is permissible under Treasury Regulation section 1.409A-3(j)(4).

15. Plan Duration; Amendment and Discontinuance.

(a) *Plan Duration*. The Plan shall remain in effect, subject to the right of the Board or the Compensation Committee to amend or terminate the Plan at any time, until the earlier of (a) the earliest date as of which all Awards granted under the Plan have been satisfied in full or terminated and no shares of Common Stock approved for issuance under the Plan remain available to be granted under new Awards or (b) June 27, 2030. No Awards shall be granted under the Plan after such termination date. Subject to other applicable provisions of the Plan, all Awards made under the Plan on or before June 27, 2030 or such earlier termination of the Plan, shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

(b) *Amendment and Discontinuance of the Plan*. The Board or the Compensation Committee may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would materially impair the rights of a Participant with respect to a previously granted Award without such Participant's consent, except such an amendment made to comply with applicable law or rule of any securities exchange or market on which the Common Stock is listed or admitted for trading or to prevent adverse tax or accounting consequences to Liquidia Corporation or the Participant. Notwithstanding the foregoing, no such amendment shall be made without the approval of Liquidia Corporation' stockholders to the extent such amendment would (A) materially increase the benefits accruing to Participants under the Plan, (B) materially increase the number of shares of Common Stock which may be issued under the Plan or to a Participant, (C) materially expand the eligibility for participation in the Plan, (D) eliminate or modify the prohibition set forth in Section 7(e) on repricing of stock options and stock appreciation rights, (E) lengthen the maximum term or lower the minimum exercise price or base price permitted for stock options and stock appreciation rights, or (F) modify the prohibition on the issuance of reload or replenishment options. Except as otherwise determined by the Board or Compensation Committee, termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(c) *Amendment of Awards*. Subject to Section 7(e), the Administrator may unilaterally amend the terms of any Award theretofore granted, but no such amendment shall materially impair the rights of any Participant with respect to an Award without the Participant's consent, except such an amendment made to cause the Plan or Award to comply with applicable law, applicable rule of any securities exchange on which the Common Stock is listed or admitted for trading, or to prevent adverse tax or accounting consequences for the Participant or the Company or any of its Affiliates. For purposes of the foregoing sentence, an amendment to an Award that results in a change in the tax consequences of the Award to the Participant shall not be considered to be a material impairment of the rights of the Participant and shall not require the Participant's consent.

16. General Provisions.

(a) *Non-Guarantee of Employment or Service*. Nothing in the Plan or in any Award Agreement thereunder shall confer any right on an individual to continue in the service of Liquidia Corporation or any Affiliate or shall interfere in any way with the right of Liquidia Corporation or any Affiliate to terminate such service at any time with or without cause or notice and whether or not such termination results in (i) the failure of any Award to vest or become payable; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under any Award or the Plan. No person, even though deemed an Eligible Individual, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. To the extent that an Eligible Individual who is an employee of a Subsidiary receives an Award under the Plan, that Award shall in no event be understood or interpreted to mean that Liquidia Corporation is the Participant's employer or that the Participant has an employment relationship with Liquidia Corporation.

(b) *No Trust or Fund Created*. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between Liquidia Corporation and a Participant or any other person. To the extent that any Participant or other person acquires a right to receive payments from Liquidia Corporation pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of Liquidia Corporation.

(c) *Status of Awards.* Awards shall be special incentive payments to the Participant and shall not be taken into account in computing the amount of salary or compensation of the Participant for purposes of determining any pension, retirement, death, severance or other benefit under (a) any pension, retirement, profit-sharing, bonus, insurance, severance or other employee benefit plan of Liquidia Corporation or any Affiliate now or hereafter in effect under which the availability or amount of benefits is related to the level of compensation or (b) any agreement between (i) Liquidia Corporation or any Affiliate and (ii) the Participant, except as such plan or agreement shall otherwise expressly provide.

(d) *Subsidiary Employees*. In the case of a grant of an Award to an Eligible Individual who provides services to any Subsidiary, Liquidia Corporation may, if the Administrator so directs, issue or transfer the shares of Common Stock, if any, covered by the Award to the Subsidiary, for such lawful consideration as the Administrator may specify, upon the condition or understanding that the Subsidiary will transfer the shares of Common Stock to the Eligible Individual in accordance with the terms of the Award specified by the Administrator pursuant to the provisions of the Plan. All shares of Common Stock underlying Awards that are forfeited or canceled after such issue or transfer of shares to the Subsidiary shall revert to Liquidia Corporation.

(e) *Governing Law and Interpretation.* The validity, construction and effect of the Plan, of Award Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Administrator relating to the Plan or such Award Agreements, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance with applicable United States federal laws and the laws of the State of Delaware, without regard to its conflict of laws principles. The captions of the Plan are not part of the provisions hereof and shall have no force or effect. Except where the context otherwise requires: (i) the singular includes the plural and vice versa; (ii) a reference to one gender includes other genders; (iii) a reference to a person includes a natural person, partnership, corporation, association, governmental or local authority or agency or other entity; and (iv) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

(f) *Use of English Language.* The Plan, each Award Agreement, and all other documents, notices and legal proceedings entered into, given or instituted pursuant to an Award shall be written in English, unless otherwise determined by the Administrator. If a Participant receives an Award Agreement, a copy of the Plan or any other documents related to an Award translated into a language other than English, and if the meaning of the translated version is different from the English version, the English version shall control.

(g) *Recovery of Amounts Paid.* Except as otherwise provided by the Administrator, Awards granted under the Plan shall be subject to any and all policies, guidelines, codes of conduct, or other agreement or arrangement adopted by the Board or Compensation Committee with respect to the recoupment, recovery or clawback of compensation (collectively, the "Recoupment Policy") and/or to any provisions set forth in the applicable Award Agreement under which Liquidia Corporation may recover from current and former Participants any amounts paid or shares of Common Stock issued under an Award and any proceeds therefrom under such circumstances as the Administrator determines appropriate. The Administrator may apply the Recoupment Policy to Awards granted before the policy is adopted to the extent required by applicable law or rule of any securities exchange or market on which shares of Common Stock are listed or admitted for trading, as determined by the Administrator in its sole discretion.

17. Glossary.

Under this Plan, except where the context otherwise indicates, the following definitions apply:

"Administrator" means the Compensation Committee, or such other committee(s) of director(s) duly appointed by the Board or the Compensation Committee to administer the Plan or delegated limited authority to

perform administrative actions under the Plan, and having such powers as shall be specified by the Board or the Compensation Committee; provided, however, that at any time the Board may serve as the Administrator in lieu of or in addition to the Compensation Committee or such other committee(s) of director(s) to whom administrative authority has been delegated. With respect to any Award to which Section 16 of the Exchange Act applies, the Administrator shall consist of either the Board or a committee of the Board, which committee shall consist of three or more directors, each of whom is intended to be, to the extent required by Rule 16b-3 of the Exchange Act, a "non-employee director" as defined in Rule 16b-3 of the Exchange Act and an "independent director" to the extent required by the rules of the national securities exchange that is the principal trading market for the Common Stock, provided that, with respect to Awards made to a member of the Board who is not an employee of the Company, Administrator means the Board. Any member of the Administrator who does not meet the foregoing requirements shall abstain from any decision regarding an Award and shall not be considered a member of the Administrator to the extent required to comply with Rule 16b-3 of the Exchange Act.

"*Adoption Date*" means the date the Plan is adopted by the Board.

"*Affiliate"* means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, Liquidia Corporation or any successor to Liquidia Corporation. For this purpose, "control" (including the correlative meanings of the terms "controlled by" and "under common control with") shall mean ownership, directly or indirectly, of 50% or more of the total combined voting power of all classes of voting securities issued by such entity, or the possession, directly or indirectly, of the power to direct the management and policies of such entity, by contract or otherwise.

"*Award*" means any stock option, stock appreciation right, stock award, stock unit, Performance Share, Performance Unit, and/or Other Stock-Based Award, whether granted under this Plan.

"Award Agreement" means the written document(s), including an electronic writing acceptable to the Administrator, and any notice, addendum or supplement thereto, memorializing the terms and conditions of an Award granted pursuant to the Plan and which shall incorporate the terms of the Plan.

"*Board*" means the Board of Directors of Liquidia Corporation.

"*Cause*" means, with respect to a Participant, except as otherwise provided in the relevant Award Agreement (i) the Participant's plea of guilty or *nolo contendere* to, or conviction of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of Liquidia Corporation, any of its Affiliates or a successor to Liquidia Corporation or an Affiliate, as determined by the Administrator in its sole discretion, or that legally prohibits the Participant from working for Liquidia Corporation, any of its Subsidiaries or a successor to Liquidia Corporation or a Subsidiary; (ii) a breach by the Participant of a regulatory rule that adversely affects the Participant's ability to perform the Participant's employment duties to Liquidia Corporation, any of its Subsidiaries or a successor to Liquidia Corporation or a Subsidiary, in any material respect; or (iii) the Participant's failure, in any material respect, to (A) perform the Participant's employment duties, (B) comply with the applicable policies of Liquidia Corporation, or of its Subsidiaries, or a successor to Liquidia Corporation or a Subsidiary, or (C) comply with covenants contained in any contract or Award Agreement to which the Participant is a party; *provided, however*, that the Participant shall be provided a written notice describing in reasonable detail the facts which are considered to give rise to a breach described in this clause and the Participant shall have 30 days following receipt of such written notice (the "*Cure Period*") during which the Participant may remedy the condition and, if so remedied, no Cause for Termination of Service shall exist.]

"*Change in Control*" means the first of the following to occur: (i) a Change in Ownership of Liquidia Corporation, (ii) a Change in Effective Control of Liquidia Corporation, or (iii) a Change in the Ownership of Assets of Liquidia Corporation, as described herein and construed in accordance with Code section 409A.

(i) A "Change in Ownership of Liquidia Corporation" shall occur on the date that any one Person acquires, or Persons Acting as a Group acquire, ownership of the capital stock of Liquidia Corporation that, together with the stock held by such Person or Group, constitutes more than 50% of the total fair market value or total voting power of the capital stock of Liquidia Corporation. However, if any one Person is, or Persons Acting as a Group are, considered to own more than 50%, on a fully diluted basis, of the total fair market value or total voting

power of the capital stock of Liquidia Corporation, the acquisition of additional stock by the same Person or Persons Acting as a Group is not considered to cause a Change in Ownership of Liquidia Corporation or to cause a Change in Effective Control of Liquidia Corporation (as described below). An increase in the percentage of capital stock owned by any one Person, or Persons Acting as a Group, as a result of a transaction in which Liquidia Corporation acquires its stock in exchange for property will be treated as an acquisition of stock.

(ii) A "Change in Effective Control of Liquidia Corporation" shall occur on the date either (A) a majority of members of Liquidia Corporation' Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of Liquidia Corporation' Board before the date of the appointment or election, or (B) any one Person, or Persons Acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) ownership of stock of Liquidia Corporation possessing 50% or more of the total voting power of the stock of Liquidia Corporation.

(iii) A "Change in the Ownership of Assets of Liquidia Corporation" shall occur on the date that any one Person acquires, or Persons Acting as a Group acquire (or has or have acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons), assets from Liquidia Corporation that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of Liquidia Corporation immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of Liquidia Corporation, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

The following rules of construction apply in interpreting the definition of Change in Control:

(A) A "*Person*" means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, other than employee benefit plans sponsored or maintained by Liquidia Corporation and by entities controlled by Liquidia Corporation or an underwriter, initial purchaser or placement agent temporarily holding the capital stock of Liquidia Corporation pursuant to a registered public offering.

(B) Persons will be considered to be Persons Acting as a Group (or Group) if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the corporation. If a Person owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a Group with other shareholders only with respect to the ownership in that corporation before the transaction giving rise to the change and not with respect to the ownership interest in the other corporation. Persons will not be considered to be acting as a Group solely because they purchase assets of the same corporation at the same time or purchase or own stock of the same corporation at the same time, or as a result of the same public offering.

(C) A Change in Control shall not include a transfer to a related person as described in Code section 409A or a public offering of capital stock of Liquidia Corporation.

(D) For purposes of the definition of Change in Control, Section 318(a) of the Code applies to determine stock ownership. Stock underlying a vested option is considered owned by the individual who holds the vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). For purposes of the preceding sentence, however, if a vested option is exercisable for stock that is not substantially vested (as defined by Treasury Regulation §1.83-3(b) and (j)), the stock underlying the option is not treated as owned by the individual who holds the option.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor section, regulations and guidance.

"Common Stock" means shares of common stock of Liquidia Corporation, par value $0.001 per share, and any capital securities into which they are converted.

"*Company*" means Liquidia Corporation and its Subsidiaries, except where the context otherwise requires. For purposes of determining whether a Change in Control has occurred, Company shall mean only Liquidia Corporation.

"Compensation Committee" means the Compensation Committee of the Board.

"*Director Limits*" shall have the meaning ascribed to it in Section 5(e) of the Plan.

"*Dividend Equivalent*" means a right, granted to a Participant, to receive cash, Common Stock, stock Units or other property equal in value to dividends paid with respect to a specified number of shares of Common Stock.

"*Eligible Individuals*" means (i) officers and employees of, and other individuals, including non-employee directors, who are natural persons providing bona fide services to or for, Liquidia Corporation or any of its Subsidiaries, *provided* that such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for Liquidia Corporation' securities, and (ii) prospective officers, employees and service providers who have accepted offers of employment or other service relationship from Liquidia Corporation or a Subsidiary.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto. Reference to any specific section of the Exchange Act shall be deemed to include such regulations and guidance issued thereunder, as well as any successor section, regulations and guidance.

"Fair Market Value" means, on a per share basis as of any date, unless otherwise determined by the Administrator:

(i) if the principal market for the Common Stock (as determined by the Administrator if the Common Stock is listed or admitted to trading on more than one exchange or market) is a national securities exchange or an established securities market, unless otherwise determined by the Administrator, the official closing price per share of Common Stock for the regular market session on that date on the principal exchange or market on which the Common Stock is then listed or admitted to trading or, if no sale is reported for that date, on the last preceding day on which a sale was reported, all as reported by such source as the Administrator may select;

(ii) if the principal market for the Common Stock is not a national securities exchange or an established securities market, but the Common Stock is quoted by a national quotation system, the average of the highest bid and lowest asked prices for the Common Stock on that date as reported on a national quotation system or, if no prices are reported for that date, on the last preceding day on which prices were reported, all as reported by such source as the Administrator may select; or

(iii) if the Common Stock is neither listed or admitted to trading on a national securities exchange or an established securities market, nor quoted by a national quotation system, the value determined by the Administrator in good faith by the reasonable application of a reasonable valuation method, which method may, but need not, include taking into account an appraisal of the fair market value of the Common Stock conducted by a nationally recognized appraisal firm selected by the Administrator.

Notwithstanding the preceding, for foreign, federal, state and local income tax reporting purposes and for such other purposes as the Administrator deems appropriate, the Fair Market Value shall be determined by the Administrator in accordance with uniform and nondiscriminatory standards adopted by it from time to time.

"*Full Value Award*" means an Award that results in Liquidia Corporation transferring the full value of a share of Common Stock under the Award, whether or not an actual share of stock is issued. Full Value Awards shall include, but are not limited to, stock awards, stock units, Performance Shares, Performance Units that are payable in Common Stock, and Other Stock-Based Awards for which Li quidia Corporation transfers the full value of a share of Common Stock under the Award, but shall not include Dividend Equivalents.

"*Incentive Stock Option*" means any stock option that is designated, in the applicable Award Agreement or the resolutions of the Administrator under which the stock option is granted, as an "incentive stock option" within

the meaning of Section 422 of the Code and otherwise meets the requirements to be an "incentive stock option" set forth in Section 422 of the Code.

"*Liquidia Corporation*" means Liquidia Corporation, a Delaware corporation.

"*Non-Employee Director*" means a member of the Board who is not an employee of Liquidia Corporation or any of its Affiliates.

"*Nonqualified Option*" means any stock option that is not an Incentive Stock Option.

"*Other Stock-Based Award*" means an Award of Common Stock or any other Award that is valued in whole or in part by reference to, or is otherwise based upon, shares of Common Stock, including without limitation Dividend Equivalents and convertible debentures.

"*Participant*" means an Eligible Individual to whom one or more Awards are or have been granted pursuant to the Plan and have not been fully settled or cancelled and, following the death of any such person, his successors, heirs, executors and administrators, as the case may be.

"*Performance Award*" means a Full Value Award, the grant, vesting, lapse of restrictions or settlement of which is conditioned upon the achievement of performance objectives over a specified Performance Period and includes, without limitation, Performance Shares and Performance Units.

"*Performance Goals*" means the performance goals established by the Administrator in connection with the grant of Awards based on Performance Metrics or other performance criteria selected by the Administrator.

"*Performance Period*" means that period established by the Administrator during which any Performance Goals specified by the Administrator with respect to such Award are to be measured.

"*Performance Metrics*" means criteria established by the Administrator relating to any of the following, as it may apply to an individual, one or more business units, divisions, or Affiliates, or on a company-wide basis, and in absolute terms, relative to a base period, or relative to the performance of one or more comparable companies, peer groups, or an index covering multiple companies:

(i) *Earnings or Profitability Metrics*: any derivative of revenue; earnings/loss (gross, operating, net, or adjusted); earnings/loss before interest and taxes ("EBIT"); earnings/loss before interest, taxes, depreciation and amortization ("EBITDA"); profit margins; operating margins; expense levels or ratios; *provided* that any of the foregoing metrics may be adjusted to eliminate the effect of any one or more of the following: interest expense, asset impairments or investment losses, early extinguishment of debt or stock-based compensation expense;

(ii) *Return Metrics*: any derivative of return on investment, assets, equity or capital (total or invested);

(iii) *Investment Metrics:* relative risk-adjusted investment performance; investment performance of assets under management;

(iv) *Cash Flow Metrics*: any derivative of operating cash flow; cash flow sufficient to achieve financial ratios or a specified cash balance; free cash flow; cash flow return on capital; net cash provided by operating activities; cash flow per share; working capital;

(v) *Liquidity Metrics*: any derivative of debt leverage (including debt to capital, net debt-to-capital, debt-to-EBITDA or other liquidity ratios); and/or

(vi) *Stock Price and Equity Metrics*: any derivative of return on stockholders' equity; total stockholder return; stock price; stock price appreciation; market capitalization; earnings/loss per share (basic or diluted) (before or after taxes).

"*Performance Shares*" means a grant of stock or stock Units the issuance, vesting or payment of which is contingent on performance as measured against predetermined objectives over a specified Performance Period.

"*Performance Units*" means a grant of dollar-denominated Units the value, vesting or payment of which is contingent on performance against predetermined objectives over a specified Performance Period.

"*Plan*" means this Liquidia Corporation 2020 Long-Term Incentive Plan, as set forth herein and as it may be amended from time to time.

"*Restricted Stock*" means an Award of shares of Common Stock to a Participant that may be subject to certain transferability and other restrictions and to a risk of forfeiture (including by reason of not satisfying certain Performance Goals).

"*Restricted Stock Unit*" means a right granted to a Participant to receive shares of Common Stock or cash at the end of a specified deferral period, which right may be conditioned on the satisfaction of certain requirements (including the satisfaction of certain Performance Goals).

"*Restriction Period*" means, with respect to Full Value Awards, the period commencing on the date of grant of such Award to which vesting or transferability and other restrictions and a risk of forfeiture apply and ending upon the expiration of the applicable vesting conditions, transferability and other restrictions and lapse of risk of forfeiture and/or the achievement of the applicable Performance Goals (it being understood that the Administrator may provide that vesting shall occur and/or restrictions shall lapse with respect to portions of the applicable Award during the Restriction Period.

"*Subsidiary*" means any corporation or other entity in an unbroken chain of corporations or other entities beginning with Liquidia Corporation if each of the corporations or other entities, or group of commonly controlled corporations or other entities, other than the last corporation or other entity in the unbroken chain then owns stock or other equity interests possessing 50% or more of the total combined voting power of all classes of stock or other equity interests in one of the other corporations or other entities in such chain or otherwise has the power to direct the management and policies of the entity by contract or by means of appointing a majority of the members of the board or other body that controls the affairs of the entity; *provided, however,* that solely for purposes of determining whether a Participant has a Termination of Service that is a "separation from service" within the meaning of Section 409A of the Code or whether an Eligible Individual is eligible to be granted an Award that in the hands of such Eligible Individual would constitute a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code , a "Subsidiary" of a corporation or other entity means all other entities with which such corporation or other entity would be considered a single employer under Sections 414(b) or 414(c) of the Code.

"*Tax Withholding Obligation*" means any federal, state, local or foreign (non-United States) income, employment or other tax or social insurance contribution required by applicable law to be withheld in respect of Awards.

"*Termination of Service*" means the termination of the Participant's employment, or performance of services for, Liquidia Corporation and its Subsidiaries. Temporary absences from employment because of illness, vacation or leave of absence and transfers among Liquidia Corporation and its Subsidiaries shall not be considered Terminations of Service. With respect to any Award that constitutes a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code, "Termination of Service" shall mean a "separation from service" as defined under Section 409A of the Code to the extent required by Section 409A of the Code to avoid the imposition of any tax or interest or the inclusion of any amount in income pursuant to Section 409A of the Code. A Participant has a separation from service within the meaning of Section 409A of the Code if the Participant terminates employment with Liquidia Corporation and all Subsidiaries for any reason. A Participant will generally be treated as having terminated employment with Liquidia Corporation and all Subsidiaries as of a certain date if the Participant and the entity that employs the Participant reasonably anticipate that the Participant will perform no further services for Liquidia Corporation or any Subsidiary after such date or that the level of bona fide services that the Participant will perform after such date (whether as an employee or an independent contractor) will permanently decrease to no more than 20 percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services if the Participant has been providing services for fewer than 36 months); *provided, however,* that the

employment relationship is treated as continuing while the Participant is on military leave, sick leave or other bona fide leave of absence if the period of leave does not exceed six months or, if longer, so long as the Participant retains the right to reemployment with Liquidia Corporation or any Subsidiary.

"*Total and Permanent Disability*" means, with respect to a Participant, except as otherwise provided in the relevant Award Agreement, that a Participant is (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last until the Participant's death or result in death, or (ii) determined to be totally disabled by the Social Security Administration or other governmental or quasi-governmental body that administers a comparable social insurance program outside of the United States in which the Participant participates and which conditions the right to receive benefits under such program on the Participant being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last until the Participant's death or result in death. The Administrator shall have sole authority to determine whether a Participant has suffered a Total and Permanent Disability and may require such medical or other evidence as it deems necessary to judge the nature and permanency of the Participant's condition.

"*Unit*" means a bookkeeping entry used by Liquidia Corporation to record and account for the grant of the following types of Awards until such time as the Award is paid, cancelled, forfeited or terminated, as the case may be: stock units, Restricted Stock Units, Performance Units, and Performance Shares that are expressed in terms of units of Common Stock.

{*end of document*}

LIQUIDIA CORPORATION

RESTRICTED STOCK UNITS NOTICE

UNDER THE
LIQUIDIA CORPORATION
2020 LONG-TERM INCENTIVE PLAN

Name of Grantee:

This Notice evidences the award of restricted stock units (each, an "***RSU***," and collectively, the "***RSUs***") of LIQUIDIA Corporation, a Delaware corporation (the "***Company***"), that have been granted to you pursuant to the Liquidia Corporation 2020 Long-Term Incentive Plan (the "***Plan***") and conditioned upon your agreement to the terms of the attached Restricted Stock Units Agreement (the "***Agreement***"). This Notice constitutes part of and is subject to the terms and provisions of the Agreement and the Plan, which are incorporated by reference herein. Each RSU is equivalent in value to one share of the Company's Common Stock and represents the Company's commitment to issue one share of the Company's Common Stock at a future date, subject to the terms of the Agreement and the Plan. The RSUs are credited to a separate account maintained for you on the books and records of the Company (the "***Account***"). All amounts credited to the Account will continue for all purposes to be part of the general assets of the Company.

Grant Date:

Number of RSUs:

Vesting Schedule: All of the RSUs are nonvested and forfeitable as of the Grant Date. So long as your Service (as defined in the Agreement) is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur:

I acknowledge that I have carefully read the Agreement and the prospectus for the Plan.

Liquidia Corporation

Date

_____

_____

I acknowledge that I have carefully read the Agreement and the prospectus for the Plan. I agree to be bound by all of the provisions set forth in those documents. I also consent to electronic delivery of all notices or other information with respect to the RSUs or the Company.

Signature of Grantee

Date

_____

_____

LIQUIDIA CORPORATION

RESTRICTED STOCK UNITS AGREEMENT

UNDER THE
LIQUIDIA CORPORATION
2020 LONG-TERM INCENTIVE PLAN

1. Terminology. Unless otherwise provided in this Agreement, capitalized terms used herein are defined in the Glossary at the end of this Agreement.

2. Vesting. All of the RSUs are nonvested and forfeitable as of the Grant Date. So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the RSUs will become vested and nonforfeitable in accordance with the vesting schedule set forth in the Notice. Except for the circumstances, if any, described in the Notice, none of the RSUs will become vested and nonforfeitable after your Service ceases.

3. Termination of Employment or Service. Unless otherwise provided in the Notice, if your Service with the Company ceases for any reason, all RSUs that are not then vested and nonforfeitable will be forfeited to the Company immediately and automatically upon such cessation without payment of any consideration therefor and you will have no further right, title or interest in or to such RSUs or the underlying shares of Common Stock.

4. Restrictions on Transfer. Neither this Agreement nor any of the RSUs may be assigned, transferred, pledged, hypothecated or disposed of in any way, whether by operation of law or otherwise, and the RSUs shall not be subject to execution, attachment or similar process. All rights with respect to this Agreement and the RSUs shall be exercisable during your lifetime only by you or your guardian or legal representative. Notwithstanding the foregoing, the RSUs may be transferred upon your death by last will and testament or under the laws of descent and distribution.

5. Settlement of RSUs.

(a) Manner of Settlement. You are not required to make any monetary payment (other than applicable tax withholding, if required) as a condition to settlement of the RSUs. The Company will issue to you, in settlement of your RSUs and subject to the provisions of Section 6 below, the number of whole shares of Common Stock that equals the number of whole RSUs that become vested, and such vested RSUs will terminate and cease to be outstanding upon such issuance of the shares. Upon issuance of such shares, the Company will determine the form of delivery (e.g., a stock certificate or electronic entry evidencing such shares) and may deliver such shares on your behalf electronically to the Company's designated stock plan administrator or such other broker-dealer as the Company may choose at its sole discretion, within reason.

(b) Timing of Settlement. Your RSUs will be settled by the Company, via the issuance of Common Stock as described herein, on the date that the RSUs become vested and nonforfeitable. However, if a scheduled issuance date falls on a Saturday, Sunday or federal holiday, such issuance date shall instead fall on the next following day that the principal executive offices of the Company are open for business. Notwithstanding the foregoing, in the event that (i) you are subject to the Company's policy permitting officers, employees and directors to sell shares only during certain "window" periods, in effect from time to time or you are otherwise prohibited from selling shares of the Company's Common Stock in the public market and any shares covered by your RSUs are scheduled to be issued on a day (the "Original Distribution Date") that does not occur during an open "window period" applicable to you, as determined by the Company in accordance with such policy, or does not occur on a date when you are otherwise permitted to sell shares of the Company's Common Stock in the open market, and (ii) the Company elects not to satisfy its tax withholding obligations by withholding shares from your distribution, then such shares shall not be issued and delivered on such Original Distribution Date and shall instead be issued and delivered on the first business day of the next occurring open "window period" applicable to you pursuant to such policy (regardless of whether you

are still providing continuous services at such time) or the next business day when you are not prohibited from selling shares of the Company's Common Stock in the open market, but in no event later than the earlier of (i) the fifteenth day of the third calendar month of the calendar year immediately following the Original Distribution Date occurs or (ii) December 31 of the calendar year in which the Original Distribution Date occurs to the extent the RSUs are deferred compensation subject to Section 409A of the Code.

6. Tax Withholding. On or before the time you receive a distribution of the shares subject to your RSUs, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Common Stock issuable to you and/or otherwise agree to make adequate provision in cash for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate which arise in connection with your RSUs (the "***Withholding Taxes***"). Additionally, the Company may, in its sole discretion, satisfy all or any portion of the Withholding Taxes obligation relating to your RSUs by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company; (ii) causing you to tender a cash payment; (iii) permitting you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***") whereby you irrevocably elect to sell a portion of the shares to be delivered under the Agreement to satisfy the Withholding Taxes and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Taxes directly to the Company; or (iv) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the RSUs with a Fair Market Value (measured as of the date shares of Common Stock are issued to you pursuant to Section 5) equal to the amount of such Withholding Taxes; provided, however, that the number of such shares of Common Stock so withheld shall not exceed the amount necessary to satisfy the Company's required tax withholding obligations using the minimum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income. Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to you any Common Stock. In the event the Company's obligation to withhold arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Company's withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount. If you do not pay the amount necessary to satisfy any withholding obligations when requested, the Company may refuse to issue any shares under this Agreement.

You hereby acknowledge that you have been advised by the Company to seek independent tax advice from your own advisors regarding the tax consequences of this Award. You may not rely on the Company, its Affiliates, or any of their officers, directors or employees for tax or legal advice regarding this Award. You acknowledge that you have sought tax and legal advice from your own advisors regarding this Award or have voluntarily and knowingly foregone such consultation.

7. Adjustments for Corporate Transactions and Other Events.

(a) Stock Dividend, Stock Split and Reverse Stock Split. Upon a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, the number of outstanding RSUs shall, without further action of the Administrator, be adjusted to reflect such event; provided, however, that any fractional RSUs resulting from any such adjustment shall be eliminated. Adjustments under this paragraph will be made by the Administrator, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(b) Merger, Consolidation and Other Events. If the Company shall be the surviving or resulting corporation in any merger or consolidation and the Common Stock shall be converted into other securities, the RSUs shall pertain to and apply to the securities to which a holder of the number of shares of Common Stock subject to the RSUs would have been entitled. If the stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, securities of another entity or other property (including cash), then the rights of the Company under this Agreement shall inure to the

benefit of the Company's successor, and this Agreement shall apply to the securities or other property (including cash) to which a holder of the number of shares of Common Stock subject to the RSUs would have been entitled, in the same manner and to the same extent as the RSUs.

8. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement shall alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between the Company and you, or as a contractual right of you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any nonvested and forfeitable RSUs or any other adverse effect on your interests under the Plan.

9. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to any shares of Common Stock that may be issued in settlement of the RSUs until such shares of Common Stock have been issued to you.

10. The Company's Rights. The existence of the RSUs shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Restrictions on Issuance of Shares. The issuance of shares of Common Stock upon settlement of the RSUs shall be subject to and in compliance with all applicable requirements of federal, state, or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the RSUs shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the RSUs, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

12. Notices. All notices and other communications made or given pursuant to this Agreement shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company, or in the case of notices delivered to the Company by you, addressed to the Administrator, care of the Company for the attention of its Secretary at its principal executive office or, in either case, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this award of RSUs by electronic means or to request your consent to participate in the Plan or accept this award of RSUs by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

13. Entire Agreement. This Agreement, together with the relevant Notice and the Plan, contain the entire agreement between the parties with respect to the RSUs granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications

made prior to the execution of this Agreement with respect to the RSUs granted hereunder shall be void and ineffective for all purposes.

14. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the RSUs as determined in the discretion of the Administrator, except as provided in the Plan or in a written document signed by each of the parties hereto.

15. 409A Savings Clause. This Agreement and the RSUs granted hereunder are intended to fit within the "short-term deferral" exemption from Section 409A of the Code as set forth in Treasury Regulation Section 1.409A-1(b) (4). In administering this Agreement, the Company shall interpret this Agreement in a manner consistent with such exemption. Notwithstanding the foregoing, if it is determined that the RSUs fail to satisfy the requirements of the short-term deferral rule and are otherwise deferred compensation subject to Section 409A of the Code, and if you are a "Specified Employee" (within the meaning set forth Section 409A(a)(2)(B)(i) of the Code) as of the date of your separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)), then the issuance of any shares that would otherwise be made upon the date of the separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of the separation from service, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of additional taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Section 409A of the Code and Treasury Regulation Section 1.409A-2(b)(2).

16. No Obligation to Minimize Taxes. The Company has no duty or obligation to minimize the tax consequences to you of this award of RSUs and shall not be liable to you for any adverse tax consequences to you arising in connection with this award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this award and by signing the Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so.

17. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is available upon request to the Administrator.

18. No Funding. This Agreement constitutes an unfunded and unsecured promise by the Company to issue shares of Common Stock in the future in accordance with its terms. You have the status of a general unsecured creditor of the Company as a result of receiving the grant of RSUs.

19. Effect on Other Employee Benefit Plans. The value of the RSUs subject to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

20. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Delaware, without regard to its provisions concerning the applicability of laws of other jurisdictions. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Delaware, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Delaware or any state court in the district which includes Delaware. You further agree that you will not

deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

21. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator's decision.

22. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

23. Electronic Delivery of Documents. By your signing the Notice, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the RSUs, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

24. No Future Entitlement. By your signing the Notice, you acknowledge and agree that: (i) the grant of a restricted stock unit award is a one-time benefit which does not create any contractual or other right to receive future grants of restricted stock units, or compensation in lieu of restricted stock units, even if restricted stock units have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants and the terms thereof will be at the sole discretion of the Committee; (iii) the value of the restricted stock units is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the restricted stock units is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of the restricted stock units ceases upon termination of Service with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) the Company does not guarantee any future value of the restricted stock units; and (vii) no claim or entitlement to compensation or damages arises if the restricted stock units decrease or do not increase in value and you irrevocably release the Company from any such claim that does arise.

25. Personal Data. For purposes of the implementation, administration and management of the restricted stock units or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "***Corporate Transaction***"), you consent, by execution of the Notice, to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the restricted stock units or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data

by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the restricted stock units or effect a Corporate Transaction. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a restricted stock unit award.

GLOSSARY

(a) "***Administrator***" means the Board of Directors of Liquidia Corporation or such committee or committees appointed by the Board to administer the Plan.

(b) "***Affiliate***" shall have the meaning set forth in the Plan.

(c) "***Agreement***" means this document, as amended from time to time, together with the Plan which is incorporated herein by reference.

(d) *"**Change in Control**"* shall have the meaning set forth in the Plan.

(e) "***Code***" means the Internal Revenue Code of 1986, as amended, and the Treasury regulations and other guidance promulgated thereunder.

(f) "***Common Stock***" means the common stock, US$0.001 par value per share, of Liquidia Corporation

(g) "***Company***" means Liquidia Corporation and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change in Control has occurred, Company shall mean only Liquidia Corporation.

(h) "***Fair Market Value***" has the meaning set forth in the Plan.

(i) "***Grant Date***" means the effective date of a grant of RSUs made to you as set forth in the relevant Notice.

(j) "***Notice***" means the statement, letter or other written notification provided to you by the Company setting forth the terms of a grant of RSUs made to you.

(k) "***Plan***" means the Liquidia Corporation 2020 Long-Term Incentive Plan, as amended from time to time.

(l) "***RSU***" means the Company's commitment to issue one share of Common Stock at a future date, subject to the terms of the Agreement and the Plan.

(m) "***Service***" means your employment, service as a non-executive director, or other service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger, or other corporate transaction, the trade, business, or entity with which you are employed or otherwise have a service relationship is not Liquidia Corporation or its successor or an Affiliate of Liquidia Corporation or its successor.

(n) "***You***" or "***Your***" means the recipient of the RSUs as reflected on the applicable Notice. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Administrator,

to apply to the estate, personal representative, or beneficiary to whom the RSUs may be transferred by will or by the laws of descent and distribution, the words “you” and “your” shall be deemed to include such person.

{End of Agreement}

LIQUIDIA CORPORATION

RESTRICTED STOCK UNITS NOTICE
(Performance Based)
UNDER THE
LIQUIDIA CORPORATION
2020 LONG-TERM INCENTIVE PLAN

Name of Grantee:

This Notice evidences the award of performance-based restricted stock units (each, an "***RSU***," and collectively, the "***RSUs***") of LIQUIDIA Corporation, a Delaware corporation (the "***Company***"), that have been granted to you pursuant to the Liquidia Corporation 2020 Long-Term Incentive Plan (the "***Plan***") and conditioned upon your agreement to the terms of the attached Restricted Stock Units Agreement (Performance Based) (the "***Agreement***"). This Notice constitutes part of and is subject to the terms and provisions of the Agreement and the Plan, which are incorporated by reference herein. Each RSU is equivalent in value to one share of the Company's Common Stock and represents the Company's commitment to issue one share of the Company's Common Stock at a future date, subject to the terms of the Agreement and the Plan. The RSUs are credited to a separate account maintained for you on the books and records of the Company (the "***Account***"). All amounts credited to the Account will continue for all purposes to be part of the general assets of the Company.

Grant Date:

Number of RSUs:

Vesting Schedule: All of the RSUs are nonvested and forfeitable as of the Grant Date. So long as your Service (as defined in the Agreement) is continuous from the Grant Date, the RSUs shall vest:

Liquidia Corporation Date

_____ _____

I acknowledge that I have carefully read the Agreement and the prospectus for the Plan. I agree to be bound by all of the provisions set forth in those documents. I also consent to electronic delivery of all notices or other information with respect to the RSUs or the Company.

Signature of Grantee Date

_____ _____

LIQUIDIA CORPORATION

RESTRICTED STOCK UNITS AGREEMENT
(Performance Based)

UNDER THE
LIQUIDIA CORPORATION
2020 LONG-TERM INCENTIVE PLAN

1. Terminology. Unless otherwise provided in this Agreement, capitalized terms used herein are defined in the Glossary at the end of this Agreement.

2. Vesting. All of the RSUs are nonvested and forfeitable as of the Grant Date. So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the RSUs will become vested and nonforfeitable in accordance with the vesting schedule set forth in the Notice. Except for the circumstances, if any, described in the Notice, none of the RSUs will become vested and nonforfeitable after your Service ceases.

3. Termination of Employment or Service. Unless otherwise provided in the Notice, if your Service with the Company ceases for any reason prior to the Vesting Date, all RSUs that are not then vested and nonforfeitable will be forfeited to the Company immediately and automatically upon such cessation without payment of any consideration therefor and you will have no further right, title or interest in or to such RSUs or the underlying shares of Common Stock.

4. Restrictions on Transfer. Neither this Agreement nor any of the RSUs may be assigned, transferred, pledged, hypothecated or disposed of in any way, whether by operation of law or otherwise, and the RSUs shall not be subject to execution, attachment or similar process. All rights with respect to this Agreement and the RSUs shall be exercisable during your lifetime only by you or your guardian or legal representative. Notwithstanding the foregoing, the RSUs may be transferred upon your death by last will and testament or under the laws of descent and distribution.

5. Settlement of RSUs.

(a) Manner of Settlement. You are not required to make any monetary payment (other than applicable tax withholding, if required) as a condition to settlement of the RSUs. The Company will issue to you, in settlement of your RSUs and subject to the provisions of Section 6 below, the number of whole shares of Common Stock that equals the number of whole RSUs that become vested, and such vested RSUs will terminate and cease to be outstanding upon such issuance of the shares. Upon issuance of such shares, the Company will determine the form of delivery (e.g., a stock certificate or electronic entry evidencing such shares) and may deliver such shares on your behalf electronically to the Company's designated stock plan administrator or such other broker-dealer as the Company may choose at its sole discretion, within reason.

(b) Timing of Settlement. Your RSUs will be settled by the Company, via the issuance of Common Stock as described herein, on the date that the RSUs become vested and nonforfeitable. However, if a scheduled issuance date falls on a Saturday, Sunday or federal holiday, such issuance date shall instead fall on the next following day that the principal executive offices of the Company are open for business. Notwithstanding the foregoing, in the event that (i) you are subject to the Company's policy permitting officers, employees and directors to sell shares only during certain "window" periods, in effect from time to time or you are otherwise prohibited from selling shares of the Company's Common Stock in the public market and any shares covered by your RSUs are scheduled to be issued on a day (the "**Original Distribution Date**") that does not occur during an open "window period" applicable to you, as determined by the Company in accordance with such policy, or does not occur on a date when you are otherwise permitted to sell shares of the Company's Common Stock in the open market, and (ii) the Company elects not to satisfy its tax withholding obligations by withholding shares from your distribution, then such shares shall not be issued and delivered on such Original Distribution Date and shall instead be issued and delivered on the first business day of the next occurring open "window period" applicable to you pursuant to such policy (regardless of whether you are still providing continuous services at such time) or the next business day when you are not prohibited from selling shares of the Company's Common Stock in the open

market, but in no event later than the earlier of (i) the fifteenth day of the third calendar month of the calendar year immediately following the calendar year in which the Original Distribution Date occurs or (ii) December 31 of the calendar year in which the Original Distribution Date occurs to the extent the RSUs are deferred compensation subject to Section 409A of the Code.

6. Tax Withholding. On or before the time you receive a distribution of the shares subject to your RSUs, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Common Stock issuable to you and/or otherwise agree to make adequate provision in cash for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate which arise in connection with your RSUs (the "***Withholding Taxes***"). Additionally, the Company may, in its sole discretion, satisfy all or any portion of the Withholding Taxes obligation relating to your RSUs by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company; (ii) causing you to tender a cash payment; (iii) permitting you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***") whereby you irrevocably elect to sell a portion of the shares to be delivered under the Agreement to satisfy the Withholding Taxes and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Taxes directly to the Company; or (iv) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the RSUs with a Fair Market Value (measured as of the date shares of Common Stock are issued to you pursuant to Section 5) equal to the amount of such Withholding Taxes; provided, however, that the number of such shares of Common Stock so withheld shall not exceed the amount necessary to satisfy the Company's required tax withholding obligations using the minimum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income. Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to you any Common Stock. In the event the Company's obligation to withhold arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Company's withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount. If you do not pay the amount necessary to satisfy any withholding obligations when requested, the Company may refuse to issue any shares under this Agreement.

You hereby acknowledge that you have been advised by the Company to seek independent tax advice from your own advisors regarding the tax consequences of this Award. You may not rely on the Company, its Affiliates, or any of their officers, directors or employees for tax or legal advice regarding this Award. You acknowledge that you have sought tax and legal advice from your own advisors regarding this Award or have voluntarily and knowingly foregone such consultation.

7. Adjustments for Corporate Transactions and Other Events.

(a) Stock Dividend, Stock Split and Reverse Stock Split. Upon a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, the number of outstanding RSUs shall, without further action of the Administrator, be adjusted to reflect such event; provided, however, that any fractional RSUs resulting from any such adjustment shall be eliminated. Adjustments under this paragraph will be made by the Administrator, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(b) Merger, Consolidation and Other Events. If the Company shall be the surviving or resulting corporation in any merger or consolidation and the Common Stock shall be converted into other securities, the RSUs shall pertain to and apply to the securities to which a holder of the number of shares of Common Stock subject to the RSUs would have been entitled. If the stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, securities of another entity or other property (including cash), then the rights of the Company under this Agreement shall inure to the benefit of the Company's successor, and this Agreement shall apply to the securities or other property (including cash) to which a holder of the number of shares of Common Stock subject to the RSUs would have been entitled, in the same manner and to the same extent as the RSUs.

8. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement shall alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between the Company and you, or as a contractual right of you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any nonvested and forfeitable RSUs or any other adverse effect on your interests under the Plan.

9. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to any shares of Common Stock that may be issued in settlement of the RSUs until such shares of Common Stock have been issued to you.

10. The Company's Rights. The existence of the RSUs shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Restrictions on Issuance of Shares. The issuance of shares of Common Stock upon settlement of the RSUs shall be subject to and in compliance with all applicable requirements of federal, state, or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the RSUs shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the RSUs, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

12. Notices. All notices and other communications made or given pursuant to this Agreement shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company, or in the case of notices delivered to the Company by you, addressed to the Administrator, care of the Company for the attention of its Secretary at its principal executive office or, in either case, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this award of RSUs by electronic means or to request your consent to participate in the Plan or accept this award of RSUs by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

13. Entire Agreement. This Agreement, together with the relevant Notice and the Plan, contain the entire agreement between the parties with respect to the RSUs granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the RSUs granted hereunder shall be void and ineffective for all purposes.

14. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the RSUs as determined in the discretion of the Administrator, except as provided in the Plan or in a written document signed by each of the parties hereto.

15. 409A Savings Clause. This Agreement and the RSUs granted hereunder are intended to fit within the "short-term deferral" exemption from Section 409A of the Code as set forth in Treasury Regulation Section 1.409A-1(b) (4). In administering this Agreement, the Company shall interpret this Agreement in a manner consistent with such exemption. Notwithstanding the foregoing, if it is determined that the RSUs fail to satisfy the requirements of the short-term deferral rule and are otherwise deferred compensation subject to Section 409A, and if you are a "Specified Employee" (within the meaning set forth Section 409A(a)(2)(B)(i) of the Code) as of the date of your separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)), then the issuance of any shares that would otherwise be made upon the date of the separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of the separation from service, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of additional taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Section 409A of the Code and Treasury Regulation Section 1.409A-2(b)(2).

16. No Obligation to Minimize Taxes. The Company has no duty or obligation to minimize the tax consequences to you of this award of RSUs and shall not be liable to you for any adverse tax consequences to you arising in connection with this award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this award and by signing the Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so.

17. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is available upon request to the Administrator.

18. No Funding. This Agreement constitutes an unfunded and unsecured promise by the Company to issue shares of Common Stock in the future in accordance with its terms. You have the status of a general unsecured creditor of the Company as a result of receiving the grant of RSUs.

19. Effect on Other Employee Benefit Plans. The value of the RSUs subject to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

20. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Delaware, without regard to its provisions concerning the applicability of laws of other jurisdictions. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Delaware, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Delaware or any state court in the district which includes Delaware. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

21. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to

your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator's decision.

22. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

23. Electronic Delivery of Documents. By your signing the Notice, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the RSUs, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

24. No Future Entitlement. By your signing the Notice, you acknowledge and agree that: (i) the grant of a restricted stock unit award is a one-time benefit which does not create any contractual or other right to receive future grants of restricted stock units, or compensation in lieu of restricted stock units, even if restricted stock units have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants and the terms thereof will be at the sole discretion of the Committee; (iii) the value of the restricted stock units is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the restricted stock units is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of the restricted stock units ceases upon termination of Service with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) the Company does not guarantee any future value of the restricted stock units; and (vii) no claim or entitlement to compensation or damages arises if the restricted stock units decrease or do not increase in value and you irrevocably release the Company from any such claim that does arise.

25. Personal Data. For purposes of the implementation, administration and management of the restricted stock units or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "***Corporate Transaction***"), you consent, by execution of the Notice, to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the restricted stock units or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the restricted stock units or effect a Corporate Transaction. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a restricted stock unit award.

GLOSSARY

(a) "***Administrator***" means the Board of Directors of Liquidia Corporation or such committee or committees appointed by the Board to administer the Plan.

(b) "***Affiliate***" shall have the meaning set forth in the Plan.

(c) "***Agreement***" means this document, as amended from time to time, together with the Plan which is incorporated herein by reference.

(d) *"**Change in Control**"* shall have the meaning set forth in the Plan.

(e) "***Code***" means the Internal Revenue Code of 1986, as amended, and the Treasury regulations and other guidance promulgated thereunder.

(f) "***Common Stock***" means the common stock, US$0.001 par value per share, of Liquidia Corporation

(g) "***Company***" means Liquidia Corporation and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change in Control has occurred, Company shall mean only Liquidia Corporation.

(h) "***Fair Market Value***" has the meaning set forth in the Plan.

(i) "***Grant Date***" means the effective date of a grant of RSUs made to you as set forth in the relevant Notice.

(j) "***Notice***" means the statement, letter or other written notification provided to you by the Company setting forth the terms of a grant of RSUs made to you.

(k) "***Plan***" means the Liquidia Corporation 2020 Long-Term Incentive Plan, as amended from time to time.

(l) "***RSU***" means the Company's commitment to issue one share of Common Stock at a future date, subject to the terms of the Agreement and the Plan.

(m) "***Service***" means your employment, service as a non-executive director, or other service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger, or other corporate transaction, the trade, business, or entity with which you are employed or otherwise have a service relationship is not Liquidia Corporation or its successor or an Affiliate of Liquidia Corporation or its successor.

(n) "***You***" or "***Your***" means the recipient of the RSUs as reflected on the applicable Notice. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to the estate, personal representative, or beneficiary to whom the RSUs may be transferred by will or by the laws of descent and distribution, the words "you" and "your" shall be deemed to include such person.

{*End of Agreement*}

Exhibit 10.8

Grant No.:

LIQUIDIA CORPORATION
INCENTIVE STOCK OPTION NOTICE

This Notice evidences the award of stock options (each, an "***Option***" or collectively, the "***Options***") that have been granted to you, [NAME], subject to and conditioned upon your agreement to the terms of the attached Incentive Stock Option Agreement (the "***Agreement***"). The Options entitle you to purchase shares of common stock, par value $0.001 per share ("***Common Stock***"), of Liquidia Corporation, a Delaware corporation (the "***Company***"), under the Liquidia Corporation 2020 Long-Term Incentive Plan (the "***Plan***"). The number of shares you may purchase and the exercise price at which you may purchase them are specified below. This Notice constitutes part of and is subject to the terms and provisions of the Agreement and the Plan, which are incorporated by reference herein.

You must return an executed copy of this Notice to the Company within 30 days of the date hereof. If you fail to do so, the Options may be rendered null and void in the Company's discretion.

Grant Date: [GRANT DATE]

Number of Options: [NUMBER] Options, each permitting the purchase of one Share

Exercise Price: [PRICE] per share

Expiration Date: The Options expire at 5:00 P.M. Eastern Time on the last business day coincident with or prior to the 10th anniversary of the Grant Date (the "***Expiration Date***"), unless fully exercised or terminated earlier.

Exercisability Schedule: Subject to the terms and conditions described in the Agreement, the Options become exercisable in accordance with the schedule below:

LIQUIDIA CORPORATION
By:
Date:

I acknowledge that I have carefully read the attached Agreement and the prospectus for the Plan and agree to be bound by all of the provisions set forth in these documents.

Enclosures: Incentive Stock Option Agreement
Prospectus for the 2020 Long-Term Incentive Plan
Exercise Form

OPTIONEE

Date:

Grant No.:

INCENTIVE STOCK OPTION AGREEMENT
UNDER THE
LIQUIDIA CORPORATION 2020 LONG-TERM INCENTIVE PLAN

1. Terminology. Capitalized terms used in this Agreement are defined in the correlating Stock Option Notice and/or the Glossary at the end of the Agreement.

2. Exercise of Options.

(a) Exercisability. The Options will become exercisable in accordance with the Exercisability Schedule set forth in the Stock Option Notice, so long as you are in the Service of the Company from the Grant Date through the applicable exercisability dates. None of the Options will become exercisable after your Service with the Company ceases, unless the Stock Option Notice provides otherwise with respect to exercisability that arises as a result of your cessation of Service.

(b) Right to Exercise. You may exercise the Options, to the extent exercisable, at any time on or before 5:00 P.M. Eastern Time on the Expiration Date or the earlier termination of the Options, unless otherwise provided under applicable law. Notwithstanding the foregoing, if at any time the Administrator determines that the delivery of Shares under the Plan or this Agreement is or may be unlawful under the laws of any applicable jurisdiction, or Federal, state or foreign securities laws, the right to exercise the Options or receive Shares pursuant to the Options shall be suspended until the Administrator determines that such delivery is lawful. If at any time the Administrator determines that the delivery of Shares under the Plan or this Agreement is or may violate the rules of the national securities exchange on which the shares are then listed for trade, the right to exercise the Options or receive Shares pursuant to the Options shall be suspended until the Administrator determines that such exercise or delivery would not violate such rules. Section 3 below describes certain limitations on exercise of the Options that apply in the event of your death, Total and Permanent Disability, or termination of Service. The Options may be exercised only in multiples of whole Shares and may not be exercised at any one time as to fewer than one hundred Shares (or such lesser number of Shares as to which the Options are then exercisable). No fractional Shares will be issued under the Options.

(c) Exercise Procedure. In order to exercise the Options, you must provide the following items to the Secretary of the Company or his or her delegate before the expiration or termination of the Options:

(i) notice, in such manner and form as the Administrator may require from time to time, specifying the number of Shares to be purchased under the Options; and

(ii) full payment of the Exercise Price for the Shares or properly executed, irrevocable instructions, in such manner and form as the Administrator may require from time to time, to effectuate a broker-assisted cashless exercise, each in accordance with Section 2(d) of this Agreement.

An exercise will not be effective until the Secretary of the Company or his or her delegate receives all of the foregoing items, and such exercise otherwise is permitted under and complies with all applicable federal, state and foreign securities laws. Notwithstanding the foregoing, if the Administrator permits payment by means of delivering properly executed, irrevocable instructions, in such manner and form as the Administrator may require from time to time, to effectuate a broker-assisted cashless exercise and such instructions provide for sale of Shares under a limit order rather than at the market, the exercise will not be effective until the earlier of the date the Company receives delivery of cash or cash equivalents in full payment of the Exercise Price or the date the Company receives confirmation from the broker that the sale instruction has been fulfilled, and the exercise will not be effective unless the earlier of such dates occurs on or before termination of the Options.

(d) Method of Payment. You may pay the Exercise Price by:

(i) delivery of cash, certified or cashier’s check, money order or other cash equivalent acceptable to the Administrator in its discretion;

(ii) a broker-assisted cashless exercise in accordance with Regulation T of the Board of Governors of the Federal Reserve System through a brokerage firm designated or approved by the Administrator;

(iii) subject to such limits as the Administrator may impose from time to time, tender (via actual delivery or attestation) to the Company of other shares of Common Stock of the Company which have a Fair Market Value on the date of tender equal to the Exercise Price;

(iv) subject to such limits as the Administrator may impose from time to time, net share settlement with respect to any portions of the Options that do not qualify as incentive stock options within the meaning of Code section 422;

(v) any other method approved by the Administrator; or

(vi) any combination of the foregoing.

(e) Issuance of Shares upon Exercise. The Company shall issue to you the Shares underlying the Options you exercise as soon as practicable after the exercise date, subject to the Company's receipt of the aggregate exercise price and the requisite withholding taxes, if any. Upon issuance of such Shares, the Company may deliver, subject to the provisions of Section 7 below, such Shares on your behalf electronically to the Company's designated stock plan administrator or such other broker-dealer as the Company may choose at its sole discretion, within reason, or may retain such Shares in uncertificated book-entry form. Any share certificates delivered will, unless the Shares are registered or an exemption from registration is available under applicable federal and state law, bear a legend restricting transferability of such Shares.

3. Termination of Service.

(a) Termination of Unexercisable Options. If your Service with the Company ceases for any reason, the Options that are then unexercisable will terminate immediately upon such cessation.

(b) Exercise Period Following Termination of Service. If your Service with the Company ceases for any reason other than discharge for Cause, the Options that are then exercisable will terminate upon the earliest of:

(i) the expiration of 90 days following such cessation, if your Service ceases on account of (1) your termination by the Company other than a discharge for Cause, or (2) your voluntary termination other than for Total and Permanent Disability or death;

(ii) the expiration of 12 months following such cessation, if your Service ceases on account of your Total and Permanent Disability or death;

(iii) the expiration of 12 months following your death, if your death occurs during the periods described in clauses (i) or (ii) of this Section 3(b), as applicable; or

(iv) the Expiration Date.

In the event of your death, the exercisable Options may be exercised by your executor, personal representative, or the person(s) to whom the Options are transferred by will or the laws of descent and distribution.

(c) Misconduct. The Options will terminate in their entirety, regardless of whether the Options are then exercisable, immediately upon your discharge from Service for Cause, or upon your commission of any of the following acts during the exercise period following your termination of Service: (i) fraud on or misappropriation of any funds or property of the Company, or (ii) your breach of any provision of any employment, non-disclosure, non-competition, non-solicitation, assignment of inventions, or other similar agreement executed by you for the benefit of the Company, as determined by the Administrator, which determination will be conclusive.

(d) Changes in Status. If you cease to be a "common law employee" of the Company but you continue to provide bona fide services to the Company following such cessation in a different capacity, including without limitation as a director, consultant or independent contractor, then a termination of Service shall not be deemed to have occurred for purposes of this Section 3 upon such change in capacity. Notwithstanding the foregoing, the Options shall not be treated as incentive stock options within the meaning of Code section 422 with respect to any exercise that occurs more than three months after such cessation of the common law employee relationship (except as otherwise permitted under Code section 421 or 422). In the event that your Service is with a business, trade or entity that, after the Grant Date, ceases for any reason to be part or an Affiliate of the Company, your Service will be deemed to have terminated for purposes of this Section 3 upon such cessation if your Service does not continue uninterrupted immediately thereafter with the Company or an Affiliate of the Company.

4. Nontransferability of Options. These Options are nontransferable otherwise than by will or the laws of descent and distribution and during your lifetime, the Options may be exercised only by you or, during the period you are under a legal disability, by your guardian or legal representative. Except as provided above, the Options may not be assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.

5. Qualified Nature of the Options.

(a) General Status. The Options are intended to qualify as incentive stock options within the meaning of Code section 422 ("***Incentive Stock Options***"), to the fullest extent permitted by Code section 422, and this Agreement shall be so construed. The Company, however, does not warrant any particular tax consequences of the Options. Code section 422 provides limitations, not set forth in this Agreement, respecting the treatment of the Options as Incentive Stock Options. You should consult with your personal tax advisors in this regard.

(b) Code Section 422(d) Limitation. Pursuant to Code section 422(d), the aggregate fair market value (determined as of the Grant Date) of shares of Common Stock with respect to which all Incentive Stock Options first become exercisable by you in any calendar year under the Plan or any other plan of the Company (and its parent and subsidiary corporations, within the meaning of Code section 424(e) and (f), as may exist from time to time) may not exceed $100,000 or such other amount as may be permitted from time to time under Code section 422. To the extent that such aggregate fair market value exceeds $100,000 or other applicable amount in any calendar year, such stock options will be treated as nonstatutory stock options with respect to the amount of aggregate fair market value thereof that exceeds the Code section 422(d) limit. For this purpose, the Incentive Stock Options will be taken into account in the order in which they were granted. In such case, the Company may designate the shares of Common Stock that are to be treated as stock acquired pursuant to the exercise of Incentive Stock Options and the shares of Common Stock that are to be treated as stock acquired pursuant to nonstatutory stock options by issuing separate certificates for such shares and identifying the certificates as such in the stock transfer records of the Company.

(c) Significant Stockholders. Notwithstanding anything in this Agreement or the Stock Option Notice to the contrary, if you own, directly or indirectly through attribution, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any of its subsidiaries (within the meaning of Code section 424(f)) on the Grant Date, then the Exercise Price is the greater of (a) the Exercise Price stated on the Stock Option Notice or (b) 110% of the Fair Market Value of the Common Stock on the Grant Date, and the Expiration Date is the last business day prior to the fifth anniversary of the Grant Date.

(d) Disqualifying Dispositions. If you make a disposition (as that term is defined in Code section 424(c)) of any Shares acquired pursuant to the Options within two years of the Grant Date or within one year after the Shares are transferred to you, you must notify the Company of such disposition in writing within 30 days of the disposition. The Administrator may, in its discretion, take reasonable steps to ensure notification of such dispositions, including but not limited to requiring that Shares acquired under the Options be held in an account with a Company-designated broker-dealer until they are sold.

6. Withholding of Taxes.

(a) At the time the Options are exercised, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll or any other payment of any kind due to you and otherwise agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the Options (including upon a disqualifying disposition within the meaning of Code section 421(b)). The Company may require you to make a cash payment to cover any withholding tax obligation as a condition of exercise of the Options or issuance of share certificates representing Shares.

(b) The Administrator may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the Options either by electing to have the Company withhold from the Shares to be issued upon exercise that number of Shares, or by electing to deliver to the Company already-owned shares, in either case having a Fair Market Value not in excess of the amount necessary to satisfy the statutory minimum withholding amount due.

7. Adjustments. The Administrator may make various adjustments to your Options, including adjustments to the number and type of securities subject to the Options and the Exercise Price, in accordance with the terms of the Plan. In the event of any transaction resulting in a Change in Control (as defined in the Plan) of the Company, the outstanding Options will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Options by, or for the substitution of the equivalent awards of, the surviving or successor entity or a parent thereof. In the event of such termination, you will be permitted, immediately before the Change in Control, to exercise or convert all portions of such Options that are then exercisable or which become exercisable upon or prior to the effective time of the Change in Control.

8. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement will alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between you and the Company, or as a contractual right for you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without Cause or notice and whether or not such discharge results in the failure of any of the Options to become exercisable or any other adverse effect on your interests under the Plan.

9. No Rights as a Stockholder. You shall not have any of the rights of a stockholder with respect to the Shares until such Shares have been issued to you upon the due exercise of the Options. No adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

10. The Company's Rights. The existence of the Options shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Entire Agreement. This Agreement, together with the correlating Stock Option Notice and the Plan, contain the entire agreement between you and the Company with respect to the Options. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the Options shall be void and ineffective for all purposes.

12. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the Options or Shares as determined in the discretion of the Administrator, except as provided in the Plan or in a written document signed by you and the Company.

13. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Any conflict between the terms of this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is available upon request to the Administrator.

14. Section 409A. This Agreement and the Options granted hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. This Agreement and the Options shall be administered, interpreted and construed in a manner consistent with this intent. Nothing in the Plan or this Agreement shall be construed as including any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Options. Should any provision of the Plan or this Agreement be found not to comply with, or otherwise be exempt from, the provisions of Section 409A of the Code, it may be modified and given effect, in the sole discretion of the Administrator and without requiring your consent, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Section 409A of the Code. The foregoing, however, shall not be construed as a guarantee or warranty by the Company of any particular tax effect to you.

15. Electronic Delivery of Documents. By your signing the Notice, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Options, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

16. No Future Entitlement. By execution of the Notice, you acknowledge and agree that: (i) the grant of these Options is a one-time benefit which does not create any contractual or other right to receive future grants of stock options, or compensation in lieu of stock options, even if stock options have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when stock options shall be granted or shall become exercisable, the maximum number of shares subject to each stock option, and the purchase price, will be at the sole discretion of the Administrator; (iii) the value of these Options is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of these Options is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of these Options ceases upon termination of employment with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) if the underlying Common Stock does not increase in value, these Options will have no value, nor does the Company guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if these Options do not increase in value and you irrevocably release the Company from any such claim that does arise.

17. Personal Data. For the purpose of implementing, administering and managing these Options, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors or any potential party to any Change in Control transaction or capital raising transaction involving the Company. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of these Options and the Plan and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage these Options. You understand that you may, at any time, request a list with the names and addresses of any potential

recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a stock option.

18. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Delaware, without regard to its provisions concerning the applicability of laws of other jurisdictions. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Delaware, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Delaware or any state court in the district which includes Delaware. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

19. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator's decision.

20. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

{*Glossary begins on next page*}

GLOSSARY

(a) "***Administrator***" means the Board or the committee(s) or officer(s) appointed by the Board that have authority to administer the Plan.

(b) "***Affiliate***" shall have the meaning set forth in the Plan.

(c) "***Cause***" shall have the meaning set forth in the Plan.

(d) "***Change in Control***" shall have the meaning set forth in the Plan.

(e) "***Code***" means the Internal Revenue Code of 1986, as amended.

(f) "***Company***" includes Liquidia Corporation and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change in Control has occurred, Company shall mean only Liquidia Corporation.

(g) "***Fair Market Value***" shall have the meaning set forth in the Plan.

(h) "***Service***" means your employment or other service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed or otherwise have a service relationship is not the Company or its successor or an Affiliate of the Company or its successor.

(i) "***Shares***" mean the shares of Common Stock underlying the Options.

(j) "***Stock Option Notice***" means the written notice evidencing the award of the Options that correlates with and makes up a part of this Agreement.

(k) "***Total and Permanent Disability***" shall have the meaning set forth in the Plan.

(l) "***You***" or "***your***" means the recipient of the award of Options as reflected on the Stock Option Notice. Whenever the Agreement refers to "you" under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to your estate, personal representative, or beneficiary to whom the Options may be transferred by will or by the laws of descent and distribution, the word "you" shall be deemed to include such person.

EXERCISE FORM

Administrator of 2020 Long-Term Incentive Plan
c/o Office of the Corporate Secretary
Liquidia Corporation
P.O. Box 110085
Research Triangle Park
North Carolina, 27709
Gentlemen:

I hereby exercise the Options granted to me on ,_, by Liquidia Corporation (the "Company"), subject to all the terms and provisions of the applicable grant agreement and of the Liquidia Corporation 2020 Long-Term Incentive Plan (the "Plan"), and notify you of my desire to purchase shares of Common Stock of the Company at a price of $_per share pursuant to the exercise of said Options.

Total Amount Enclosed: $

Date:

(Optionee)
Received by LIQUIDIA CORPORATION on,
By:

Exhibit 10.9

Grant No.:

LIQUIDIA CORPORATION
NONSTATUTORY STOCK OPTION NOTICE

This Notice evidences the award of nonstatutory stock options (each, an "***Option***" or collectively, the "***Options***") that have been granted to you, [NAME], subject to and conditioned upon your agreement to the terms of the attached Nonstatutory Stock Option Agreement (the "***Agreement***"). The Options entitle you to purchase shares of common stock, par value $0.001 per share ("***Common Stock***"), of Liquidia Corporation, a Delaware corporation (the "***Company***"), under the Liquidia Corporation 2020 Long-Term Incentive Plan (the "***Plan***"). The number of shares you may purchase and the exercise price at which you may purchase them are specified below. This Notice constitutes part of and is subject to the terms and provisions of the Agreement and the Plan, which are incorporated by reference herein. ***You must return an executed copy of this Notice to the Company within 30 days of the date hereof. If you fail to do so, the Options may be rendered null and void in the Company's discretion.***

Grant Date: [GRANT DATE]

Number of Options: [NUMBER] Options, each permitting the purchase of one Share

Exercise Price: [PRICE] per share

Expiration Date: The Options expire at 5:00 P.M. Eastern Time on the last business day coincident with or prior to the 10th anniversary of the Grant Date (the "***Expiration Date***"), unless fully exercised or terminated earlier.

Exercisability Schedule: Subject to the terms and conditions described in the Agreement, the Options become exercisable in accordance with the schedule below:

LIQUIDIA CORPORATION
By:
Date:

I acknowledge that I have carefully read the attached Agreement and the prospectus for the Plan and agree to be bound by all of the provisions set forth in these documents.

Enclosures: Nonstatutory Stock Option Agreement
Prospectus for the 2020 Long-Term Incentive Plan
Exercise Form

OPTIONEE

Date:

Grant No.:

NONSTATUTORY STOCK OPTION AGREEMENT
UNDER THE
LIQUIDIA CORPORATION 2020 LONG-TERM INCENTIVE PLAN

1. Terminology. Capitalized terms used in this Agreement are defined in the correlating Stock Option Notice and/or the Glossary at the end of the Agreement.

2. Exercise of Options.

(a) Exercisability. The Options will become exercisable in accordance with the Exercisability Schedule set forth in the Stock Option Notice, so long as you are in the Service of the Company from the Grant Date through the applicable exercisability dates. None of the Options will become exercisable after your Service with the Company ceases, unless the Stock Option Notice provides otherwise with respect to exercisability that arises as a result of your cessation of Service.

(b) Right to Exercise. You may exercise the Options, to the extent exercisable, at any time on or before 5:00 P.M. Eastern Time on the Expiration Date or the earlier termination of the Options, unless otherwise provided under applicable law. Notwithstanding the foregoing, if at any time the Administrator determines that the delivery of Shares under the Plan or this Agreement is or may be unlawful under the laws of any applicable jurisdiction, or Federal, state or foreign securities laws, the right to exercise the Options or receive Shares pursuant to the Options shall be suspended until the Administrator determines that such delivery is lawful. If at any time the Administrator determines that the delivery of Shares under the Plan or this Agreement is or may violate the rules of the national securities exchange on which the shares are then listed for trade, the right to exercise the Options or receive Shares pursuant to the Options shall be suspended until the Administrator determines that such exercise or delivery would not violate such rules. Section 3 below describes certain limitations on exercise of the Options that apply in the event of your death, Total and Permanent Disability, or termination of Service. The Options may be exercised only in multiples of whole Shares and may not be exercised at any one time as to fewer than one hundred Shares (or such lesser number of Shares as to which the Options are then exercisable). No fractional Shares will be issued under the Options.

(i) Exercise Procedure. In order to exercise the Options, you must provide the following items to the Secretary of the Company or his or her delegate before the expiration or termination of the Options notice, in such manner and form as the Administrator may require from time to time, specifying the number of Shares to be purchased under the Options;

(ii) full payment of the Exercise Price for the Shares or properly executed, irrevocable instructions, in such manner and form as the Administrator may require from time to time, to effectuate a broker-assisted cashless exercise, each in accordance with Section 2(d) of this Agreement; and

(iii) full payment of applicable withholding taxes pursuant to Section 7 of this Agreement.

An exercise will not be effective until the Secretary of the Company or his or her delegate receives all of the foregoing items, and such exercise otherwise is permitted under and complies with all applicable federal, state and foreign securities laws. Notwithstanding the foregoing, if the Administrator permits payment by means of delivering properly executed, irrevocable instructions, in such manner and form as the Administrator may require from time to time, to effectuate a broker-assisted cashless exercise and such instructions provide for sale of Shares under a limit order rather than at the market, the exercise will not be effective until the earlier of the date the Company receives delivery of cash or cash equivalents in full payment of the Exercise Price or the date the Company receives confirmation from the broker that the sale instruction has been fulfilled, and the exercise will not be effective unless the earlier of such dates occurs on or before termination of the Options.

(c) Method of Payment. You may pay the Exercise Price by:

(i) delivery of cash, certified or cashier's check, money order or other cash equivalent acceptable to the Administrator in its discretion;

(ii) a broker-assisted cashless exercise in accordance with Regulation T of the Board of Governors of the Federal Reserve System through a brokerage firm designated or approved by the Administrator;

(iii) subject to such limits as the Administrator may impose from time to time, tender (via actual delivery or attestation) to the Company of other shares of Common Stock of the Company which have a Fair Market Value on the date of tender equal to the Exercise Price;

(iv) subject to such limits as the Administrator may impose from time to time, net share settlement;

(v) any other method approved by the Administrator; or

(vi) any combination of the foregoing.

(d) Issuance of Shares upon Exercise. The Company shall issue to you the Shares underlying the Options you exercise as soon as practicable after the exercise date, subject to the Company's receipt of the aggregate exercise price and the requisite withholding taxes, if any. Upon issuance of such Shares, the Company may deliver, subject to the provisions of Section 7 below, such Shares on your behalf electronically to the Company's designated stock plan administrator or such other broker-dealer as the Company may choose at its sole discretion, within reason, or may retain such Shares in uncertificated book-entry form. Any share certificates delivered will, unless the Shares are registered or an exemption from registration is available under applicable federal and state law, bear a legend restricting transferability of such Shares.

3. Termination of Service.

(a) Termination of Unexercisable Options. If your Service with the Company ceases for any reason, the Options that are then unexercisable will terminate immediately upon such cessation.

(b) Exercise Period Following Termination of Service. If your Service with the Company ceases for any reason other than discharge for Cause, the Options that are then exercisable will terminate upon the earliest of:

(i) the expiration of 90 days following such cessation, if your Service ceases on account of (1) your termination by the Company other than a discharge for Cause, or (2) your voluntary termination other than for Total and Permanent Disability or death;

(ii) the expiration of 12 months following such cessation, if your Service ceases on account of your Total and Permanent Disability or death;

(iii) the expiration of 12 months following your death, if your death occurs during the periods described in clauses (i) or (ii) of this Section 3(b), as applicable; or

(iv) the Expiration Date.

In the event of your death, the exercisable Options may be exercised by your executor, personal representative, or the person(s) to whom the Options are transferred by will or the laws of descent and distribution.

(c) Misconduct. The Options will terminate in their entirety, regardless of whether the Options are then exercisable, immediately upon your discharge from Service for Cause, or upon your commission of any of the following acts during the exercise period following your termination of Service: (i) fraud on or misappropriation of any funds or property of the Company, or (ii) your breach of any provision of any employment, non-disclosure, non-competition, non-solicitation, assignment of inventions, or other similar

agreement executed by you for the benefit of the Company, as determined by the Administrator, which determination will be conclusive.

(d) Change in Status. In the event that your Service is with a business, trade or entity that, after the Grant Date, ceases for any reason to be part or an Affiliate of the Company, your Service will be deemed to have terminated for purposes of this Section 3 upon such cessation if your Service does not continue uninterrupted immediately thereafter with the Company or an Affiliate of the Company.

4. Nontransferability of Options. These Options and, before exercise, the underlying Shares are nontransferable otherwise than by will or the laws of descent and distribution and, during your lifetime, the Options may be exercised only by you or, during the period you are under a legal disability, by your guardian or legal representative. Except as provided above, the Options and, before exercise, the underlying Shares may not be assigned, transferred, pledged, hypothecated, subjected to any "put equivalent position," "call equivalent position" (as each preceding term is defined by Rule 16(a)-1 under the Securities Exchange Act of 1934), or short position, or disposed of in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.

5. Nonqualified Nature of the Options. The Options are not intended to qualify as incentive stock options within the meaning of Code section 422, and this Agreement shall be so construed. You hereby acknowledge that, upon exercise of the Options, you will recognize compensation income in an amount equal to the excess of the then Fair Market Value of the Shares over the Exercise Price and must comply with the provisions of Section 7 of this Agreement with respect to any tax withholding obligations that arise as a result of such exercise.

6. Withholding of Taxes.

(a) At the time the Options are exercised, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll or any other payment of any kind due to you and otherwise agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the Options. The Company may require you to make a cash payment to cover any withholding tax obligation as a condition of exercise of the Options or issuance of share certificates representing Shares.

(b) The Administrator may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the Options either by electing to have the Company withhold from the Shares to be issued upon exercise that number of Shares, or by electing to deliver to the Company already-owned shares, in either case having a Fair Market Value not in excess of the amount necessary to satisfy the statutory minimum withholding amount due.

7. Adjustments. The Administrator may make various adjustments to your Options, including adjustments to the number and type of securities subject to the Options and the Exercise Price, in accordance with the terms of the Plan. In the event of any transaction resulting in a Change in Control of the Company, the outstanding Options will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Options by, or for the substitution of the equivalent awards of, the surviving or successor entity or a parent thereof. In the event of such termination, you will be permitted, immediately before the Change in Control, to exercise or convert all portions of such Options that are then exercisable or which become exercisable upon or prior to the effective time of the Change in Control.

8. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement will alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between you and the Company, or as a contractual right for you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without Cause or notice and whether or not such discharge results in the failure of any of the Options to become exercisable or any other adverse effect on your interests under the Plan.

9. No Rights as a Stockholder. You shall not have any of the rights of a stockholder with respect to the Shares until such Shares have been issued to you upon the due exercise of the Options. No adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

10. The Company's Rights. The existence of the Options shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Entire Agreement. This Agreement, together with the correlating Stock Option Notice and the Plan, contain the entire agreement between you and the Company with respect to the Options. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the Options shall be void and ineffective for all purposes.

12. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the Options or Shares as determined in the discretion of the Administrator, except as provided in the Plan or in a written document signed by you and the Company.

13. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Any conflict between the terms of this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is available upon request to the Administrator.

14. Section 409A. This Agreement and the Options granted hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. This Agreement and the Options shall be administered, interpreted and construed in a manner consistent with this intent. Nothing in the Plan or this Agreement shall be construed as including any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Options. Should any provision of the Plan or this Agreement be found not to comply with, or otherwise be exempt from, the provisions of Section 409A of the Code, it may be modified and given effect, in the sole discretion of the Administrator and without requiring your consent, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Section 409A of the Code. The foregoing, however, shall not be construed as a guarantee or warranty by the Company of any particular tax effect to you.

15. Electronic Delivery of Documents. By your signing the Notice, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Options, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

16. No Future Entitlement. By execution of the Notice, you acknowledge and agree that: (i) the grant of these Options is a one-time benefit which does not create any contractual or other right to receive future grants of stock options, or compensation in lieu of stock options, even if stock options have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when stock options shall be granted or shall become exercisable, the maximum number of shares subject to each stock option, and the purchase price, will be at the sole discretion of the Administrator; (iii) the value of these Options is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the

value of these Options is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of these Options ceases upon termination of employment with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) if the underlying Common Stock does not increase in value, these Options will have no value, nor does the Company guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if these Options do not increase in value and you irrevocably release the Company from any such claim that does arise.

17. Personal Data. For the purpose of implementing, administering and managing these Options, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors or any potential party to any Change in Control transaction or capital raising transaction involving the Company. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of these Options and the Plan and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage these Options. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a stock option.

18. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Delaware, without regard to its provisions concerning the applicability of laws of other jurisdictions. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Delaware, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Delaware or any state court in the district which includes Delaware. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

19. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator's decision.

20. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

{*Glossary begins on next page*}

GLOSSARY

(a) "***Administrator***" means the Board or the committee(s) or officer(s) appointed by the Board that have authority to administer the Plan.

(b) "***Affiliate***" shall have the meaning set forth in the Plan.

(c) "***Cause***" shall have the meaning set forth in the Plan

(d) "***Change in Control***" shall have the meaning set forth in the Plan.

(e) "***Code***" means the Internal Revenue Code of 1986, as amended.

(f) "***Company***" includes Liquidia Corporation and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change in Control has occurred, Company shall mean only Liquidia Corporation.

(g) "***Fair Market Value***" shall have the meaning set forth in the Plan.

(h) "***Service***" means your employment or other service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed or otherwise have a service relationship is not the Company or its successor or an Affiliate of the Company or its successor.

(i) "***Shares***" mean the shares of Common Stock underlying the Options.

(j) "***Stock Option Notice***" means the written notice evidencing the award of the Options that correlates with and makes up a part of this Agreement.

(k) "***Total and Permanent Disability***" shall have the meaning set forth in the Plan.

(l) "***You***" or "***your***" means the recipient of the award of Options as reflected on the Stock Option Notice. Whenever the Agreement refers to "you" under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to your estate, personal representative, or beneficiary to whom the Options may be transferred by will or by the laws of descent and distribution, the word "you" shall be deemed to include such person.

EXERCISE FORM

Administrator of 2020 Long-Term Incentive Plan
c/o Office of the Corporate Secretary
Liquidia Corporation
P.O. Box 110085
Research Triangle Park
North Carolina, 27709
Gentlemen:

I hereby exercise the Options granted to me on ,, by Liquidia Corporation (the "Company"), subject to all the terms and provisions of the applicable grant agreement and of the Liquidia Corporation 2020 Long-Term Incentive Plan (the "Plan"), and notify you of my desire to purchase shares of Common Stock of the Company at a price of $ per share pursuant to the exercise of said Options.

Total Amount Enclosed: $

Date:

(Optionee)
Received by LIQUIDIA CORPORATION on
By:

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

SECOND AMENDMENT TO THE REVENUE INTEREST FINANCING AGREEMENT

This **SECOND AMENDMENT TO THE REVENUE INTEREST FINANCING AGREEMENT**, dated as of June 28, 2023 (this "Amendment"), is entered into by and between Liquidia Technologies, Inc., a Delaware corporation (the "Company"), and Healthcare Royalty Partners IV, L.P., a Delaware limited liability partnership, as the sole Investor and Investor Representative under the Agreement (as defined below) (the "Investor Representative"), solely with respect to certain enumerated provisions in the Agreement described herein. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

WHEREAS, the Parties entered into that certain Revenue Interest Financing Agreement, dated as of January 9, 2023 (as amended, modified, or supplemented prior to the date hereof, the "Agreement"); and

WHEREAS, the Parties desire to effect the amendments to the Agreement contemplated by this Amendment;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Amendment to Section 2.1(b)**. Section 2.1(b) of the Agreement is hereby amended and restated in its entirety as follows:

> "(b) the sum of Ten Million Dollars ($10,000,000) (the "Second Investment Amount") on the Second Closing Date, subject to the satisfaction of the conditions set forth in Section 8.3 and the performance of the obligations set forth in Section 8.6(c), in immediately available funds, by wire transfer to an account designated in writing by the Company to the Investor Representative prior to the Second Closing Date;"

2. **Amendment to Section 2.1(d)**. Section 2.1(d) of the Agreement is hereby amended and restated in its entirety as follows:

> "(d) the sum of Twenty-Two Million Five Hundred Thousand Dollars ($22,500,000) (the "Fourth Investment Amount") on the Fourth Closing Date, subject to the satisfaction of the conditions set forth in in Section 8.5 and the performance of the obligations set forth in Section 8.6(e), in immediately available funds by wire transfer to an account designated in writing by the Company to the Investor Representative prior to the Fourth Closing Date."

3. **Amendment to Schedule 1.1-1**. Schedule 1.1-1 of the Agreement is hereby amended and restated in its entirety as set forth on Exhibit A to this Amendment.

4. **Representations and Warranties**. To induce the Investor Representative to enter into this Amendment, each of the Company and each other member of the Company Group represents and warrants to the Investor Representative that, as of the date of this Amendment, (a) the execution, delivery and performance by each Company Party of this Amendment are within each such Company Party's power and authority, and the execution, delivery and performance of this Amendment by each Company Party have

been duly authorized by each Company Party, (b) the execution and delivery of this Amendment by each Company Party will not (i) contravene, conflict with, result in a breach, violation, cancellation or termination of, constitute a default (with or without notice or lapse of time, or both) under, require prepayment under, give any Person the right to exercise any remedy (including termination, cancellation or acceleration) or obtain any additional rights under, or accelerate the maturity or performance of or payment under, in any respect, (A) any Applicable Law or any judgment, order, writ, decree, Permit or license of any Governmental Authority to which any member of the Company Group or any of their respective assets or properties may be subject or bound, (B) any term or provision of any contract, agreement, indenture, lease, license, deed, commitment, obligation or instrument to which any member of the Company Group is a party or by which any member of the Company Group or any of their respective assets or properties is bound or committed (other than a Material Contract), (C) any Material Contract or (D) any term or provision of any of the organizational documents of any member of the Company Group, except in the case of clause (A) or (B) where any such event would not reasonably be expected to result in a Material Adverse Effect or (ii) except as provided in any of the Transaction Documents to which it is party, result in or require the creation or imposition of any Lien on the Collateral (in each case other than Permitted Liens), (c) this Amendment has been duly executed and delivered by each Company Party and constitutes the legal, valid and binding obligation of each such Company Party, enforceable against each such Company Party in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar Applicable Laws affecting creditors' rights generally, general equitable principles and principles of public policy, and (d) no Bankruptcy Event with respect to any member of the Company Group or any Special Termination Event, Change of Control, Default or Event of Default has occurred and is continuing.

5. **Effect on Agreement.** Upon the execution and delivery of this Amendment by the Parties, the Agreement shall be amended and/or restated as hereinabove set forth as fully and with the same effect as if the amendments made hereby were originally set forth in the Agreement, and this Amendment and the Agreement shall henceforth respectively be read, taken and construed as one and the same instrument, but such amendments shall not operate so as to render invalid or improper any action heretofore taken under the Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein (or in Exhibits hereto or the other Transaction Documents) has been made or relied upon by either Party hereto.

6. **Agreement in Effect.** Except as specifically provided for in this Amendment, the Agreement shall remain unmodified and in full force and effect.

7. **Headings.** The headings of the Articles and Sections of this Amendment have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

8. **Other Miscellaneous Terms.** The provisions of Article XII of the Agreement (other than Section 12.6, Section 12.10 and Section 12.13 of the Agreement) shall apply *mutatis mutandis* to this Amendment, and to the Agreement as modified by this Amendment, taken together as a single agreement, reflecting the terms therein as modified hereby.

9. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Amendment and any amendments hereto, to the extent signed and delivered by means of digital imaging and electronic mail, shall be treated in all manner and respects as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

10. **Entire Agreement; Conflicts.** This Amendment, the Agreement and the other documents and instruments referred to herein and therein constitute the entire agreement among the Parties and supersede any prior understandings, agreements or representations by or among the Parties, written or oral, that may have related in any way to the subject matter hereof. In the event of any conflict between the terms and provisions of this Amendment and any Transaction Document, the terms and provisions of this Amendment shall control.

11. **Reaffirmation by the Company Parties**. Each Company Party party hereto hereby consents to the amendments of the Agreement effected hereby and confirms and agrees that, notwithstanding the effectiveness of this Amendment, each Transaction Document to which such Company Party is a party is, and the obligations of such Company Party contained in the Agreement, this Amendment or in any other Transaction Document to which it is a party are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, in each case, as amended by this Amendment. For greater certainty and without limiting the foregoing, each Company Party hereby confirms that the security interests granted by such Company Party in favor of the Investor Representative and the Investor pursuant to the Transaction Documents in the Collateral described therein remain in full force and effect, are not released or reduced and shall continue to secure the Obligations and the Secured Obligations (as defined in the Security Agreement).

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the Parties have duly executed this Amendment as of the date first written above.

THE COMPANY:

LIQUIDIA TECHNOLOGIES, INC.

By: /s/ Roger Jeffs
Name: Roger Jeffs
Title: CEO

[Signature Page to Second Amendment to the Revenue Interest Financing Agreement]

INVESTOR REPRESENTATIVE:

HEALTHCARE ROYALTY PARTNERS IV, L.P.

By: HealthCare Royalty GP IV, LLC,
its general partner

By: /s/ Clarke B. Futch
Name: Clarke B. Futch
Title: Chairman & CEO

[Signature Page to Second Amendment to the Revenue Interest Financing Agreement]

Acknowledged and Agreed,

LIQUIDIA CORPORATION

By: /s/ Roger Jeffs
Name: Roger Jeffs
Title: CEO

LIQUIDIA PAH, LLC

By: /s/ Roger Jeffs
Name: Roger Jeffs
Title: CEO

[Signature Page to Second Amendment to the Revenue Interest Financing Agreement]

EXHIBIT A

APPLICABLE TIERED PERCENTAGES

[***]

Exhibit 10.20

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

EXECUTION VERSION

THIRD AMENDMENT TO THE REVENUE INTEREST FINANCING AGREEMENT

This **THIRD AMENDMENT TO THE REVENUE INTEREST FINANCING AGREEMENT** (this "Amendment"), dated as of July 27, 2023 (the "Amendment Effective Date"), is entered into by and between Liquidia Technologies, Inc., a Delaware corporation (the "Company"), and Healthcare Royalty Partners IV, L.P., a Delaware limited liability partnership, as the sole Investor and Investor Representative under the Agreement (as defined below) (the "Investor Representative"), solely with respect to certain enumerated provisions in the Agreement described herein. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

WHEREAS, the Parties entered into that certain Revenue Interest Financing Agreement, dated as of January 9, 2023 (as amended by the First Amendment to the Revenue Interest Financing Agreement dated as of April 17, 2023, and as amended by the Second Amendment to the Revenue Interest Finance Agreement dated as of June 28, 2023, the "Agreement"); and

WHEREAS, the Parties desire to effect the agreements, acknowledgements and amendments to the Agreement contemplated by this Amendment;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Agreement to Pay Second Investment Amount**. The Investor Representative acknowledges and agrees that (a) by execution hereof it waives the requirements of Section 8.3(b) of the Agreement and (b) as of the Amendment Effective Date, it has received delivery of that certain Omnibus Responsible Officer's Certificate dated as of the Amendment Effective Date and signed by a Responsible Officer of each Company Party (the "Second Closing Certificate"), which satisfies the conditions set forth in Section 8.6(c) of the Agreement. Based on the foregoing, the Investor Representative and the Company agree that as of the Amendment Effective Date, the Company has satisfied all of its obligations for the Second Closing to occur and the Investor will make payment of the Second Investment Amount to Company on July 27, 2023.

2. **Amendments to Section 1.1**.

(a) Section 1.1 of the Agreement is hereby amended by amending and restating the following defined term in its entirety:

> " "Included Product Payment Amount" means, for each Calendar Quarter, if the Third Investment Amount has been funded, then (x) for any Calendar Quarter ending prior to January 1, 2026, an amount equal to the Applicable Tiered Percentage multiplied by the Quarterly Net Revenues for such Calendar Quarter, or (y) for any Calendar Quarter commencing on or after January 1, 2026, an amount equal to the greater of (A) the Applicable Tiered Percentage multiplied by the Quarterly Net Revenues for such Calendar Quarter and (B) Five Million Dollars ($5,000,000), until such time

as the Investor Representative has received Included Product Payment Amounts for the relevant Calendar Year for which determination is being made equal to Twenty Million Dollars ($20,000,000), in which case the amount set forth in clause (ii)(y)(A) shall apply for the balance of such Calendar Year. For clarity, the Applicable Tiered Percentage used to calculate the Included Product Payment Amount for a given Calendar Quarter will be based on the aggregate Net Revenues billed or invoiced in such Calendar Quarter and all prior Calendar Quarters in the applicable Calendar Year. The Included Product Payment Amount for each Quarterly Payment Date shall be determined in a manner consistent with the example of such calculation set forth in Exhibit C."

(b) Section 1.1 of the Agreement is hereby amended by adding the following defined term:

" "Insurance Policy" means an insurance policy in a form and substance reasonably satisfactory to Investor Representative and the Company, whereby Investor would receive an amount equal to or greater than the Third Investment Amount if an Other Determination occurs."

(c) Section 1.1 of the Agreement is hereby amended by amending and restating the following defined term in its entirety:

" "Quarterly Fixed Payments" means, with respect to any Calendar Quarter for which a payment is due under Section 3.1(a)(i), the amount equal to (a) Five Hundred Thousand Dollars ($500,000), plus (b) with respect to each Quarterly Payment Date following any Closing Date (other than the Initial Closing Date), an additional amount to reflect the increased Investment Amount on a ratable basis determined in a manner consistent with the example of such calculation set forth in Exhibit C, and plus (c) if the Third Closing Date has not occurred by June 30, 2025, Three Million Dollars ($3,000,000) as set forth in Section 3.1(a)(i). For clarity, the Quarterly Fixed Payments do not include the One-Time Fixed Payment."

(d) Section 1.1 of the Agreement is hereby amended by deleting the defined term "Third Closing Notice".

3. **Amendment to Section 3.1(a)**. Section 3.1(a) of the Agreement is hereby amended and restated in its entirety as follows:

"(a) In consideration of the Investor paying the Investment Amount hereunder, the Company shall pay the following amounts to the Investor Representative as follows:

(i) On each Quarterly Payment Date, until the earlier of (A) subject to the proviso hereto, the Third Closing Date and (B) the date on which the Investor Representative has received payments (including, without limitation, any amounts received by the Investor pursuant to the Insurance Policy, if any) equal to the Hard Cap, the Company shall pay the Quarterly Fixed Payments to the Investor Representative; provided that, if the Third Closing Date has not occurred prior to June 30, 2025, then the Company shall (1) continue the Quarterly Fixed Payments until such time as the Investor Representative has received payments (including, without limitation, any amounts received by the Investor pursuant to the Insurance Policy, if any) equal to the Hard Cap, and (2) make a one-time payment of [***] to Investor Representative no later than July 30, 2025 (the "One-Time Fixed Payment").

(ii) Following the Third Closing Date (in addition to any payments required under the proviso to Section 3.1(a)(i) in the event the Third Closing Date does not occur prior to June

30, 2025), on each Quarterly Payment Date, the Company shall pay the Included Product Payment Amount to the Investor Representative for the applicable Calendar Quarter until the earlier of (A) the date on which the Investor Representative has received payments (including, without limitation, any amounts received by the Investor pursuant to the Insurance Policy, if any) equal to the Hard Cap and (B) the Legal Maturity Date. If (1) the Investor Representative has not received payments (including, without limitation, any amounts received by the Investor pursuant to the Insurance Policy, if any) equal to the Hard Cap by the Legal Maturity Date (after giving effect to any payments made on the Legal Maturity Date) and (2) no Special Termination Event, Change of Control, Default or Event of Default has occurred or is continuing, the Company shall pay the Special Maturity Payment Amount on the Legal Maturity Date. The Company shall have the right, at any time and from time to time, to make voluntary prepayments to the Investor Representative, and such payments shall be credited against the Hard Cap and the Under Performance Payments set forth in Section 3.1(b). This Agreement shall be in full force and effect for the duration of the Payment Term."

4. **Amendment to Section 3.1(b)(i).** The first sentence of Section 3.1(b)(i) of the Agreement is hereby amended and restated in its entirety as follows:

"(i) Following the Third Closing Date, if the Investor Representative has not received the applicable Minimum Multiple of the Investment Amount set forth below by the corresponding Reference Date set forth below, the Company shall, within thirty (30) days of the applicable Reference Date, make a cash payment to the Investor Representative equal to (i) the Minimum Multiple times the then-current Investment Amount, minus (ii) the aggregate of all payments of the Company in respect of the Total Fixed Payments, the Total Included Product Payments (including any Under Performance Payment or Generic Product Payment paid on or prior to such Reference Date) and any amounts received by the Investor pursuant to the Insurance Policy, if any, made to the Investor prior to such date (each, an "Under Performance Payment")."

5. **Amendment to Section 3.4**. Section 3.4 of the Agreement is hereby amended and restated in its entirety as follows:

"Section 3.4 Included Product Payment Reports and Record Retention. On or prior to each Quarterly Payment Date occurring after the Initial Closing Date, the Company shall deliver to the Investor Representative (i) copies of any Third Party Report for the applicable Calendar Quarter, so long as the Company is able to obtain the prior written consent of the relevant Third Party to disclose such information to the Investor Representative, (ii) following the Third Closing Date, a written report of the amount of gross sales of the Included Product in each country during the applicable Calendar Quarter, an itemized calculation of Net Sales and Other Royalty Payments on a country-by-country basis and a calculation of the amount of the Included Product Payment Amount due under Section 3.1(a)(ii) in respect of the applicable Calendar Quarter, showing the Applicable Tiered Percentage applied thereto (if applicable) and a calculation of the Under Performance Payment and Generic Product Payment (if any) pursuant to Section 3.1(b), (iii) copies of the most recent quarterly statements for each Deposit Account, Securities Account, Commodities Account and other Deposit Account, Securities Account or Commodities Account of the Company and each other Company Party, and (iv) a Compliance Certificate relating to each of the items described in clauses (i), (ii) and (iii) of this sentence. For five years after each sale of the Included Product made by the Company or any of its Affiliates, the Company shall keep (and shall ensure that its Affiliates shall keep) complete and accurate records of such sale in sufficient detail to confirm the accuracy of the applicable Included Product Payment Amount paid pursuant to Section 3.1(a)(ii). The Company shall use commercially reasonable efforts to include, in each contract of the Company or any of its Affiliates for the distribution, marketing or selling of Included Products

entered into on or after the Initial Closing Date, obligations reasonably appropriate to ensure that the counterparty to such contract shall furnish to the Company all information necessary for the Company to comply with this Section 3.4 and calculate the Included Product Payment Amounts that are payable as set forth in this Agreement. The Company shall use commercially reasonable efforts to, within ninety (90) days of the Effective Date, obtain the consent of the relevant Third Party to share the Third Party Reports and the Third Party Information with the Investor Representative and the Investor."

6. **Amendment to Section 8.1(c)**. Section 8.1(c) of the Agreement is hereby amended and restated in its entirety as follows:

"(c) for the third Closing (the "Third Closing"), subject to the satisfaction of the conditions set forth in Section 8.4 and Investor Representative's receipt of written notices from the Company and the Investor that Company has elected to receive, and Investor has elected to pay, the Third Investment Amount, on the date that is fifteen (15) Business Days following the satisfaction of the conditions set forth in Section 8.4 and Section 8.6(d) (the "Third Closing Date"); and"

7. **Amendment to Section 8.4**. Section 8.4 of the Agreement is hereby amended and restated in its entirety as follows:

"Section 8.4 Conditions to Third Closing. The obligations of the Investor relating to the Third Closing shall be subject to (a) the Company's election to receive, and the Investor's election to pay, the Third Investment Amount, and (b) no Bankruptcy Event with respect to any member of the Company Group or no Special Termination Event, Change of Control, Default or Event of Default having occurred or be continuing (and the Investor Representative's receipt of the certification from a Responsible Officer to that effect)."

8. **Amendment to Section 8.6(d)**. Section 8.6(d) of the Agreement is hereby amended and restated in its entirety as follows:

"(d) At the Third Closing (should the Third Closing occur), the Company shall deliver or cause to be delivered to the Investor Representative the following:

(i) A certificate of a Responsible Officer of each Company Party (the statements made in which shall be true and correct on and as of the Third Closing Date): (A) attaching copies, certified by such officer as true and complete, of (x) the Organization Documents of the Company Party and (y) confirming that resolutions of the governing body of the Company Party authorizing and approving the execution, delivery and performance by the Company Party of the Transaction Documents and the transactions contemplated herein and therein remain in full force and effect; (B) attaching a copy, certified by such officer as true and complete, of a good standing certificate of the appropriate Governmental Authority of the Company Party's jurisdiction of organization, stating that the Company Party is in good standing under the Applicable Laws of such jurisdiction, and (C) certifying that no Bankruptcy Event with respect to the Company Party and no Special Termination Event, Change of Control, Default or Event of Default has occurred and is continuing; and

(ii) A certificate of a Responsible Officer of the Company Party certifying that (A) the representations and warranties set forth in ARTICLE IV (other than the Fundamental Representations) are true and correct in all material respects on and as of the Third Closing Date (or, if made as of a specific date, as of such date); provided, that to the extent that any such representation or warranty is qualified by the term "material" or "Material Adverse Effect" such representation or warranty (as so written, including the term "material" or

"Material Adverse Effect") shall have been true and correct in all respects as of the date hereof and shall be true and correct in all respects as of the Third Closing Date or such other date, as applicable, (B) that the Fundamental Representations are true and correct in all respects on and as of the Third Closing Date (or, if made as of a specific date, as of such date), subject to any additions that the Company Party may make to the Disclosure Schedule with respect to Section 4.10 and Section 4.12 (provided that any such additions to Section 4.12 must be reasonably satisfactory to the Investor Representative (it being acknowledged that any addition that would not be reasonably expected to have a Material Adverse Effect shall be conclusively deemed satisfactory)) as of the Third Closing Date and (C) that the Company Party has complied in all material respects with its covenants, agreements and other obligations under this Agreement and the other Transaction Documents; and

(iii) Such other documents, instruments, reports, statements and information as may be reasonably requested by the Investor Representative.

9. **Amendment to Section 8.6(e)**. Section 8.6(e)(i) and (ii) of the Agreement is hereby amended and restated as follows:

"(i) A certificate of a Responsible Officer of each Company Party (the statements made in which shall be true and correct on and as of the Fourth Closing Date): (A) attaching copies, certified by such officer as true and complete, of (x) the Organization Documents of the Company Party and (y) confirming that resolutions of the governing body of the Company Party authorizing and approving the execution, delivery and performance by the Company Party of the Transaction Documents and the transactions contemplated herein and therein remain in full force and effect; (B) attaching a copy, certified by such officer as true and complete, of a good standing certificate of the appropriate Governmental Authority of the Company Party's jurisdiction of organization, stating that the Company Party is in good standing under the Applicable Laws of such jurisdiction; and (C) certifying that no Bankruptcy Event with respect to the Company Party and no Special Termination Event, Change of Control, Default or Event of Default has occurred and is continuing.

(ii) A certificate of a Responsible Officer of the Company Party certifying that (a) the representations and warranties set forth in ARTICLE IV (other than the Fundamental Representations) are true and correct in all material respects on and as of the Fourth Closing Date (or, if made as of a specific date, as of such date); provided, that to the extent that any such representation or warranty is qualified by the term "material" or "Material Adverse Effect" such representation or warranty (as so written, including the term "material" or "Material Adverse Effect") shall have been true and correct in all respects as of the date hereof and shall be true and correct in all respects as of the Fourth Closing Date or such other date, as applicable, (b) that the Fundamental Representations are true and correct in all respects on and as of the Fourth Closing Date (or, if made as of a specific date, as of such date), subject to any additions that the Company Party may make to the Disclosure Schedule with respect to Section 4.10 and Section 4.12 (provided that any such additions to Section 4.12 must be reasonably satisfactory to the Investor Representative (it being acknowledged that any addition that would not be reasonably expected to have a Material Adverse Effect shall be conclusively deemed satisfactory)) as of the Fourth Closing Date and (c) that the Company Party has complied in all material respects with its covenants, agreements and other obligations under this Agreement and the other Transaction Documents."

10. **Amendment to Exhibit C**. **Exhibit C** of the Agreement is hereby amended and restated in its entirety as set forth on **Exhibit A** to this Amendment.

11. **Reimbursement of Attorneys' Fees**. The Company agrees to reimburse the Investor Representative for all reasonable and documented fees, charges and disbursements of Sidley Austin LLP, counsel to the Investor Representative, required in connection with this Amendment and incurred as of the Amendment Effective Date, provided such reimbursement shall not to exceed [***].

12. **Representations and Warranties**. To induce the Investor Representative to enter into this Amendment, each of the Company and each other member of the Company Group represents and warrants to the Investor Representative that, as of the date of this Amendment, (a) the execution, delivery and performance by each Company Party of this Amendment are within each such Company Party's power and authority, and the execution, delivery and performance of this Amendment by each Company Party have been duly authorized by each Company Party, (b) the execution and delivery of this Amendment by each Company Party will not (i) contravene, conflict with, result in a breach, violation, cancellation or termination of, constitute a default (with or without notice or lapse of time, or both) under, require prepayment under, give any Person the right to exercise any remedy (including termination, cancellation or acceleration) or obtain any additional rights under, or accelerate the maturity or performance of or payment under, in any respect, (A) any Applicable Law or any judgment, order, writ, decree, Permit or license of any Governmental Authority to which any member of the Company Group or any of their respective assets or properties may be subject or bound, (B) any term or provision of any contract, agreement, indenture, lease, license, deed, commitment, obligation or instrument to which any member of the Company Group is a party or by which any member of the Company Group or any of their respective assets or properties is bound or committed (other than a Material Contract), (C) any Material Contract or (D) any term or provision of any of the Organization Documents of any member of the Company Group, except in the case of clause (A) or (B) where any such event would not reasonably be expected to result in a Material Adverse Effect or (ii) except as provided in any of the Transaction Documents to which it is party, result in or require the creation or imposition of any Lien on the Collateral (in each case other than Permitted Liens), (c) this Amendment has been duly executed and delivered by each Company Party and constitutes the legal, valid and binding obligation of each such Company Party, enforceable against each such Company Party in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar Applicable Laws affecting creditors' rights generally, general equitable principles and principles of public policy, (d) no Bankruptcy Event with respect to any member of the Company Group or any Special Termination Event, Change of Control, Default or Event of Default has occurred and is continuing.

13. **Effect on Agreement.** Upon the execution and delivery of this Amendment by the Parties, the Agreement shall be amended and/or restated as hereinabove set forth as fully and with the same effect as if the amendments made hereby were originally set forth in the Agreement, and this Amendment and the Agreement shall henceforth respectively be read, taken and construed as one and the same instrument, but such amendments shall not operate so as to render invalid or improper any action heretofore taken under the Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein (or in Exhibits hereto or the other Transaction Documents) has been made or relied upon by either Party hereto.

14. **Agreement in Effect.** Except as specifically provided for in this Amendment, the Agreement shall remain unmodified and in full force and effect.

15. **Headings.** The headings of the Articles and Sections of this Amendment have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

16. **Other Miscellaneous Terms.** The provisions of Article XII of the Agreement (other than Section 12.6, Section 12.10 and Section 12.13 of the Agreement) shall apply *mutatis mutandis* to this Amendment, and to the Agreement as modified by this Amendment, taken together as a single agreement, reflecting the terms therein as modified hereby.

17. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Amendment and any amendments hereto, to the extent signed and delivered by means of digital imaging and electronic mail, shall be treated in all manner and respects as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

18. **Entire Agreement; Conflicts.** This Amendment, the Agreement and the other documents and instruments referred to herein and therein constitute the entire agreement among the Parties and supersede any prior understandings, agreements or representations by or among the Parties, written or oral, that may have related in any way to the subject matter hereof. In the event of any conflict between the terms and provisions of this Amendment and any Transaction Document, the terms and provisions of this Amendment shall control.

19. **Reaffirmation by the Company Parties**. Each Company Party that is a party hereto hereby consents to the amendments of the Agreement effected hereby and confirms and agrees that, notwithstanding the effectiveness of this Amendment, each Transaction Document to which such Company Party is a party is, and the obligations of such Company Party contained in the Agreement, this Amendment or in any other Transaction Document to which it is a party are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, in each case, as amended by this Amendment. For greater certainty and without limiting the foregoing, each Company Party hereby confirms that the security interests granted by such Company Party in favor of the Investor Representative and the Investor pursuant to the Transaction Documents in the Collateral described therein remain in full force and effect, are not released or reduced and shall continue to secure the Obligations and the Secured Obligations (as defined in the Security Agreement).

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the Parties have duly executed this Amendment as of the Amendment Effective Date.

THE COMPANY:

LIQUIDIA TECHNOLOGIES, INC.

By: /s/ Roger Jeffs
Name: Roger Jeffs
Title: CEO

[Signature Page to Third Amendment to the Revenue Interest Financing Agreement]

INVESTOR REPRESENTATIVE:

HEALTHCARE ROYALTY PARTNERS IV, L.P.

By: HealthCare Royalty GP IV, LLC,
its general partner

By: /s/ Clarke B. Futch
Name: Clarke B. Futch
Title: Managing Partner

[Signature Page to Third Amendment to the Revenue Interest Financing Agreement]

Acknowledged and Agreed,

LIQUIDIA CORPORATION

By: /s/Roger Jeffs
Name: Roger Jeffs
Title: CEO

LIQUIDIA PAH, LLC

By: /s/ Roger Jeffs
Name: Roger Jeffs
Title: CEO

[Signature Page to Third Amendment to the Revenue Interest Financing Agreement]

EXHIBIT A

[***]

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

AMENDED AND RESTATED
COMMERCIAL MANUFACTURING SERVICES AND SUPPLY AGREEMENT

This Amended and Restated Commercial Manufacturing Services and Supply Agreement (the "Agreement") is made and entered into as of July 13, 2023 ("Effective Date"), by and between Liquidia Technologies, Inc., with a principal place of business at 419 Davis Drive, Suite 100, Morrisville NC 27560 ("Customer"), and Lonza Tampa LLC f/k/a Xcelience, LLC, with principal place of business at 5415 West Laurel Street, Tampa, Florida 33607, USA ("Lonza"). Each of Lonza and Customer may be referred to herein individually as a "Party," and Lonza and Customer may be referred to collectively as the "Parties."

WHEREAS, Customer is engaged in the research and development of pharmaceutical products; and

WHEREAS, Lonza possesses the expertise to manufacture commercial pharmaceutical products; and

WHEREAS, Customer wishes to engage Lonza, and Lonza wishes to be engaged by Customer, to manufacture quantities of Product (defined below), pursuant to the terms and subject to the conditions of this Agreement for human pharmaceutical use in the Territory (defined below), and in accordance with cGMP (defined below); and

WHEREAS, Customer and Lonza are parties to that certain Commercial Manufacturing Services and Supply Agreement, dated as of November 12, 2020 (the "Original Agreement"); and

WHEREAS, Customer and Lonza desire to amend and restate the terms of the Original Agreement in their entirety as set forth in this Agreement.

NOW THEREFORE, in consideration of the representations, covenants and warranties set forth herein, and for other good and valuable consideration, the Parties agree as follows:

1. DEFINITIONS AND GENERAL MATTERS

1.1 **Defined Terms.** As used in this Agreement, the following words and phrases shall have the meanings set forth below.

- "Affiliate" means any Person who, directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person. For purposes of this definition, "Control" means (a) the direct or indirect legal or beneficial ownership of more than fifty percent (50%) of (i) the ownership interests in a Person or (ii) the outstanding voting rights in a Person or (b) the power to otherwise direct the business activities of a Person.

- "Annual Minimum Commitment" shall mean the minimum quantity of Product to be ordered by Customer in each Contract Year as set forth in Exhibit A, attached hereto.

- "Baseline Forecast" shall be set forth in Exhibit A, attached hereto.

- "Bulk Powder" means treprostinil processed by Customer using proprietary PRINT technology, also referred to as LIQ861.

- "Cancellation Fee" has the meaning given in Section 3.6.

- "Claim or Proceeding" means any third party claim, action, suit, proceeding or arbitration, including any governmental authority action or investigation for death, bodily injury or property damage.

- "Commencement Date" means the date of commencement of the Services.

- "Commercial Launch Date" means the date Customer receives notice from the FDA of Regulatory Approval.

- "Contract Year" means for Contract Year 1 (also sometimes referred to as Year 1) started on February 8th, 2022 and extends to the date of Regulatory Approval. After Contract Year 1, "Contract Year" means the period beginning on the date of Regulatory Approval and ending on the twelve (12) months anniversary thereafter and each 12-month period thereafter.

- "Current Good Manufacturing Practices" or "cGMPs" mean all applicable Laws in the Territory relating to manufacturing practices of medicinal products for human use promulgated by any relevant governmental authority, as may be updated, supplemented or amended from time to time.

- "Facility" means (i) for encapsulation, Lonza's manufacturing facilities located at 5415 West Laurel Street, Tampa, Florida 33607, USA; (ii) for packaging, 4901 W Grace St, Tampa, Florida 33607, USA; or for storage and distribution, 5709 John's Rd, Tampa, Florida 33634, USA.

- "FDA" means the U.S. Food and Drug Administration, and any successor agency thereof.

- "Hidden Defect" means those deviations from the Specifications that are not visible or readily identifiable at the time of delivery.

- "Law" means all applicable treaties, laws, and regulations in the Territory.

- "Losses" means any and all losses, fines, fees, settlements, payments, obligations, penalties, deficiencies, liabilities, damages, costs and expenses (including reasonable attorneys' fees).

- "Person" means an individual, partnership, corporation, association, trust, joint venture, or unincorporated organization.

- "Price" means the price for Product referred to in Section 4.1.

- "Product" means the finished drug product for commercial sale and distribution to end users which complies with FDA approved labeling that is packed in the final market configuration that Lonza manufactures for Customer hereunder in accordance with cGMPs, containing the Bulk Powder and other Raw Materials identified in the Specifications for human pharmaceutical use in the Territory.

- "Quality Agreement" means the Quality Agreement, dated August 24, 2020 by and between the Parties, as amended from time to time.

- "Raw Materials" means any materials, other than Active Materials, as specified in the Specifications.

- "Regulatory Approval" means the receipt of all approvals, licenses, registrations or authorizations from the FDA necessary to market and sell the Product in the United States.

- "Services" means the commercial manufacturing services and related services to be performed by Lonza under this Agreement, particulars of which are set out in each Purchase Order.

- "SKU" means stock keeping units in Product weights of 5 mg of Bulk Powder, 10 mg of Bulk Powder, 15 mg of Bulk Powder, and 20 mg of Bulk Powder.

- "Specifications" means the release specifications for the manufacture, processing, bulk packaging, testing and testing procedures, shipping, storage and supply of the Product, any Raw Material requirements, analytical procedures and standards of quality control and quality assurance, established by the Parties for the Product. The Specifications include those specifications set forth in Exhibit D and such other specifications and requirements as may be set forth in the Quality Agreement.

- "Territory" means the United States of America, and any other countries or jurisdictions that are mutually agreed to by the Parties in writing.

- "Units" shall mean a finished labeled kit ready for commercial sale and distribution to end users which complies with the FDA approved labeling, containing 7 individual blister cards, containing 4 capsules in each blister card, a DPI and a package of cleaning brushes or other agreed upon packaging configuration.

1.2 **Exhibits.** The attached Exhibits are incorporated into and form part of this Agreement:

EXHIBIT A	COMMERCIAL TERMS
EXHIBIT B	ENVIRONMENTAL AND HEALTH AND SAFETY INFORMATION
EXHIBIT C	SDS OF MATERIALS PROVIDED BY CUSTOMER
EXHIBIT D	SPECIFICATIONS

2. TERM; FACILITY; AFFILIATES

2.1 **Term.** The term of this Agreement shall commence on the Effective Date and, subject to the rights of earlier termination contained in this Agreement, shall remain in effect for five (5) years from Regulatory Approval ("Initial Term"). The Initial Term may thereafter be extended for subsequent years upon the mutual written agreement of the Parties (the Initial Term, together with such subsequent periods, the "Term").

2.2 **Facility.** Lonza shall perform all manufacturing activities and all storage activities at the Facility. Lonza may use other facilities for the manufacture and storage of Product provided that (i) such facilities have been approved for such manufacture and storage by all applicable governmental authorities and (ii) Customer written approval is obtained prior to the use of such facilities, such approval not to be unreasonably withheld by Customer.

2.3 **Affiliates.** Lonza may instruct one or more of its Affiliates to perform any of Lonza's obligations contained in this Agreement and any particular Purchase Order (defined below in Section 3.2) as mutually agreed to by the Parties in writing, provided, however, that Lonza shall remain fully responsible in respect of those obligations. Such Affiliate shall be entitled to submit invoices to Customer for the specific Services performed by such Affiliate under the applicable Purchase Order. Any of said Affiliates

so used by Lonza shall be subject to all of the terms and conditions applicable to Lonza under this Agreement and shall be entitled to all rights and protections afforded Lonza under this Agreement.

3. FORECASTS AND ORDERS

3.1 **Forecasts.** Each quarter by the 10th business day Customer shall submit to Lonza a good faith, estimated [***] rolling forecast of the quantity of Product that Customer expects to order for production commencing with the month following the month in which such forecast is provided ("Forecast"). Each Forecast shall be non-binding, with the exception of the Forecast for the nearest [***] of the Forecast, which shall be considered a firm order for Product ("Firm Order"). For clarity, Customer is obligated to purchase the volumes of Product that are included in the Firm Order regardless of whether Customer issues Purchase Order for such amounts. Lonza shall notify Customer immediately in writing if at any time Lonza has reason to believe that it will not be able to fill a Firm Order. No Forecast shall amend any previous Firm Order.

3.2 **Purchase Orders.** Customer shall submit a purchase order corresponding to the Firm Order ("Purchase Order") no less than [***] in advance of the requested delivery date for Product that is not subject to a previous Purchase Order. For the avoidance of doubt, Purchase Orders will be issued every quarter to include the next three (3) months of the Firm Order such that at any given time Customer has issued Purchase Orders for the nearest [***] period. Each Purchase Order shall specify the quantity of Product ordered, Customer' purchase order number, the requested delivery date, the invoice address, the shipping address and any further information necessary or reasonably requested by Lonza to facilitate the shipment of Product. Lonza shall acknowledge receipt of Purchase Orders within ten (10) business days. Customer shall be permitted to adjust the Product SKU allocation at the packaging level no later than [***] prior to the requested delivery date with revised Purchase Order to be issued if there are changes to the version submitted previously.

3.3 **Forms and Inconsistencies.** Any term or condition of a Purchase Order, acceptance form used by Lonza, or any other correspondence between the parties that is different from, inconsistent with or contrary to the terms and condition of this Agreement shall be void. All Purchase Orders submitted by Customer shall be deemed to incorporate and be subject to the terms and conditions of this Agreement. Lonza's failure to object to any provisions contained in any communication from Customer shall not be deemed a waiver of the provisions herein.

3.4 **Annual Minimum Commitment**. Customer undertakes to purchase from Lonza a minimum quantity of Product per Contract Year as set forth in the table entitled "Annual Minimum Commitment" on Exhibit A. If Customer fails to purchase such minimum quantity of Product, Customer shall make payment to Lonza within thirty (30) days following the applicable Contract Year end equal to [***]. In accordance with that certain letter agreement, dated February 8, 2022, by and between Customer and Lonza, all Product ordered by Customer after February 8, 2022 and prior to the commencement of the first Contract Year shall be credited towards Customer's Annual Minimum Commitment for the first Contract Year.

[***]

3.5 **Delayed Launch.** Commencing on [***], in the event that the Customer fails to commence ordering of Product under this Agreement for any reason whatsoever, any reason, then the Parties, in good faith will renegotiate the rights and obligations under this Agreement.

3.6 **Cancellation of a Binding Purchase Order**. Customer may cancel a binding Purchase Order upon written notice to Lonza, subject to the payment of a cancellation fee of one hundred percent (100%) of the cancelled Purchase Order (the "Cancellation Fee").

3.7 **Payment of Cancellation Fee**. Any Cancellation Fee shall be payable within [***] following the written notice of cancellation associated with the cancelled batch.

3.8 **Capacity Reservation; Capital Expenditures**. Lonza agrees, that subject to Customer meeting its Annual Minimum Purchases and its payment obligations herein, it (i) shall maintain capacity to manufacture the quantity of Product as set forth on Exhibit A hereto; and (ii) incur reasonable additional capital expenditures, at Lonza's cost, as determined in Lonza's sole discretion in order to meet its obligations under this Agreement.

3.9 **Continuous Improvement Program**. The Parties together shall use commercially reasonable efforts to identify and target any potential areas of cost reduction and process improvements (i.e., cycle time reductions, inventory reductions, yield improvements, collaborative procurement) relating to its obligations hereunder. Lonza and Customer shall meet from time to time, but at least annually, to review objectives and to share ideas for these improvements. As opportunities are identified along with potential cost and savings impact an implementation plan and project budget shall be jointly defined and agreed on by the Parties. The allocation of any costs and expenses for new capital equipment addition or investment necessary to the same implementation plan and the resulting modified process shall be agreed by both Parties, which will also include prior written regulatory assessment and approval by both the Parties. The resulting costs benefits will be shared equally between the two Parties. No price adjustment will be applied unless such cost improvement plans are agreed on, successfully implemented and applied on commercial scale for the Product.

4. PRICE; PAYMENT TERMS; TITLE

4.1 **Price.** Customer agrees to pay Lonza for the Product provided hereunder at the Price set forth on Exhibit A hereto.

4.2 **Taxes**. The Price is exclusive of taxes, which taxes shall be for the account of Customer. Taxes that Lonza is required by Law to collect from Customer, e.g., V.A.T., will be separately stated in Lonza's invoice and will be paid by Customer to Lonza.

4.3 **Payment Terms.** The payment terms are set forth in Exhibit A as [***] days from the date of invoice upon release of Product and with appropriate release documentation as set forth in Section 4.6 hereof. Lonza shall invoice Customer at the time Product is released by Lonza QA at the Facility. Each shipment shall constitute an independent transaction, and Customer shall pay for the same in accordance with the specified payment terms and without deduction or set-off.

4.4 **Late Payment Interest.** If Customer is in default of payment of any undisputed invoice on the due date, interest shall accrue on any amount overdue at the lesser of (i) one percent (1%) per month or (ii) the maximum rate allowable by applicable Law, interest to accrue on a day to day basis until full payment; and Lonza shall, at its sole discretion, and without prejudice to any other of its accrued rights, be entitled to suspend the provision of the Services and/or delivery of Product until all overdue amounts have been paid in full including interest for late payments.

4.5 **Price adjustments.**

4.5.1 Commencing on the first anniversary of the Effective Date, not more than once per Contract Year, Lonza may adjust the Price in accordance with the US Department of Labor's Bureau of Labor Statistics Pharmaceutical Preparations Index, ethical PCU 325414 (https://www.bls.gov/ppi) or any successor index, for

the previous Contract Year. The new Price reflecting such adjustment shall be effective for any manufacture of Product for which the Commencement Date is on or after the date of Lonza's notice to Customer of the Price adjustment.

4.5.2 In addition to the above, the Price may be changed by Lonza, upon prior written consent of Customer, such consent shall not be unreasonable delayed or withheld (providing reasonable detail in support thereof), to reflect (i) a change in variable costs (such as energy) by more than [***] (based on the initial Price or any previously amended Price), or for a process adjustment or assumption changes, and (ii) any material change in an environmental, safety or regulatory standard that substantially impacts Lonza's cost and ability to perform the Services.

4.6 **Shipping Term; Title.** All Product shall be delivered ExW (as defined by Incoterms® 2010) the Facility. Title and risk of loss or damage to the Product shall pass to Customer at the time Product is released by Lonza's QA department together with appropriate release documentation as set forth in the Quality Agreement, according to the terms of shipment set forth in Exhibit A. Lonza shall provide necessary documentation to allow shipment from Lonza's premises to those detailed in the Purchase Order. Customer shall arrange for shipment and take delivery of such Product from the Facility, at Customer's expense, within fifteen (15) days after release of the Product by Lonza or pay applicable storage costs of [***] per pallet per month. Lonza shall provide storage on a bill and hold basis for such batch(es) at no charge for up to fifteen (15) days; provided that any additional storage beyond fifteen (15) days will be subject to availability and, if available, will be charged to Customer and will be subject to a separate bill and hold agreement. Within five (5) days following a written request from Lonza, Customer shall provide Lonza with a letter in form satisfactory to Lonza confirming the bill and hold status of each stored batch.

4.7 **Credit**. Lonza shall have the right to cancel any Purchase Order accepted by Lonza, or to delay the shipment of the Product ordered therein, if Customer fails to meet payment schedules or other credit or financial requirements established by Lonza. Customer agrees to make available to Lonza such statements of Customer's financial condition as Lonza may, from time to time, request. Lonza reserves the right at all times, either generally or with respect to any specific Purchase Order, to vary, change or limit the amount or duration of credit to be allowed to Customer.

5. OBLIGATIONS OF THE CUSTOMER

5.1 **Manufacture and Supply of Bulk Powder.** Customer shall comply with all applicable Laws related to the manufacture of Bulk Powder and the delivery of Bulk Powder to Lonza. Customer shall identify, qualify, purchase and deliver the Bulk Powder to the Facility. Customer shall be responsible for the quality of the Bulk Powder, Quality Assurance and management of Bulk Powder vendor relationship. Customer shall supply Lonza with the quantity of Bulk Powder required to manufacture the Product in the amount specified in Customer's Purchase Order, [***] (excluding material for lab testing and retain) ("Loss Allowance") to allow for normal waste and breakage calculated over a twelve (12) month period, not less than four (4) weeks prior to the Commencement Date. Delivery shall take place DDP Facility Incoterms 2010. Lonza shall not be responsible for any failure to deliver or any delivery delay of Product due to (i) the failure of Customer to deliver or cause delivery of Bulk Powder in the time specified in this Section, or (ii) the delivery of defective Bulk Powder, and Customer shall be responsible for all additional costs and expenses arising out of such delay or defect, including, if applicable, reasonable idle Facility capacity costs and any Cancellation Fees if such delay or defect results in Lonza not being able to manufacture Product in the manufacturing slots reserved for Customer at the Facility. In the event of any loss or damage to Bulk Powder while in the possession of Lonza in excess of the Loss Allowance due to Lonza's negligence, Lonza's liability to Customer related to or arising out of such loss shall be limited to the greater of (i) reimbursement of Customer for the most recent actual incurred manufacturing cost per

kilo of Bulk Powder, up to [***]/kg, applied pro-rata to the amount of Bulk Powder concerned or (ii) [***] the value of the Purchase Order creating such liability.

5.2 **Health & Safety Data.** (a) Customer has provided to Lonza certain information relating to the Bulk Powder, attached hereto as Exhibit C. To the extent Customer has not provided the information in Exhibit C and to the extent it possesses the information, Customer shall provide to Lonza, prior to the shipment of any Bulk Powder to Lonza hereunder, the environmental, health and safety information described in Exhibit B as it relates to the Bulk Powder. To the extent the information contained in paragraphs 2 and 3 of Exhibit B has not yet been generated by Customer, tests, analyses and/or research necessary to collect such information and data shall be conducted, at the expense of Customer, by Customer internally or by an outside laboratory retained by Customer. Customer shall properly document all such test results and shall provide such documentation to Lonza prior to the delivery of any Bulk Powder to Lonza. If the data indicates that Lonza cannot safely manage the Bulk Powder without the addition of certain engineering controls or other changes to its facilities and/or equipment, the Parties will discuss cost allocation for required changes.

(b) Customer shall provide to Lonza promptly upon receipt by Customer (i) any information needed to clarify, correct, supplement or amend any of the information described in Exhibit B or provided in Exhibit C and (ii) any other information reasonably related to the environmental, health and safety implications, including employee health and safety, of the handling, manufacture, distribution, use and disposal of the Bulk Powder. Lonza shall not be responsible for any failure to deliver or delivery delay due to Customer's failure to deliver such results or documentation.

5.3 **Compliance with Law; Use and Disposal of Product.** Customer is responsible for (a) the use, packaging, labeling, distribution, marketing, promotion, sale and disposal of Product, including compliance with all present and future Laws related to the same; (b) communicating with any governmental authority concerning the Product, including without limitation with respect to the registration, classification or notification of a new Product or substance, or the use, packaging, labeling, distribution, marketing, promotion, sale or disposal of the same or any adverse events related to the Product (for the avoidance of doubt, Lonza may interact with governmental authorities for the purpose of fulfilling its obligations hereunder); (c) storing and handling Product in appropriate conditions following its delivery; and (d) determining the Specifications for the Product to permit its sale in each country in the world. Customer shall conduct all such activities at all times in compliance with applicable Laws. The Parties acknowledge and agree that Lonza has no control, role, or other form of influence in Customer's use, packaging, labeling, distribution, marketing, promotion, sale and disposal of Product, nor does it control or influence any payments or transfers of value that may be made by Customer to health care professionals, health care institutions, or any other customer or third party. Customer is responsible for participation and compliance in all government health care programs such as Medicare and Medicaid, and any rebate liability, mandatory pricing, or reporting obligations resulting therefrom.

5.4 **Additional Obligations.** Customer shall manage, direct and be responsible for all intellectual property decisions and being responsible for all litigation costs which result solely from the filing of the Products. Customer shall maintain pharmacovigilance infrastructure as required by a distributor of Product. Customer will own and control all regulatory approvals in the Territory (including all associated contents and correspondences) and applications therefore related to the Product and any other marketing authorizations within the Territory.

6. OBLIGATIONS OF LONZA AND CUSTOMER

6.1 **Materials.** Lonza shall be responsible for procuring Raw Materials identified in the Specifications other than the Bulk Powder. Lonza will destroy unused Bulk Powder following instructions provided by Customer, consistent with Lonza's environmental, health and safety guidelines. Customer shall pay for the costs of destruction.

6.2 **Lonza Regulatory Obligations**. Lonza is responsible for (a) manufacturing and supplying the Product in compliance with all applicable Laws, including but not limited to environmental health and safety laws and cGMP, and (b) storing and handling Product in appropriate conditions before its delivery to Customer in accordance with Section 4.6. Lonza shall obtain and maintain during the Term all regulatory approvals necessary in the jurisdiction in which the Facility is located for Lonza to operate the Facility.

6.3 **Inspections and Audits**. Subject to the terms of the Quality Agreement, Customer and its representatives shall have the right to visit or audit, or request a reputable third party to visit or audit the Facility to verify that the documentation, equipment and material relating to the Product is maintained in accordance with applicable Laws and that Lonza is performing its obligations hereunder. Customer shall bear all costs related to any such audit, or inspection, above one (1) audit or inspection during a contiguous 12 month period. This Section 6.3 is subject in all cases to any such party executing a confidentiality agreement with Lonza, in form and substance reasonably acceptable to Lonza.

Subject to the terms of the Quality Agreement, Lonza will allow full access to any governmental regulatory inspection and shall promptly inform Customer of the results of such inspections to the extent such inspection directly affects Lonza's performance under this Agreement.

6.4 **Customer Regulatory Obligations.** Customer is responsible for compiling the registration dossiers (with reasonable and necessary assistance from Lonza), filing the marketing applications with the regulatory authorities in the Territory, and maintaining marketing authorizations for the Product and the costs associated with the same. Lonza shall reasonably assist Customer in obtaining and maintaining marketing authorizations for the Product. Customer is responsible for (a) the formulation, use, packaging, labeling, distribution and disposal of Product, including compliance with all Laws related to the same; (b) communicating with any governmental authority concerning the Product (for the avoidance of doubt, Lonza may interact with governmental authorities for the purpose of fulfilling legal obligations); and (c) storing and handling Product in appropriate conditions following its delivery; and (d) determining that the Product is permitted for human use. Customer is responsible for developing all Product labeling, and for labeling content.

6.5 **Adverse Events.** Lonza shall promptly notify and forward to Customer any information concerning any potentially serious or unexpected side effect, injury, toxicity or sensitivity reaction or any unexpected incidence or other adverse experience related to the Product (an "Adverse Experience") reported to it. Customer agrees that it shall be solely responsible to review, analyze and respond to any Adverse Experience. Lonza shall have no obligation with respect to an Adverse Experience other than the obligation to notify Customer.

6.6 **Debarment.** Lonza certifies that it has not been debarred, and has not been convicted of a crime that could lead to debarment, under the Generic Drug Enforcement Act and that it will use its reasonable efforts not to employ any person or entity that has been debarred or convicted to perform any services under this Agreement. Lonza shall promptly notify Customer in writing of any breach or expected breach of this Section 6.6 and its remedy thereto.

7. REPRESENTATIONS AND WARRANTIES

7.1 **Regarding the Product.** Lonza represents and warrants to Customer that, as of the date of delivery to Customer, the Product released by Lonza has been manufactured (a) in conformity with the Specifications and Quality Agreement and (b) in all material respects in accordance with cGMP.

7.2 **Rejection of Product; Disposal of Rejected Shipments**. (a) Customer may reject any Product that does not meet the warranties set forth in Section 7.1 ("Non-Complying Product") by providing written notice of rejection to Lonza within thirty (30) days following Lonza's release of the Product for delivery hereunder; provided that such period for rejection shall in the case of Hidden Defects in the Product be two years following Lonza's release of the Product for delivery hereunder. Failure by Customer to provide notice of rejections within the applicable timeframe shall constitute irrevocable acceptance of the Product by Customer.

(b) Lonza shall have the right to examine and test any Product that Customer claims to be a Non-Complying Product and shall notify Customer in writing of the results of such examination.

(c) In the event the Parties cannot agree as to whether or not any shipment of Product is a Non-Complying Product, the Parties shall appoint a third party, a mutually acceptable independent reputable laboratory to complete and report the relevant testing within thirty (30) days, the findings of which shall be binding on the Parties, absent manifest error. The Parties shall ensure that such independent laboratory is bound to the Parties by obligations of confidentiality no less exacting than those applying between the Parties. Expenses of such laboratory testing shall be borne by the Party whose position is determined to have been in error or, if the laboratory cannot place the fault noticed and complained about, then the Parties shall share equally the expenses of the laboratory.

(d) Customer agrees that Lonza shall have no liability if the Non-Complying Product is due to any action or inaction on the part of Customer, any Affiliate of Customer or any third party under contract with or subject to the control or direction of Customer or any Affiliate of Customer.

7.3 **Remedy for Non-Complying Product**. Customer shall return any shipments of Non-Complying Product (or portions thereof) rejected pursuant to Section 7.2 to Lonza at Lonza's expense. As Lonza's sole liability and Customer' sole remedy with respect to such Non-Complying Product, upon Customer's request, Lonza shall re-perform the Services hereunder and replace such rejected Non-Complying Product as soon as practicable, but no later than one hundred eighty (180) days from date of Bulk Powder manufacture with additional Bulk Powder supplied by Customer at Customer's cost but at no additional charge (including any freight charge) to Customer. The provisions of this Section 7.3 shall survive termination or expiration of this Agreement, provided that, subsequent to the termination or expiration of this Agreement, Lonza may, in lieu of replacing any rejected or missing quantities of Product, elect in its sole discretion to reimburse Customer for the amounts paid by Customer to Lonza for such rejected quantities of Non-Complying Product (including any applicable freight charges).

7.4 **Disclaimer of Other Warranties.** EXCEPT AS STATED IN THIS ARTICLE 7 LONZA MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW LONZA SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7.5 Lonza advises, and Customer acknowledges that, the Products resulting from the Services performed under this Agreement may not be used in the production, encapsulation, packaging or marketing of any product which is in violation of any applicable Laws or with any person or entity on any applicable government sanction, restricted party or denial list without a license or otherwise in violation of applicable Laws.

7.6 Customer represents and warrants that the Products will not be made available to any person or entity on any sanction, restricted party or denied party list of the United States of America, Switzerland, the European Union or United Nations without a license or otherwise in violation of applicable Laws.

8. MANUFACTURING STANDARDS

8.1 **Quality Agreement.** The Parties have delivered and executed a Quality Agreement relating to the manufacture of the Product. Specifications and Product conformance shall be set forth in the Quality Agreement. Lonza shall manufacture and supply the Product in accordance with the Quality Agreement as reasonably updated by the Parties from time to time, notably to take into consideration any marketing authorization(s) for the Product. If there are any conflicts between the Quality Agreement and this Agreement, the provisions of this Agreement shall govern and control, with the exception that the Quality Agreement shall control with respect to all matters relating to the quality and disposition of the Product.

8.2 **Modifications in Specifications.** Any changes to the Specifications shall be agreed between the Parties in writing. Costs for amendments to the Specifications (including without limitation any additional Product or procurement costs) shall be borne by the Customer.

8.3 **Modifications in Materials.** Customer shall notify Lonza of any change related to the Bulk Powder that may affect the validated process including but not limited to supplier changes, process changes, regulatory changes, and environment health safety characteristics. Customer should provide to Lonza a written notification of such change at least ninety (90) days before implementation of the change. If the change warrants validation batches, then the costs associated with such change will be borne by the Customer.

9. INDEMNIFICATION

9.1 **Indemnification of Customer**. Lonza shall indemnify, defend and hold Customer, its Affiliates and their respective officers, directors, employees and agents (each, a "Customer Indemnified Party") harmless from and against any and all Losses suffered, incurred or sustained by any Customer Indemnified Party, by reason of any Claim or Proceeding to the extent arising out of or resulting from Lonza's: (i) breach of the representation and warranties in this Agreement or (ii) negligence or willful misconduct in connection with this Agreement; provided however, that Lonza shall have no obligation of indemnity hereunder with respect to any Losses to the extent caused by the negligence or willful misconduct on the part of Customer.

9.2 **Indemnification of Lonza**. Customer shall indemnify, defend and hold Lonza, its Affiliates and their respective directors, officers, employees and agents (each, a "Lonza Indemnified Party") harmless from and against any and all Losses suffered, incurred or sustained by any Lonza Indemnified Party, by reason of any Claim or Proceeding to the extent arising out of or resulting from Customer's (i) breach of the representation and warranties in this Agreement; (ii) negligence or willful misconduct in connection with this Agreement; (iii) the use, packaging, labeling, distribution, marketing, promotion, sale and disposal of Product or Bulk Powder; or (iv) resulting from the inherent risk of the Product or Bulk Powder; provided however, that Customer shall have no obligation of indemnity hereunder with respect to any Losses to the extent caused by the negligence or willful misconduct on the part of Lonza.

Customer shall also indemnify, defend and hold each Lonza Indemnified Party harmless from and against any and all claims, suits, and/or proceedings (including any assertion of an intellectual property

right, regardless of whether the assertion has been or will be adjudicated), as well as all damages, losses, liabilities, and expenses (including reasonable attorneys' fees and costs), of whatever nature resulting from, arising out of, or relating to a claim or allegation that the Product, or any part thereof, or any intellectual property, information or material supplied by or on behalf of Customer infringes, misappropriates, or otherwise violates a patent, copyright, trade secret, trademark or other intellectual property right of any third party.

9.3 **Indemnification Procedures**. In the event that any Claim or Proceeding is asserted or imposed against a Party, and such Claim or Proceeding involves a matter which is subject to a claim for indemnification under this Article 9, then such Party (the "Indemnified Party") shall promptly give written notice to the other Party (the "Indemnifying Party") of such Claim or Proceeding. The Indemnifying Party shall assume, at its cost and expense, the defense of such Claim or Proceeding through its legal counsel selected and reasonably acceptable to the Indemnified Party, except that the Indemnified Party may, at its option and expense, select and be represented by separate counsel. The Indemnifying Party shall have control over the Claim or Proceeding, including the right to settle; provided, however, that the Indemnifying Party shall not, absent the prior written consent of the Indemnified Party, consent to the entry of any judgment or enter into any settlement that (1) provides for any relief other than the payment of monetary damages for which the Indemnifying Party shall be solely liable, and (2) where the claimant or plaintiff does not release the Indemnified Party, its Affiliates and their respective directors, officers, employees, agents and representatives, as the case may be, from all liability in respect thereof. In no event shall the Indemnified Party be liable for any claims that are compromised or settled in violation of this Section.

9.4 **Waiver of Certain Losses.** IN NO EVENT SHALL LONZA OR ITS AFFILIATES BE LIABLE TO CUSTOMER OR ITS AFFILIATES FOR ANY LOSS OF OPPORTUNITY, LOSS OF PROFITS, LOSS OF ANTICIPATED SALES, OR FOR ANY PUNITIVE, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR SPECIAL LOSSES OR DAMAGES WHETHER OR NOT FORESEEABLE, OR WHETHER OR NOT LONZA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OF ANY KIND HOWEVER CAUSED, WHETHER BASED ON CONTRACT, NEGLIGENCE, INDEMNITY OR OTHER THEORY OF LAW, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT (OR THE TERMINATION HEREOF) OR ANY PURCHASE ORDER, AS APPLICABLE.

9.5 **Limitation of Liability.** Notwithstanding any other provision in this Agreement or a Purchase Order, as applicable, the total liability, in the aggregate, of Lonza and its Affiliates, to Customer and anyone claiming by or through Customer, for any and all claims, losses, costs, damages or fees, including without limitation, attorneys' fees resulting from or in any way related to this Agreement or a Purchase Order from any cause or causes shall not exceed [***] the purchase price of the Product with respect to which damages are claimed.

9.6 **Insurance.** Each Party shall, during the Term and for five (5) years after the later of (i) delivery of the last Product manufactured, or (ii) Services provided under this Agreement, obtain and maintain at its own cost and expense from a qualified insurance company, comprehensive general liability insurance including, but not limited to product liability coverage in the amount of at least five (5) million USD per claim. Each Party shall provide the respective other Party with a certificate of such insurance upon reasonable request.

10. CONFIDENTIALITY

10.1 **Non-disclosure and Non-use.** Neither Party shall disclose to any third party nor use for its own purposes (other than those contemplated by this Agreement) any information of the other Party that is not in the public domain and that was disclosed to it by the other Party in connection with this Agreement

("Confidential Information"). For purposes of this Agreement, Confidential Information shall mean all proprietary information, trade secrets, business plans, pharmaceuticals, materials, operations, equipment, processes, methods, strategies and systems, and financial information, prices, materials, building techniques and any drawings, specifications, designs and other information or data, or any fact with respect to any of the foregoing relating to this Agreement or the preceding agreements and work conducted by and between the Parties and relating to the Product prior to entering this Agreement. If information is disclosed in written form, the receiving Party's obligations of non-disclosure and non-use shall apply only to information which is, at the time of the disclosure, identified in writing by the disclosing party as being "Confidential", or that which the receiving Party should reasonably know is confidential due to its nature and the work begin conducted between the Parties. Notwithstanding the above, either Party may disclose Confidential Information to those of its and its Affiliates' directors, officers, employees, agents, consultants, representatives and advisors (collectively, "Agents") and to those approved subcontractors who have a need to know for the purposes of this Agreement. Each Party shall ensure that all of its Agents and subcontractors are bound by confidentiality obligations no less stringent than those stated herein. The receiving Party shall be liable for any failure of any of its Agents and subcontractors to (a) maintain the confidentiality of the disclosing Party's Confidential Information, or (b) otherwise comply with the terms of this Article 10 to the same extent as the receiving Party is obligated to do so.

10.2 **Exclusion of Confidential Information.** The obligations of confidentiality and non-use set forth in Section 10.1 shall not apply to Confidential Information that: (a) is or becomes part of the public domain without a violation of this Agreement; (b) was already in possession of a receiving Party or its Affiliates at the time of receipt from the disclosing Party, as shown by documentary evidence, without violating an obligation of confidentiality; (c) after the date of this Agreement is received from a third party whose direct or indirect source is not the disclosing Party; or (d) the receiving Party can demonstrate was independently developed by or for the receiving Party or its Affiliates without the use or reliance on the disclosing Party's Confidential Information or violating the terms of this Agreement.

10.3 **Information Required by Law.** If the receiving Party is requested to disclose the Confidential Information of the disclosing Party or the substance of this Agreement in connection with a legal or administrative proceeding or otherwise to comply with a requirement under applicable Law, the receiving Party will, to the extent legally permissible, give the disclosing Party prompt written notice of such request so that the disclosing Party may seek an appropriate protective order or other remedy, or waive compliance with the relevant provisions of this Agreement. If the disclosing Party seeks a protective order or other remedy, the receiving Party, at the disclosing Party's expense, will cooperate with and assist the disclosing Party in such efforts. If the disclosing Party fails to obtain a protective order or waives compliance with the relevant provisions of this Agreement, the receiving Party will disclose only that portion of the Confidential Information which its legal counsel determines it is required by applicable Law to disclose.

10.4 **Confidentiality Period.** All obligations of confidentiality under this Article 10 will terminate seven (7) years after the expiration or termination of this Agreement; provided however that the obligations of confidentiality for Confidential Information identified as a trade secret will survive indefinitely until such trade secret information no longer qualifies as a trade secret.

10.5 **Publicity.** Neither Party shall use or reference in any advertising, sales promotion, press release or other communication, the endorsement, direct or indirect quote, code, drawing, logo, trademark, specification, or picture of the other Party or the other Party's Affiliates without the prior written consent of the other Party. Customer and Lonza agree to coordinate external communications (e.g., a joint press release) regarding the Parties' collaboration promptly following execution of this Agreement. Notwithstanding anything herein, Lonza acknowledges that Customer is a publicly traded entity and as such has certain reporting requirements related to material events and contracts, of which this Agreement may

be material to Customer.

10.6 **Document Retention.** In case of termination of this Agreement, all technical documents of Customer shall be returned in original form without retaining any copies except for such copies as are required for regulatory purposes. All executed documents of exhibit and commercial batches shall be kept by Lonza as per regulatory requirements and shall be destroyed after the applicable retention period without retaining any copies.

10.7 **Reservation of Rights**. Except as specifically set forth herein, this Agreement does not (i) give either Party any license, right, title, interest in or ownership to any Confidential Information of the other Party; or (ii) grant any license, ownership or other right under any intellectual property rights except that solely necessary to carry out the activities contemplated by this Agreement.

11. INTELLECTUAL PROPERTY

11.1 All claims, expenses or damages (including attorneys' fees) in connection with any litigation instituted by a third party relating to a claim or claims of infringement of patents against either of the Parties, relating to or arising from the filings and/or the manufacturing, marketing, use or offer to sell of the Products in the Territory shall be the responsibility of Customer. Lonza shall support Customer with all necessary relevant information required by Customer for intellectual property evaluation and in case of any related legal notice and/or litigation, to the extent of providing supporting data and information related to such legal notice and/or litigation.

11.2 Customer acknowledges that it shall be solely and fully responsible for doing any and all freedom to operate assessments regarding possible infringement of third party intellectual property rights for any and all products and processes for any Product which it makes, has made, uses, sells, offers for sale or imports, except for any processes that are proprietary to Lonza or that Lonza conducts under a license right.

11.3 The marketing of Products shall be carried out by Customer under its own trademark. A Party shall acquire no rights or license on the other Party's trademarks, unless such other Party provides prior written consent under separate written agreement signed by an authorized officer of such Party.

11.4 Lonza shall assign and hereby does so assign to Customer all rights, title and interest in all data, discoveries, inventions, improvements, new uses, processes, copyrights, trade secrets, techniques and compounds ("Inventions"), whether patentable or not, arising from work performed under the Agreement and related to or enabled by Customer's Product. Lonza shall timely communicate in full detail and disclose to Customer all data, information, reports, results and other work product collected, generated, prepared or derived by Lonza during the course of services performed under this Agreement.

12. TERMINATION

12.1 **Breach; Insolvency.** If either Party is in material breach of any of its obligations, including its representations, warranties or covenants, under this Agreement, and fails to remedy such breach within ninety (90) days (thirty (30) days for non-payment) of receipt of written notice from the other Party, the non-breaching Party may terminate this Agreement with immediate effect with written notice of termination to the breaching Party, without liability to the other Party and without prejudice of any other rights or remedies; provided however, that if the breaching party is diligently pursuing in good faith the remedy of the breach at the expiration of such ninety (90) day cure period, then, at the consent of the non-breaching party which consent shall not be unreasonably withheld or delayed, such ninety (90) day cure period shall be extended as reasonably required to effect the cure. Subject to any limitations under applicable Law, either Party shall have the right to terminate this Agreement by giving notice to the other Party in the event

that the other Party becomes insolvent or goes into bankruptcy, liquidation or receivership, or is admitted to the benefits of any procedure for the settlement of debts or becomes a party to dissolution proceedings. For purposes of clarity, Lonza shall have the right to terminate this Agreement in the event Customer (i) breaches its payment obligations and fails to cure in such aforementioned cure period; or (ii) becomes insolvent.

12.2 **Termination by Customer.**

12.2.1 **Termination for FDA Rejection.** In the event that the application for Regulatory Approval for the Product is rejected by the FDA with no commercially viable method to resubmit an application for Regulatory Approval or secure Regulatory Approval of the Product, and such FDA decision is not caused by the fault of Customer, this Agreement may be terminated by Customer upon sixty (60) days' prior written notice to Lonza. If this Agreement is terminated in accordance with this Section 12.2.1, Customer agrees to pay Lonza an amount equal to [***] of Lonza's documented out-of-pocket expenditures for capital equipment purchased solely for Customer's program after the Effective Date, not to exceed [***] in the aggregate.

12.2.2 **Termination for Withdrawal of Regulatory Approval.** In the event Customer withdraws its Regulatory Approval or the FDA issues a final non-appealable order to the Customer to withdraw its Regulatory Approval, Customer may terminate this Agreement upon sixty (60) days' prior written notice to Lonza.

12.3 **Termination by Lonza.**

12.3.1 **Termination for FDA Delay.** In the event that the FDA does not issue a letter indicating that the application for Regulatory Approval for the Product is approved by December 31, 2024, this Agreement may be terminated by Lonza upon one hundred twenty (120) days' prior written notice to Customer. If this Agreement is terminated in accordance with this Section 12.3.1, Customer agrees to pay Lonza an amount equal to [***] of Lonza's documented out-of-pocket expenditures for capital equipment purchased solely for Customer's program after the Effective Date, not to exceed [***] in the aggregate.

12.4 Consequences of Termination.

12.4.1 In the event of termination herein, except in the event that Customer terminates for Lonza's breach in accordance with Section 12.1 above, (a) Lonza shall be compensated for: (i) Services rendered up to the date of termination, including in respect of any Product in-process; and (ii) all costs incurred through the date of termination, including Raw Materials costs for Raw Materials used or purchased for use in connection with the Purchase Orders; and (b) all Purchase Orders shall be deemed cancelled and Customer shall pay the Cancellation Fee (in accordance with the terms of this Agreement) in respect of such cancelled manufacturing of Product due under Section 3.6, without proration of the final Contract Year. In the case of termination by Lonza for Customer's material breach, Cancellation Fees shall be calculated as of the date of written notice of termination.

12.4.2 In the event of termination by Customer for Lonza's material breach in accordance with Section 12.1 above, Lonza shall be compensated for (i) Services rendered up to the date of termination, including in respect of any Product in-process and (ii) all costs incurred through the date of termination, including Raw Materials costs for Raw Materials used or purchased for use in connection with the Project Plan.

12.5 **Environmental Effects; Health and Safety.** Lonza reserves the right to terminate immediately this Agreement if, for any reason, (a) Lonza determines that the information provided by Customer pursuant to Section 5.2 is incomplete, inadequate, or inaccurate to protect the environment or the health, safety and well-being of Lonza's employees (or those of its Affiliate) or (b) Lonza determines that continued performance of the Services hereunder may adversely affect the environment or the health, safety and well-being of Lonza's employees (or those of its Affiliate).

12.6 **Survival.** Termination or expiration of this agreement shall not relieve either Party of any liabilities, rights or obligations accruing prior to such termination or expiration. In the event of any termination or expiration of this Agreement, the provisions of this Section 12.6, and Sections 4, 5.2, 5.3, 6.1, 7, 9, 10, 15.1, and 15.3 shall survive such termination or expiration, together with any other provision hereof that by its terms survives termination or expiration hereof and any other obligations that have accrued prior to the termination or expiration of this Agreement.

13. NOTICES

13.1 Notices hereunder shall be deemed given as of the date sent. All notices shall be in writing mailed via a reputable overnight courier, addressed as follows, or to such other address as may be designated from time to time:

If to Lonza: Lonza Tampa LLC
5415 West Laurel Street
Tampa, Florida 33607
Attention: Managing Director

Copy to: Lonza, Inc.
412 Mt. Kemble Avenue, Suite 200S
Morristown, New Jersey 07960
Attention: General Counsel, North America

If to Customer: Liquidia Technologies, Inc.
419 Davis Drive, Suite 100
Morrisville, North Carolina 27560
Attention: Legal

14. FORCE MAJEURE

14.1 If Lonza is prevented or delayed in the performance of any of its obligations under the Agreement by Force Majeure and gives written notice thereof to Customer specifying the matters constituting Force Majeure together with such evidence as Lonza reasonably can give and specifying the period for which it is estimated that such prevention or delay will continue, Lonza shall be excused from the performance or the punctual performance of such obligations as the case may be from the date of such notice for so long as such cause of prevention or delay shall continue, following the end of the Force Majeure event, Lonza promptly resume performance under this Agreement upon removal of the Force Majeure; provided that, (i) if such Force Majeure persists for a period of [***] or more, Customer may terminate this Agreement by delivering written notice to Lonza.

14.2 "Force Majeure" shall be deemed to include any reason or cause beyond Lonza's reasonable control affecting the performance by Lonza of its obligations under the Agreement, including, but not limited to, any cause arising from or attributable to acts of God, pandemic event, strike, lockouts, labor troubles, restrictive governmental orders or decrees, riots, insurrection, war, terrorists acts, or the

inability of Lonza to obtain any required raw material, energy source, equipment, labor or transportation, at reasonable prices and on terms deemed by Lonza to be reasonably practicable, from Lonza's usual sources of supply .

14.3 With regard to Lonza, any such event of Force Majeure affecting services or production at its Affiliates or suppliers that prohibit Lonza from otherwise performing under this Agreement shall be regarded as an event of Force Majeure.

15 MISCELLANEOUS

15.1 **Entire Agreements; Amendments; Waivers.** The terms and provisions contained in this Agreement and all Exhibits hereto constitute the entire agreement between the Parties with respect to the commercial terms and conditions related to the commercial supply of Product, superseding all prior and contemporaneous agreements or understandings between the Parties with respect to the commercial terms and conditions related to the Product, including the Original Agreement. The Original Agreement is superseded in its entirety by this Agreement. In the event of a conflict between the terms of the Agreement, any Exhibit and the Quality Agreement, the terms of this Agreement shall control. Any amendments of this Agreement must be in writing and signed by the Parties. A waiver of any breach or failure to enforce any of the terms or conditions of this Agreement shall in no way affect, limit or waive a Party's rights at any time to enforce strict compliance therafter with every term or condition of this Agreement.

15.2 **Successors and Assigns.** Neither Party may assign its interest under this Agreement without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed, provided, however that (a) either Party may assign this Agreement to (i) any Affiliate of such Party or (ii) any third party in connection with the sale or transfer (by whatever method) of all or substantially all of the assets of the business related to this Agreement, and (b) Lonza shall be entitled to sell, assign and/or transfer its trade receivables resulting from this Agreement without the consent of the Customer. For purposes of this Section 15.2, the terms "assign" and "assignment" shall include, without limitation (i) the sale of fifty percent (50%) or more of the outstanding stock of such Party to an Affiliate of such Party or an unrelated entity or natural person, (ii) the sale or transfer or other assignment of all or substantially all of the assets of the Party or the line of business or Product to which this Agreement relates, and (iii) a merger, consolidation, acquisition or other form of business combination. Any purported assignment without a required consent shall be void. No assignment shall relieve any Party of responsibility for the performance of any obligation that accrued prior to the effective date of such assignment.

15.3 **Independent Contractor.** The relationship of the Parties under this Agreement is that of independent contractors and nothing contained herein shall be construed to create a partnership, joint venture or agency relationship between Customer and Lonza, nor shall either Party be authorized to bind the other in any way.

15.4 **Governing Law; Dispute Resolution.** This Agreement is governed in all respects by the laws of the State of New York, without regard to its conflicts of laws principles. The Parties agree to submit to the exclusive jurisdiction of the courts located in the Southern District of New York. The Parties shall have the right to proceed to a suitable jurisdiction for the purpose of enforcing a judgment, award, or order (including without limitation seeking specific performance) and injunctive reliefs.

15.5 **Severability.** If any provision of this Agreement is or becomes at any time illegal, invalid or unenforceable in any respect, neither the legality, validity nor enforceability of the remaining provisions hereof shall in any way be affected or impaired thereby. The Parties undertake to substitute any illegal, invalid or unenforceable provision by a provision which is as far as possible commercially equivalent considering the legal interests and the purpose of this Agreement.

15.6 **Counterparts; Electronic Signatures.** This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when so executed shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement, to the extent signed and delivered by electronic means, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

15.7 **No Third Party Beneficiaries.** No third party including any employee of a Party shall have or acquire any rights by reason of this Agreement whether by way of statute or otherwise.

15.8 **Miscellaneous**. The division of this Agreement into articles, sections, subsections and exhibits, and the insertion of headings, are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless expressly provided herein or unless the context otherwise requires, all references to the singular shall include the plural and vice versa. Any reference herein to a "day" or "days" shall be references to a calendar day or days. Any period of days specified in this Agreement ending on a Saturday, Sunday or public holiday shall automatically be extended to the first business day in the country of manufacture ending after such Saturday, Sunday or public holiday.

15.9 **Construction.** Each of the Parties agrees that it has read and had the opportunity to review this Agreement with its legal counsel and, accordingly, the rule of construction that any ambiguity contained in this Agreement shall be construed against the drafting Party shall not apply.

[Signature Page(s) Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

LIQUIDIA TECHNOLOGIES, INC.	**LONZA TAMPA LLC**
By: /s/ Rob Lippe	By: /s/ Filipe Tomas
Name: Rob Lippe	Name: Filipe Thomas
Title: Chief Operations Officer	Title: Head of Account Management, NA
Date: July 14, 2023	Date: July 14, 2023

EXHIBIT A
COMMERCIAL TERMS

Price:

Price per Unit* (US$) regardless of individual capsule strength	Capsules/Batch	Theoretical Number of Units per Batch
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***] or greater	[***]

* Price includes full conversion costs and cost of empty capsule shells and all packaging components except Patient Inserts, Desiccants, Brushes, and Inhalers. All packaging components are priced at cost plus 10% handling fee.

Annual Minimum Commitment:

Contract Year	Annual Minimum Purchase (in capsules)
1	[***]; equivalent to [***] of Baseline Forecast
2	[***] of the Baseline Forecast
3	[***] of the Baseline Forecast
4	[***] of the Baseline Forecast
5	[***] of the Baseline Forecast

Absolute Annual Minimum Commitments (if Baseline Forecast is adjusted, the minimum volumes will not be lower than these numbers):

Contract Year	Absolute Annual Minimum Purchase (in capsules)
1	[***]
2	[***]
3	[***]
4	[***]
5	[***]

Lonza Capacity Guaranty:

Contract Year	Capacity Guaranty (in capsules)
1	[***]; equivalent to Baseline Forecast PLUS [***]
2	Baseline Forecast PLUS [***]
3	Baseline Forecast PLUS [***]
4	Baseline Forecast
5	Baseline Forecast

Shipping Terms:

Delivery terms shall be Ex-Works from Lonza's Facility.

Payment Terms:

[***] from the date of invoice upon release of Product and the appropriate release documentation as set forth in Section 4.6 hereof. For the avoidance of doubt, payment terms are further described in Section 4.2 hereof.

Currency:

US$

Baseline Forecast:

[***]

EXHIBIT B
ENVIRONMENTAL AND HEALTH AND SAFETY INFORMATION

1. Safety Data Sheets (or the equivalent) for any drug substance, intermediate, pharmaceutical blend, or final drug product ("Material(s)") provided to Lonza by Customer;

2. Any occupational exposure limit (OEL) or occupational exposure control technique applicable to the formulation of the Material(s) (e.g. occupational exposure band, hazard classification, etc.), including any OEL or occupational exposure control technique applicable to the manufacture of dietary supplement, drug substance or drug product, whether established by Customer or its contract manufacturer, regardless of whether it is required by any governmental authority;

3. Any monograph or compilation of data upon which the OEL or occupational exposure control technique for the Material(s), its precursors, or intermediates, is based;

4. Any medical tests used to evaluate any biological condition or function of workers who may have been exposed to the Material(s), its precursors, or intermediates (to the extent such information is or becomes available);

5. Any biological exposure indices associated with the Material(s) or its precursors or intermediates (to the extent such information is or becomes available);

6. Any modeling related to any releases to the environment of the Material(s), its precursors, or intermediates (to the extent such information is or becomes available);

7. Any test results related to the identification of health or physical hazards, or understanding of the ecotoxicity of the Material(s), its precursors, or intermediates (to the extent such information is or becomes available);

8. Any quantitative or qualitative assessment of the environmental impact of the Material's use, manufacture, storage, transportation, or disposal (to the extent such information is or becomes available);

9. Any summary of the known physical and chemical properties, pharmacology, pharmacokinetics, and clinical and nonclinical toxicology data submitted to a government agency to obtain pre-marketing approval of the Material(s) (to the extent such information is or becomes available);

10. Any reports of adverse reactions by employees or others exposed to the Material(s), its precursors, or intermediates, during its manufacture, storage or transportation (to the extent such information is or becomes available); and

11. Any process safety information, including but not limited to process hazard analyses and off-site consequences analyses related to a licensed process (to the extent such information is or becomes available).

EXHIBIT C
SAFETY DATA SHEETS (SDS)

EXHIBIT D
SPECIFICATIONS

[***]

Exhibit 10.49

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Execution Version

LICENSE AGREEMENT

DATED AS OF JUNE 28, 2023

BY AND BETWEEN

PHARMOSA BIOPHARM INC.

AND

LIQUIDIA TECHNOLOGIES, INC.

TABLE OF CONTENTS

PAGE

TABLE OF CONTENTS
(CONTINUED)

PAGE

TABLE OF CONTENTS
(CONTINUED)

PAGE

PAGE

Schedules and Exhibit

LICENSE AGREEMENT

This License Agreement (this "**Agreement**") is dated as of June 28, 2023 (the "**Effective Date**") by and between Pharmosa Biopharm Inc., a corporation incorporated under the laws of Taiwan having a place of business at 3F.-3, No. 66, Sanchong Road, Nangang District, Taipei City 11502, Taiwan ("**Licensor**"), and Liquidia Technologies, Inc., a corporation incorporated under the laws of the State of Delaware, USA having a place of business at 419 Davis Drive, Suite 100, Morrisville, NC 27560, USA ("**Company**"). Licensor and Company may be referred to herein as a "**Party**" or, collectively, as "**Parties**".

RECITALS:

WHEREAS, Licensor is a biopharmaceutical company engaged in the development of the Licensor Technology and has in development the Existing Product;

WHEREAS, Company is a biopharmaceutical company engaged in the development, manufacture and commercialization of pharmaceutical products and is interested in developing, manufacturing and commercializing Products, including the Existing Product; and

WHEREAS, Company desires to license from Licensor, and Licensor wishes to license to Company, on an exclusive basis, the right to develop, manufacture and commercialize Products (including the Existing Product) in the Field in the Territory.

NOW, THEREFORE, in consideration of the various promises and undertakings set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1 "**Adverse Event**" means any serious untoward medical occurrence in a patient or subject who is administered Product, but only if and to the extent that such serious untoward medical occurrence is required under Laws to be reported to applicable Regulatory Authorities.

1.2 "**Affiliate**" means a Person that controls, is controlled by or is under common control with a Party, but only for so long as such control exists. For the purposes of this Section 1.2, the word "control" (including, with correlative meaning, the terms "controlled by" or "under the common control with") means the actual power, either directly or indirectly through one or more intermediaries, to direct the management and policies of such Person or entity, whether by the ownership of more than fifty percent (50%) of the voting stock of such entity, or by contract or otherwise.

1.3 "**Bankruptcy Event**" means: (a) voluntary or involuntary proceedings by or against a Party are instituted in bankruptcy under any insolvency Law, which proceedings, if involuntary, shall not have been dismissed within [***] after the date of filing; (b) a receiver or custodian is appointed for a Party; (c) proceedings are instituted by or against a Party for corporate reorganization, dissolution, liquidation or winding-up of such Party, which proceedings, if involuntary, shall not have been dismissed within [***] after the date of filing; or (d) substantially all of the assets of a Party are seized or attached and not released within sixty (60) days thereafter.

1.4 "**Business Days**" means the days when the banks in Taiwan and the United States remain open.

1.5 "**Calendar Quarter**" means each three (3) month period commencing January 1, April 1, July 1 or October 1 of any year; provided, however, that (a) the first Calendar Quarter of the Term shall extend from the Effective Date to the end of the first full Calendar Quarter thereafter, and (b) the last Calendar Quarter of the Term shall end upon the expiration or termination of this Agreement.

1.6 "**Calendar Year**" means the period beginning on the 1st of January and ending on the 31st of December of the same year; provided, however, that (a) the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the same year and (b) the last Calendar Year of the Term shall commence on January 1 of the Calendar Year in which this Agreement terminates or expires and end on the date of termination or expiration of this Agreement.

1.7 "**Change of Control**" means, with respect to a Person: (a) a transaction or series of related transactions that results in the sale or other disposition of all or substantially all of such Person's assets; or (b) a merger or consolidation in which such Person is not the surviving corporation or in which, if such Person is the surviving corporation, the shareholders of such Person immediately prior to the consummation of such merger or consolidation do not, immediately after consummation of such merger or consolidation, possess, directly or indirectly through one or more intermediaries, a majority of the voting power of all of the surviving entity's outstanding stock and other securities and the power to elect a majority of the members of such Person's board of directors; or (c) a transaction or series of related transactions (which may include a tender offer for such Person's stock or the issuance, sale or exchange of stock of such Person) if the shareholders of such Person immediately prior to the initial such transaction do not, immediately after consummation of such transaction or any of such related transactions, own, directly or indirectly through one or more intermediaries, stock or other securities of the entity that possess a majority of the voting power of all of such Person's outstanding stock and other securities and the power to elect a majority of the members of such Person's board of directors.

1.8 "**Clinical Trial**" means a clinical trial in human subjects that has been approved by a Regulatory Authority and Institutional Review Board or Ethics Committee, and is designed to measure the safety and/or efficacy of a Product. Clinical Trials shall include the Existing Clinical Trial and the Planned Phase III Clinical Trial.

1.9 "**Combination Product**" means a Product that: (a) includes one (1) or more active ingredients in addition to treprostinil; or (b) is combined with one (1) or more products, processes, devices, pieces of equipment or components, either co-formulated or packaged together and sold as a single unit for a single price.

1.10 "**Commercialization**" or "**Commercialize**" means any and all activities undertaken before and after Regulatory Approval of a MAA for the Product and that relate to the marketing, promoting, distributing, importing or exporting for sale, offering for sale, and selling of the Product, and interacting with Regulatory Authorities regarding the foregoing.

1.11 "**Commercially Reasonable Efforts**" means: (a) with respect to the efforts to be expended by a Party with respect to any objective, such reasonable, diligent, and good faith efforts as such Party would normally use to accomplish a similar objective under similar circumstances; and (b) with respect to any objective relating to Commercialization of the Product by a Party, the application by such Party, consistent with the exercise of its prudent scientific and business judgment, of diligent efforts and resources to fulfill the obligation in issue, consistent with the level of efforts such Party would devote to a product at a similar stage in its product life as the Product and having profit potential and strategic value comparable to that of the Product, taking into account, without limitation, commercial, legal and regulatory factors, target product profiles, product labeling, past

performance, the regulatory environment and competitive market conditions in the therapeutic area, safety and efficacy of the Product, the strength of its proprietary position and such other factors as such Party may reasonably consider, all based on conditions then prevailing. For clarity, Commercially Reasonable Efforts will not mean that a Party guarantees that it will actually accomplish the applicable task or objective.

1.12 "**Company Competitor**" means any company that (itself or through an Affiliate) is developing or commercializing in or for the Territory a product that is, or could reasonably be expected to be a Competing Product or a product that operates through the same or a similar mechanism of action to prostacyclin or through prostacyclin pathway to the Product.

1.13 "**Competing Product**" means any pharmaceutical product in any dosage form, formulation, presentation or package configuration (a) which exhibits therapeutic or prophylactic activity which is similar to that exhibited by the Product for PAH, PH-ILD or any other Indication for which Company has either (i) an open IND with at least one ongoing or completed Clinical Trial that includes such Indication, or (ii) received Regulatory Approval (PAH, PH-ILD and the Indications described in (i) and (ii) being referred to herein as "**Contemplated Indications**"), and (b) (i) for which an application seeking Regulatory Approval has been filed or Regulatory Approval has been obtained in the Territory for the Contemplated Indications or (ii) that is being Commercialized in the Territory with off-label prescription for at least [***] or use for the Contemplated Indications. For purposes of this Agreement, the [***] Product does not constitute a Competing Product unless and until it satisfies clauses (a) and (b) above.

1.14 "**Compulsory License**" means a compulsory license under Licensor Technology obtained by a Third Party through the order, decree, or grant of a competent Governmental Body or court, authorizing such Third Party to develop, make, have made, use, sell, offer to sell or import a Product in the Field in any country in the Territory. For clarity, the failure of a court to enjoin infringement as a remedy in a patent infringement proceeding shall not be deemed to be a Compulsory License. A Compulsory License shall not be deemed to be a sublicense under Section 2.2.

1.15 "**Compulsory License Compensation**" shall mean, for a given Product and a given country or region in the Territory, the compensation received from a licensee of the Compulsory License by Company or Licensor or any of their Affiliates or Sublicensees under a Compulsory License.

1.16 "**Confidential Information**" of a Party, means information relating to the business, operations or products of a Party or any of its Affiliates, including any Know-How, that such Party discloses to the other Party under this Agreement, or otherwise becomes known to the other Party by virtue of this Agreement.

1.17 "**Controlled**" means, with respect to (a) Patent Rights, (b) Know-How or (c) biological, chemical or physical material, that a Party or one of its Affiliates owns or has a license or sublicense to such Patent Rights, Know-How or material (or in the case of material, has the right to physical possession of such material) and has the ability to grant a license or sublicense to, or assign its right, title and interest in and to, such Patent Rights, Know-How or material as provided for in this Agreement without violating the terms of any agreement or other arrangement with any Third Party, or misappropriating the proprietary or trade secret information of a Third Party.

1.18 "**Cover**", "**Covering**" or "**Covered**" means, with respect to Product, that the using, selling, or offering for sale of Product would, but for a license granted in this Agreement under the Licensor Patents, infringe a Valid Claim of the Licensor Patents in the country in which the activity occurs.

1.19 "**Development**" or "**Develop**" means, with respect to the Product, the performance of all pre-clinical and clinical research and development (including toxicology, pharmacology, test method development and stability testing, process development, formulation development, quality control development, statistical analysis), Clinical Trials (excluding Clinical Trials conducted after Regulatory Approval of an NDA), manufacturing and regulatory activities that are required to obtain Regulatory Approval of Product in the Territory.

1.20 "**Device Agreement**" means an agreement between Company and a Third Party, whether entered into directly by Company or assigned by Licensor to Company, pursuant to which Company secures rights to use a device for the purpose of Developing, manufacturing or Commercializing a Combination Product consisting of the Product and such device under this Agreement.

1.21 "**Executive Officers**" means, together, the Chief Executive Officer of Company and the General Manager of Licensor or their respective designees.

1.22 "**Existing Clinical Trial**" means that certain Phase III Clinical Trial that is being actively conducted by Licensor as of the Effective Date for the Existing Product for PAH.

1.23 "**Existing Product**" means L606 Treprostinil as more fully described in Schedule 1.23.

1.24 "**Existing Third Party Agreements**" means the agreements set forth on Schedule 1.24.

1.25 "**FDA**" means the United States Food and Drug Administration or a successor federal agency thereto.

1.26 "**Field**" means all Indications and uses in humans, including, without limitation, the diagnosis, treatment, management or prevention of any and all diseases.

1.27 "**First Commercial Sale**" means, on a country-by-country basis, the first commercial transfer or disposition for value of Product in such country to a Third Party by Company, or any of its Affiliates or Sublicensees. For clarity, the sale of a Product pursuant to a Compulsory License shall not be deemed to be a First Commercial Sale.

1.28 "**GAAP**" means US generally accepted accounting principles, as such principles may be amended from time to time.

1.29 "**Governmental Body**" means any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal); (d) multi-national or supranational organization or body; or (e) individual, entity, or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

1.30 "**Indication**" means a generally acknowledged disease or condition, a significant manifestation of a disease or condition, or symptoms associated with a disease or condition or a risk for a disease or condition for which a MAA may be obtained. Indications include, but are not limited to, PAH and PH-ILD.

1.31 "**IND**" means an investigational new drug application submitted to applicable Regulatory Authorities for approval to commence Clinical Trials in a given jurisdiction.

1.32 "**Know-How**" means any: (a) scientific or technical information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, that is not in the public domain or otherwise publicly known, including discoveries, inventions, trade secrets, devices, databases, practices, protocols, regulatory filings, methods, processes (including manufacturing processes, specification and techniques), techniques, concepts, ideas, specifications, formulations, formulae, data (including pharmacological, biological, chemical, toxicological, clinical and analytical information, quality control, trial and stability data), case reports forms, medical records, data analyses, reports, studies and procedures, designs for experiments and tests and results of experimentation and testing (including results of research or development), summaries and information contained in submissions to and information from ethical committees, or Regulatory Authorities, and manufacturing process and development information, results and data, whether or not patentable, all to the extent not claimed or disclosed in a patent or patent application; and (b) compositions of matter, assays, animal models and physical, biological or chemical material, including drug substance samples, intermediates of drug substance samples, drug product samples and intermediates of drug product samples. The fact that an item is known to the public shall not be taken to exclude the possibility that a compilation including the item, and/or a development relating to the item, is (and remains) not known to the public. "Know-How" includes any rights including copyright, database or design rights protecting such Know-How. "Know-How" excludes Patent Rights.

1.33 "[***] **Product**" means Licensor's existing pharmaceutical product that includes [***] and is formulated with Licensor Liposomal Technology.

1.34 "**Law**" or "**Laws**" means all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the binding effect of law of any Governmental Body.

1.35 "**Licensor Know-How**" means all Know-How that is Controlled by Licensor or any of its Affiliates as of the Effective Date, including what is set forth on Schedule 1.35, or at any time thereafter during the Term that is necessary or useful in the Development, manufacture, use, or Commercialization of Products in the Field.

1.36 "**Licensor's Knowledge**" means, with respect to a matter that is the subject of a given representation or warranty of Licensor, the actual knowledge of the executive officers of Licensor, and the vice presidents and senior directors of Licensor's research and development department, including the individuals set forth in Schedule 1.36, after making reasonable inquiry into the relevant subject matter.

1.37 "**Licensor Liposomal Technology**" means Licensor's proprietary liposomal drug delivery system and all technology related thereto.

1.38 "**Licensor Patents**" means all Patent Rights that are Controlled by Licensor or any of its Affiliates as of the Effective Date or at any time thereafter during the Term that are necessary or useful for the research, Development, manufacture, use, or Commercialization of Products in the Field. Listed on Schedule 1.38 are all Licensor Patents existing as of the Effective Date; provided, that Licensor shall update Schedule 1.38 from time-to-time to include any new Patent Rights that come to be Controlled by Licensor or any of its Affiliates at any time during the Term on or following the Effective Date that are necessary or useful for the Development, manufacture, use, or Commercialization of Product.

1.39 "**Licensor Technology**" means the Licensor Patents, Licensor Liposomal Technology, and the Licensor Know-How.

1.40 "**MAA**" means a Marketing Authorization Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. C.F.R.§ 314.3 et seq, a Biologics License Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. C.F.R. § 601, and any equivalent application submitted in any country in the Territory, including all additions, deletions or supplements thereto, and as any and all such requirements may be amended, or supplanted, at any time.

1.41 "**NDA**" means a New Drug Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR § 314.3 et seq., a Biologics License Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR § 601, and any equivalent application submitted in any country in the Territory, together, in each case, with all additions, deletions or supplements thereto.

1.42 "**Net Sales**" means, without duplication, (i) the "net sales" with respect to the sales of the Products by Company or any of its Affiliates or Sublicensees as reported on the Parent Company's (or any successor's) periodic reports filed with the SEC on Form 10-Q and Form 10-K (as applicable); and (ii) for any sales of the Products that are not reported in the Parent Company's (or any successor's) periodic reports filed with the SEC on Form 10-Q and Form 10-K (as applicable), then the gross amounts recognized by Company or any of its Affiliates or Sublicensees, in accordance with GAAP for sales of Product to independent or unaffiliated Third Party purchasers of such Product, less those deductions with respect to such sales that are either included in the billing as a line item as part of the gross amount invoiced or otherwise documented as a deduction in accordance with GAAP to be attributable to actual sales of such Product.

If a Product under this Agreement is sold in the form of a Combination Product, then Net Sales for such Combination Product shall be determined on a country-by-country basis by mutual agreement of the Parties in good faith taking into account the perceived relative value contributions of the Product and the other ingredient or component in the Combination Product, as reflected in their respective market prices at arms-length transactions. In case of disagreement, an independent expert agreed upon by both Parties or, failing such agreement, designated by the International Chamber of Commerce, shall determine such relative value contributions and such determination shall be final and binding upon the Parties.

In the event Product is "bundled" for sale together with one or more other products in a country (a "**Product Bundle**"), then Net Sales for such Product sold under such arrangement shall be determined on a country-by-country basis by Company in good faith taking into account the relative value contributions of the Product and the other products in the Product Bundle, as reflected in their individual sales prices at arms-length transactions. If the Product or other product(s) are not sold separately, Licensor and Company shall negotiate in good faith a reasonable imputed price for the Product and other product(s) and the allocation of Net Sales with respect thereto shall be based on such imputed list price. In case of disagreement, an independent expert agreed upon by both Parties or, failing such agreement, designated by the International Chamber of Commerce, shall determine such allocation and such determination shall be final and binding upon the Parties.

In determining the Net Sales for the Combination Product and the Product in the Product Bundle, Company shall provide the individual market and sale prices of the products in the Combination Product and Product Bundle to Licensor and in the case of a Combination Product combined with nebulizer devices, a reasonably redacted copy of the agreement with the nebulizer device providers.

In the case of disagreement regarding the allocation of Net Sales for a Combination Product or Product Bundles as described in the preceding paragraphs, Company shall make applicable payments based on the lower of the Net Sales allocation proposed by the Parties pending the final resolution of the disagreement.

For clarification, sale of Product by Company or any of its Affiliates or Sublicensees to another of these entities for resale by such entity to a Third Party shall not be deemed a sale for purposes of this definition of "Net Sales". Further, transfers or dispositions of Product: (a) in connection with patient assistance programs; (b) for charitable or promotional purposes; (c) for preclinical, clinical, regulatory or governmental purposes; (d) for use in any tests or studies reasonably necessary to comply with any Law, regulation or request by a Regulatory Authority; or (e) for use in pre-clinical studies, Clinical Trials or other Development activities, shall not, in each case of (a) through (e), be deemed sales of such Product for purposes of this definition of "Net Sales."

Sale of Products pursuant to a Compulsory License shall not be included in any Net Sales.

1.43 "**Out-of-Pocket Expenses**" means expenses actually paid by a Party or its Affiliate to any Third Party.

1.44 "**PAH**" means pulmonary arterial hypertension.

1.45 "**Parent Company**" means Liquidia Corporation, a Delaware corporation.

1.46 "**Patent Rights**" means: (a) an issued or granted patent, including any extension, supplemental protection certificate, registration, confirmation, reissue, reexamination or renewal thereof; (b) a pending patent application, including any continuation, divisional, continuation-in-part, substitute or provisional application thereof; and (c) all counterparts or foreign equivalents of any of the foregoing issued by or filed in any country or other jurisdiction.

1.47 "**Person**" means any natural person, corporation, firm, business trust, joint venture, association, organization, company, partnership or other business entity, or any government or agency or political subdivision thereof.

1.48 "**PH-ILD**" means pulmonary hypertension associated with interstitial lung disease.

1.49 "**Phase II Clinical Trial**" means a human clinical trial for which the primary endpoint is an indication of efficacy of a therapeutic agent in patients being studied as described in 21 CFR § 312.2(b), or an equivalent human clinical trial in a country or territory in the Territory other than the United States, and that is prospectively designed to generate sufficient data (if successful) to commence pivotal clinical trials.

1.50 "**Phase III Clinical Trial**" means a human clinical trial that is prospectively designed to demonstrate statistically for registration in the United States whether a therapeutic agent is safe and effective for use in humans in the Indication being investigated as described in 21 CFR § 312.2(c), or an equivalent human clinical trial in a country or territory in the Territory other than the United States.

1.51 "**Planned Phase III Clinical Trial**" means that certain Phase III Clinical Trial designed and planned to be conducted by Licensor as of the Effective Date (but, for clarity, for which enrollment has not yet commenced) for the Existing Product for PH-ILD. For the avoidance of doubt, the Existing Clinical Trial is not the Planned Phase III Clinical Trial.

1.52 "**Price Approvals**" means, in those countries in the Territory where Regulatory Authorities may approve or determine pricing and/or pricing reimbursement for pharmaceutical or biotechnology products, such pricing and/or pricing reimbursement approval or determination.

1.53 "**Product**" means (a) the Existing Product, and (b) any other product that includes treprostinil and is formulated with Licensor Liposomal Technology, if any. For clarity, Product includes the Existing Product.

1.54 "**Regulatory Approval**" means any and all approvals, licenses, registrations, or authorizations of the relevant Regulatory Authority, including Price Approvals, necessary for the Development, manufacture, use, storage, import, transport or Commercialization of Product in a particular country or jurisdiction. For the avoidance of doubt, Regulatory Approval to Commercialize Product shall include Price Approval, if required in a particular country or jurisdiction.

1.55 "**Regulatory Authority**" means: (a) in the US, the FDA; or (b) in any other jurisdiction anywhere in the world, any regulatory body with similar regulatory authority over pharmaceutical or biotechnology products.

1.56 "**Royalty Term**" means, on a Product-by-Product and country-by-country basis in the Territory, the period from the First Commercial Sale of such Product in such country in the Territory until the latest of (a) [***] years from such First Commercial Sale of such Product in such country, (b) expiration of the last-to-expire Valid Claim within the Licensor Patents Covering the manufacture, use or sale of such Product in such country, or (c) expiry of any marketing exclusivity right for such Product in such country granted by a Regulatory Authority.

1.57 "**SEC**" means the U.S. Securities and Exchange Commission or any successor agent or authority thereto.

1.58 "**Sublicensee**" means a Person other than an Affiliate of Company to which Company (or its Affiliate) has, pursuant to Section 2.2, granted sublicense rights under any of the Licensed Rights; provided, that "Sublicensee" shall exclude distributors and Subcontractors. For clarity, the licensee of a Compulsory License shall not be deemed to be a Sublicensee.

1.59 "**Tax**" or "**Taxes**" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

1.60 "**Territory**" means all of the countries, jurisdictions and territories in North America, including Canada, the United States and Mexico.

1.61 "**Third Party**" means any Person other than Licensor, Company or any of their respective Affiliates.

1.62 "**Third Party Action**" means any Action made by a Third Party against either Party that claims that a Product, or its use, Development, manufacture or Commercialization infringes or misappropriates such Third Party's intellectual property rights.

1.63 "**Third Party License Agreement**" means any agreement entered into by a Party or its Affiliate with a Third Party, or any amendment or supplement thereto, in each case following the Effective Date, whereby royalties, fees or other payments are to be made by a Party or its Affiliate to such Third Party in connection with the grant of rights under intellectual property rights Controlled by such Third Party, which rights are necessary or useful to Develop, manufacture, have made, import, export, use or Commercialize Product under the Licensed Rights.

1.64 "**United States**" or "**US**" means the United States of America, its territories and possessions.

1.65 "**USD**" or "**$**" means the lawful currency of the United States.

1.66 "**Valid Claim**" means (a) a claim of an issued and unexpired patent which has not lapsed or been revoked, abandoned or held unenforceable or invalid by a final decision of a court or governmental or supra-governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, reexamination or disclaimer or otherwise, or (b) a pending claim of a patent application which patent application has not been pending for more than five (5) years from the date of filing such application and which claim has not lapsed or been cancelled, withdrawn, abandoned or rejected.

1.67 **Other Terms**. The definition of each of the following terms is set forth in the section of this Agreement indicated below:

Defined Term	Section
"**Action**"	7.5.2
"**Agreement**"	Preamble
"**Asset Transfer Agreement**"	2.7
"**Company**"	Preamble
"**Company Indemnitees**"	10.2
"**Company Patents**"	7.4.5
"**Company Tech Transfer Materials**"	2.6
"**Competitive Action**"	13.4
"**Contemplated Indications**"	1.13
"**Cure Period**"	11.2.2
"**Development Milestones**"	6.2
"**Development Support**"	4.1.2
"**Disputes**"	12.1
"**Effective Date**"	Preamble
"**Ex-Territory Rights Agreement**"	2.8
"Ex-Territory Rights Terms Sheet"	2.8
"**Ex-Territory Sublicensees**"	2.6
"**Exclusive Option**"	2.8
"**Existing Regulatory Documentation**"	5.4.3
"**Filled Ampules**"	4.3
"**ICC**"	12.3.1
"**Joint Steering Committee**" or "**JSC**"	3.1
"**Licensed Rights**"	2.1
"**Licensor**"	Preamble
"**Licensor Indemnitees**"	10.1
"**Licensor Technology Transfer Plan**"	2.3

"**Losses**"	10.1
"**Non-Specific Licensor Patents**"	7.4.2
"**Option Exercise Notice**"	2.8
"**Party**" and "**Parties**"	Preamble
"**Product Bundle**"	1.42
"**Re-Examination Action**"	7.5.2
"**Regulatory Support**"	5.3
"**Regulatory Transition Plan**"	5.4.1
"**Representatives**"	4.1.2
"**Right of First Refusal**"	11.6.2
"**Right of First Refusal Notice Period**"	11.6.2(b)
"**Rules**"	12.3.1
"**Sales Milestones**"	6.3
"**Specific Licensor Patents**"	7.4.1
"**Subcontractor**"	4.4
"**Supply Agreement**"	4.3
"**Supply Terms**"	4.3
"**Term**"	11.1
"**Terms Sheet Negotiation Period**"	2.8
"**Third Party Transaction**"	2.8

ARTICLE 2
LICENSES AND OTHER RIGHTS

2.1 **Grant of License to Company**. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Company and its Affiliates (a) an exclusive (even as to Licensor), royalty-bearing right and license (with the right to sublicense, subject to the provisions of Section 2.2) under the Licensor Technology to Develop, have Developed, manufacture, have manufactured, use and Commercialize Products in the Field in the Territory, (b) a non-exclusive right and license (with the right to sublicense, subject to the provisions of Section 2.2) under the Licensor Technology to Develop and have Developed (but not seek MAA) and use (but not Commercialize) Products in the Field outside the Territory for the sole purpose of exploiting its right and license under clause (a); and (c) a non-exclusive right and license (with the right to sublicense, subject to the provisions of Section 2.2) under the Licensor Technology to manufacture or have manufactured the Products in the Field outside the Territory (other than Taiwan) (clauses (a), (b) and (c) collectively, the "**Licensed Rights**"). For the avoidance of doubt, any services or efforts requested by Company to be performed by Licensor with respect to the Development, manufacture and/or Commercialization of any Product developed individually by Licensor other than the Existing Product shall be subject to a separate collaboration agreement between the Parties, including such additional initial fees and milestone payments for each such Product as may be agreed by the Parties.

2.2 **Grant of Sublicense by Company**. Company shall have the right, in its sole discretion, to grant sublicenses, in whole or in part, through multiple tiers, under the Licensed Rights to Third Parties; provided, however, that (a) the granting by Company of a sublicense shall not relieve Company of any of its obligations hereunder; (b) Licensor' obligations to such Third Party will be no broader than Licensor' obligations were to Company under this Agreement prior to the grant of such a sublicense, (c) the rights granted to such Third Party under the Licensor Technology will be consistent with the rights granted to Company under Section 2.1 applicable to the scope of the sublicense granted to such Third Party, (d) Company shall provide a copy of each sublicense (and any sub-sublicense) agreement to Licensor within thirty (30) Business Days after execution of such

sublicense (subject to reasonable redactions), (e) the terms of each sublicense (and any sub-sublicense) agreement shall be consistent with all applicable terms of this Agreement, and (f) Company remains primarily responsible for the actions or omissions of its Sublicensees. In no event shall Company grant a sublicense in whole of the Licensed Rights (including the entire Field and entire Territory) to any single Third Party and/or its Affiliates without the prior written consent of Licensor, such consent not to be unreasonably withheld, conditioned or delayed.

2.3 **Licensor Technology Transfer**. As soon as reasonably practicable after the Effective Date and subject to Section 2.5 and the Licensor technology transfer plan ("**Licensor Technology Transfer Plan**") set forth in Schedule 2.3, Licensor will transfer to Company, at Licensor's cost and expense (except as set forth in the Supply Terms), all Licensor Know-How pursuant to Section 2.5. For the avoidance of doubt, nothing in this Agreement shall be in any way interpreted that Licensor is transferring its ownership or proprietary right to Licensor Technology.

2.4 **Regulatory Technology Transfer and Existing Third Party Agreements**. As soon as possible following the Effective Date and subject to Section 5.4 and the Regulatory Transition Plan, Licensor shall (to the extent allowed or consented to by Law and permitted, or, if not permitted, consented to by the applicable Third Party, under the Existing Third Party Agreement, as applicable), at Licensor's cost and expense, assign to Company (a) all applications and filings made by or on behalf of Licensor with any Regulatory Authority with respect to Product, including any IND, MAA or orphan drug designations or any other application for regulatory consultations or consideration, including sponsorship thereof, and (b) the Existing Third Party Agreements. With respect to each assignment of an Existing Third Party Agreement from Licensor to Company, each Party and, to the extent consent of the Third Party that is a party to such Existing Third Party Agreement is required under such Existing Third Party Agreement for the effectiveness of such assignment, such Third Party shall execute an Assignment and Assumption in the form attached hereto as Exhibit A. To the extent consent of the Third Party that is a party to an Existing Party Agreement is required under such Existing Third Party Agreement for the effectiveness of such assignment, Licensor shall use commercially reasonable efforts to cause such Third Party to provide its consent. Notwithstanding the foregoing, until any Existing Third Party Agreement assigned (including in the event that an Existing Third Party Agreement is unable to be assigned), Licensor shall (i) to the fullest extent possible under such Existing Third Party Agreement, assign and subcontract to Company all of Licensor's rights and obligations arising after the Effective Date thereunder and (ii) continue to perform its obligations and exercise its rights thereunder at Company's direction and expense to the extent of the obligations and rights that were not assigned or subcontracted to Company; provided, however, that Company may, upon written notice to Licensor, elect to cease its use of such Existing Third Party Agreement as described hereunder.

2.5 **Procedures for Licensor Technology Transfer**. The technology transfers set forth in Sections 2.3 and 2.4 shall occur in an orderly fashion and in a manner such that the value, usefulness and confidentiality of the transferred Licensor Know-How for the Existing Product and regulatory documentation are preserved in all material respects in accordance with the Licensor Technology Transfer Plan. During the Term, Licensor shall provide to Company full and prompt disclosure, but in no event less frequently than semi-annually, of any Licensor Technology for the Existing Product that becomes Controlled by Licensor or any of its Affiliates after the Effective Date and that is necessary or useful to Company to conduct its activities or exercise its rights as contemplated hereunder and shall, in the case of Licensor Know-How for the Existing Product, promptly following such disclosure, transfer to Company such Licensor Know-How. Notwithstanding the foregoing, the transfer of Licensor Know-How for the manufacture of the Product will be provided to Company Secondary Sites (as such term defined in the Supply Terms) after being identified by Company.

2.6 **Company Technology Transfer**. During the Term and upon Licensor's reasonable written request (but no more frequently than twice each Calendar Year), Company shall provide to Licensor copies of all technical information, data, reports and regulatory dossiers generated by or on behalf of Company during the Development and Commercialization of the Existing Product and that are necessary for Licensor to seek Regulatory Approvals for the Existing Product in the Field outside the Territory (the "**Company Tech Transfer Materials**") at no cost to Licensor. Licensor shall have the right to incorporate, and sublicense such right to any Third Party to which Licensor licenses the right of development, manufacture or commercialization to such Third Party in any country outside of the Territory ("**Ex-Territory Sublicensees**"), any such Company Tech Transfer Materials into its regulatory filings for Regulatory Approvals for the Existing Product in the Field outside of the Territory; provided, however, that, notwithstanding any permitted assignment or transfer pursuant to Section 13.2, in no event shall the Company Tech Transfer Materials (including any rights with respect thereto) be assignable, licensable or otherwise transferable to a Third Party, including any Third Party licensee or successor-in-interest to Licensor's business to which this Agreement relates, that is a Company Competitor in the Territory.

2.7 **Asset Transfer Agreement**. As of the Effective Date, Licensor and Company shall enter into that certain Asset Transfer Agreement, dated as of the Effective Date, pursuant to which Licensor shall transfer its inventory of physical materials (including Filled Ampules and Existing Product) as set forth therein (the "**Asset Transfer Agreement**"). The Parties acknowledge and agree that execution of the Asset Transfer Agreement by the Parties is a material condition to the Parties entering into, and the effectiveness of, this Agreement.

2.8 **Right of First Negotiation**. In the event that (a) Licensor or any Ex-Territory Sublicensee incorporates any Company Tech Transfer Materials into any regulatory filing related to a Product in the Field outside of the Territory pursuant to Section 2.6 and (b) Licensor wishes to sell or license its rights with respect to such Product in the Field in any jurisdiction outside of the Territory (provided that, for the avoidance doubt, Licensor shall not be permitted to sell, license, assign or otherwise transfer any of its rights with respect to Company Tech Transfer Materials unless otherwise permitted under this Agreement), Licensor shall, and hereby does, grant to Company and its Affiliates an exclusive and sole right of first option (the "**Exclusive Option**"), at Company's election, to acquire or license such rights in such jurisdiction upon such terms as may be mutually agreed upon by the Parties in writing (the "**Ex-Territory Rights Agreement**"). Licensor shall promptly notify Company in writing of the occurrence of the events in clauses (a) and (b) triggering the Exclusive Option and Company shall have a period of [***] following such notice to provide Licensor with written notice identifying Company's desire to exercise the Exclusive Option with a proposal of the terms to acquire or license such rights (the "**Option Exercise Notice**"). For a period of [***] thereafter (the "**Terms Sheet Negotiation Period**"), the Parties shall negotiate the terms sheet for the Ex-Territory Rights Agreement in good faith (the "**Ex-Territory Rights Terms Sheet**"). Upon execution of the Ex-Territory Rights Terms Sheet, the Parties shall negotiate in good faith the Ex-Territory Rights Agreement. In the event (i) Company fails to provide the Option Exercise Notice prior to the foregoing [***] period, (ii) the Parties are unable to execute the Ex-Territory Rights Terms Sheet within the Terms Sheet Negotiation Period, or (iii) the Parties fail to enter into and execute the Ex-Territory Rights Agreement within the later of (x) [***] following the execution of the Ex-Territory Rights Terms Sheet and (y) [***] following Company's delivery of the Option Exercise Notice, Licensor shall be free to solicit and negotiate a transaction with one (1) or more Third Parties (a "**Third Party Transaction**"); provided, however, that Licensor shall not enter into a Third Party Transaction on terms and conditions that, in the aggregate, are less favorable to Licensor than the terms last proposed by Company without first bringing such terms to Company. Company shall have a period of [***] to notify Licensor if it will match such terms and provide Licensor written notice exercising such right. Following Licensor's receipt of such

written notice, the Parties will negotiate for a period of up to [***] (or such longer period as may be mutually agreed upon by the Parties) to execute an Ex-Territory Rights Agreement containing such terms.

ARTICLE 3
JOINT STEERING COMMITTEE

3.1 **Formation**. Within [***] calendar days following the Effective Date, the Parties will form a Joint Steering Committee comprised of up to [***] representatives of each of the Parties (the "**Joint Steering Committee**" or "**JSC**"). Each Party shall appoint its respective representatives to the JSC from time to time and may substitute one (1) or more of its representatives, in its sole discretion, effective upon written notice to the other Party of such change. One (1) representative of Company at the JSC will be selected to act as the chairperson of the JSC.

3.2 **Meetings**. The JSC will meet in the first month of each calendar quarter or such other time as the JSC may agree. Company may also schedule a meeting of the JSC on an *ad hoc* basis at any time upon two (2) weeks' notice to the other Party. Meetings of the JSC may be conducted by videoconference, teleconference or in person, as agreed by the Parties. The JSC will agree upon the time and location of the meetings. The chairperson, or his or her designee, will circulate an agenda for each meeting approximately one (1) week before the date scheduled for the meeting, and will include all matters requested to be included on such agenda by either Party. The chairperson, or his or her designee, will take complete and accurate minutes of all discussions occurring at the JSC meetings and all matters decided upon at the meetings, except those matters reflecting legal advice of counsel will not be included in such minutes. A copy of the draft minutes of each meeting will be provided to each Party by the chairperson, or his or her designee, after each meeting, and such minutes will be reviewed by the JSC members, any needed changes discussed and final minutes agreed to and provided to each Party within thirty (30) days after each meeting unless otherwise agreed. A reasonable number of additional representatives of a Party may attend meetings of the JSC in a non-voting capacity. Each Party is responsible for their travel costs and expenses associated with attending meetings.

3.3 **JSC Functions and Powers**. The responsibilities of the JSC will be as follows:

(a) encouraging and facilitating communication between the Parties with respect to the Development and Commercialization of the Product;

(b) coordinating and reviewing regulatory activities in the Territory;

(c) monitoring the progress of the Development and Commercialization of the Product in the Territory;

(d) coordinating and reviewing Company's Commercialization activities in the Territory;

(e) coordinating and reviewing the establishment of a redundant supply chain for Products in alternative geographic locations;

(f) coordinating the transfer of vendor relationships to Company as contemplated by this Agreement;

(g) reviewing and addressing Disputes related to breach of this Agreement;

(h) establishing subcommittees on an as-needed basis, overseeing the activities of all such subcommittees and attempting to resolve disputes or disagreements arising in all such subcommittees; and

(i) carrying out the other duties and responsibilities described for it in this Agreement.

The JSC may form sub-committees for execution of its responsibilities which shall be comprised of representatives appointed by the Parties. The sub-committees shall meet at such times and on such schedule as may be established by such sub-committees.

3.4 **JSC Decision Making**. The JSC is intended to serve primarily as an advisory body and to serve as a forum for the Parties to discuss matters relating to this Agreement and to provide a convenient mechanism for implementation of any review and/or approval rights granted to a Party under this Agreement. However, to the extent that the JSC is entitled to make decisions on a matter, all such decisions of the JSC will be made by unanimous vote, with each Party having one (1) vote. In the event there is a tie that cannot be resolved through good faith negotiations between the Parties' representatives in the JSC, Company shall have the final decision-making authority except in the case of a disagreement related to Section 3.3(e) or 3.3(g) in which case the Dispute shall be handled in accordance with the terms set forth in Article 12. Notwithstanding the foregoing and for the avoidance of doubt, the JSC shall not have any authority other than that expressly set forth in Section 3.3 and notwithstanding Section 3.3, specifically, shall have no authority (a) to amend or interpret this Agreement or to waive any Party's rights or interest, (b) to determine whether or not Company or Licensor has met its diligence or other obligations under this Agreement, (c) to determine whether or not a breach of this Agreement has occurred, or (d) to increase or expand any Party's liability or responsibility beyond that is expressly set forth in this Agreement without such Party's express written consent.

ARTICLE 4
DEVELOPMENT, COMMERCIALIZATION AND MANUFACTURE OF PRODUCT

4.1 **Development**.

4.1.1 General. Subject to Section 4.1.3, Company shall have the exclusive right, and sole responsibility and decision-making authority, at Company's cost and expense, to Develop Products and to conduct (either itself or through its Affiliates, agents, Subcontractors and/or Sublicensees) all Clinical Trials and non-clinical studies Company believes appropriate to obtain Regulatory Approval for Product in the Field in the Territory.

4.1.2 Licensor Support. Licensor shall make its employees, consultants, contractors, advisors and agents ("**Representatives**") that are knowledgeable regarding the Licensor Technology and Product (including the properties and functions thereof), available to Company for scientific and technical explanations, advice, on-site support (limited to once a year and one (1) week for each on-site support) and meetings with Regulatory Authorities that may reasonably be required by Company (provided Company shall consider in good faith Licensor's requests regarding when such meetings are scheduled) relating to the Development of Existing Product (the "**Development Support**"). The Development Support shall be provided by Licensor free-of-charge during the Term except for reasonable Out-of-Pocket Expenses.

4.1.3 Conduct of Existing Clinical Trial. Until the date of transfer of sponsorship and control of the Existing Clinical Trial to Company pursuant to the Regulatory Transition Plan in

accordance with Section 5.4, Licensor shall have the exclusive right and obligation to conduct the Existing Clinical Trial at Company's cost. On and after the date of transfer sponsorship and control of the Existing Clinical Trial to Company pursuant to the Regulatory Transition Plan in accordance with Section 5.4, as between the Parties, Company shall have the exclusive right to conduct the Existing Clinical Trial. Notwithstanding the foregoing, following the transfer of sponsorship of the Existing Clinical Trial, the Parties may agree in writing (which may be set forth in the Regulatory Transition Plan) for Licensor to continue to conduct certain activities related to the Existing Clinical Trial on behalf of Company (as sponsor) at reasonable charges agreed by Company and Licensor in writing in advance, in which event Licensor shall conduct such activities in accordance with such agreement and direction of Company and strictly in accordance with the Regulatory Transition Plan (as may be amended in writing by the Parties). Licensor shall not, at any time on or following the Effective Date, without Company's prior written consent, (i) terminate or amend the protocol of the Existing Clinical Trial, (ii) modify or amend any agreements with any Third Parties related to the Existing Clinical Trial or (iii) add or terminate any clinical sites related to the Existing Clinical Trial.

4.2 **Commercialization**.

4.2.1 Generally. Company shall have the exclusive right, and sole responsibility and decision-making authority, to Commercialize Product in the Field in the Territory itself or through one (1) or more Affiliates or Sublicensees or other Third Parties selected by Company and shall have the sole decision-making authority and responsibility in all matters relating to the Commercialization of the Product in the Field in the Territory. The Parties shall schedule a meeting reasonably in advance of each Product launch and once each year thereafter pursuant to which Company shall provide Licensor with a high-level summary of its commercial strategy and execution related to the Commercialization of such Product in the Field in the Territory; provided, however, that for the avoidance of doubt, Company shall have the exclusive right to determine, in its sole discretion, the launch and commercial strategy for each Product in the Field in the Territory.

4.2.2 Diligence. Subject to Licensor's fulfillment of its obligations under this Agreement, including, without limitation, supply of Filled Ampules pursuant to the Supply Agreement, Company shall use Commercially Reasonable Efforts to Develop and Commercialize at least one (1) Product in the Field in the United States; provided, that such Commercialization and Development diligence obligation shall be expressly conditioned upon the continuing absence of any adverse condition or event (including an Adverse Event) relating to the safety or efficacy of Product, legal impediments, or Third Party intellectual property rights, and Company's Development and Commercialization diligence obligation shall be delayed or suspended so long as, in Company's reasonable opinion, any such condition or event exists and Company shall notify Licensor promptly in writing of such delay or suspension. Activities by Company's Affiliates and Sublicensees will be considered as Company's activities under this Agreement for purposes of determining whether Company has complied with its obligation under this Section 4.2.2 to use Commercially Reasonable Efforts. For clarity, Company shall have no obligation to Commercialize Product in any particular country or countries in addition to the United States.

4.3 **Manufacturing**. As soon as possible after the Effective Date, the Parties shall negotiate in good faith and enter into that certain supply agreement pursuant to which Licensor shall have the right to supply to Company ampules filled with drug product ("**Filled Ampules**") on the terms and

conditions set forth therein (the "**Supply Agreement**"). The Supply Agreement shall include at least the terms set forth in Schedule 4.3 (the "**Supply Terms**").

4.4 **Right to Subcontract of Company**. Company may exercise any of its rights, or perform any of its obligations, under this Agreement (including any of the Licensed Rights) by subcontracting the exercise or performance of any portion of such rights and obligations on Company's behalf to a Third Party that has entered into a subcontract agreement to provide services to Company for the purpose of fulfilling Company's obligations hereunder (a "**Subcontractor**"); provided that (i) any subcontract granted or entered into by Company as contemplated by this Section 4.4 of the exercise or performance of any portion of the rights or obligations that Company may have under this Agreement shall not relieve Company from any of its obligations under this Agreement, (ii) the terms of each subcontract agreement shall be consistent with all applicable terms of this Agreement and (iii) Company shall remain primarily responsible for the actions or omissions of its Subcontractors. In no event shall Company subcontract all of its obligations under this Agreement to a single Third Party and/or its Affiliates, other than in connection with a sublicense as permitted pursuant to Section 2.2, without the prior written consent of Licensor, such consent not to be unreasonably withheld, conditioned or delayed.

4.5 **Trademarks**. As between Licensor and Company, Company shall have the sole authority to select trademarks for the Product and shall own all such trademarks.

ARTICLE 5
REGULATORY MATTERS

5.1 **Regulatory Filings**. Subject to Section 5.4, as between Company and Licensor, Company shall make, own and maintain all regulatory filings and Regulatory Approvals for the Product in the Territory and the regulatory filings and Regulatory Approvals for the Clinical Trials for the Product conducted outside the Territory, including all INDs and MAAs at its cost after the Effective Date. Company shall provide a copy of (a) any substantive written communications, notices, or other materials received from any Regulatory Authorities regarding any of the foregoing regulatory filings for Regulatory Approvals and Regulatory Approvals, (b) any substantive written communications with any Regulatory Authority regarding any of the foregoing regulatory filings for Regulatory Approvals, and (c) any proposed significant written communications with any Regulatory Authority regarding any of the foregoing regulatory filings for Regulatory Approval reasonably in advance of submission and, with respect to clause (c), shall consider all of Licensor's comments thereto in good faith.

5.2 **Communications with Authorities**. Subject to Section 5.4, Company (or one of its Affiliates or Sublicensees) shall be responsible, and act as the sole point of contact, for communications with all Regulatory Authorities in the Territory in connection with the Development, Commercialization, and manufacturing of Product. Following the Effective Date but subject to Section 5.4, Licensor shall not initiate, with respect to Product, any meetings or contact with any Regulatory Authorities in the Territory without Company's prior written consent. To the extent Licensor receives any written or oral communication from any Regulatory Authority in the Territory relating to Product, Licensor shall (a) refer such Regulatory Authority to Company, and (b) as soon as reasonably practicable (but in any event within twenty-four (24) hours), notify Company and provide Company with a copy of any written communication received by Licensor or, if applicable, complete and accurate minutes of such oral communication. At the request of Company, Licensor shall make available to Company, free of charge, a qualified representative who shall, together with the representatives of Company, participate in and contribute to meetings

with the Regulatory Authorities with respect to regulatory matters relating to the Licensor Technology.

5.3 **Licensor Support in Regulatory Matters**. Licensor shall make its Representatives that are knowledgeable regarding the Licensor Technology or Product available to Company upon Company's request for regulatory explanations, advice and on-site support, that may reasonably be required by Company relating regulatory matters (including preparation and filing for any INDs and MAAs and obtaining and maintaining Marketing Authorizations) for the Existing Product (the "**Regulatory Support**"). The Regulatory Support shall be provided by Licensor free-of-charge during the Term.

5.4 **Regulatory Transition Plan**.

5.4.1 Licensor shall transfer the regulatory, clinical and operational responsibilities of the Existing Clinical Trial in accordance with the regulatory transition plan set forth in Schedule 5.4.1 with respect to the Existing Product (the "**Regulatory Transition Plan**"), which outlines the Parties' responsibilities with respect to the Existing Clinical Trial. The Regulatory Transition Plan may be amended by the mutual written agreement of the Parties. Each Party shall conduct its responsibilities in accordance with the Regulatory Transition Plan and shall use best efforts to achieve the timelines set forth therein.

5.4.2 Notwithstanding Section 5.2, until the transfer of sponsorship and control of the Existing Clinical Trial to Company pursuant to the Regulatory Transition Plan, Licensor shall be responsible for any communications and interactions with Regulatory Authorities with respect to the Existing Clinical Trial in accordance with Section 5.2. Notwithstanding the foregoing, Licensor shall provide a copy of (a) any communications, notices, or other materials received from any Regulatory Authorities with respect to the Existing Clinical Trial, (b) any interim or final data or results from the Existing Clinical Trial, and (c) any proposed communications with, or submissions to, any Regulatory Authority reasonably in advance of submission and, with respect to clause (c), shall incorporate all of Company's comments thereto in good faith (provided incorporation of such comments does not, upon the advice of Licensor's outside counsel, violate Law).

5.4.3 Prior to the transfer of all regulatory documentation for the Existing Clinical Trial held or filed by or on behalf of Licensor or its Affiliates prior to the Effective Date in accordance with the Regulatory Transition Plan (the "**Existing Regulatory Documentation**"), Licensor (or its designee) shall file, maintain, and hold title to such Existing Regulatory Documentation. Licensor shall not assign, license, or grant any right of reference or use to the Existing Regulatory Documentation except as expressly set forth in the Regulatory Transition Plan.

5.5 **Adverse Event Reporting**. The Parties agree to comply with any and all Laws that are applicable as of the Effective Date and thereafter during the Term in connection with Product safety data collection and reporting. If Licensor has or receives any information regarding any Adverse Event which may be related to the use of Product, then Licensor shall provide Company with all such information in English within such reasonable timelines which enable Company to comply with all Laws and relevant regulations and requirements. Company shall report to Licensor any Adverse Event culminating in death or permanent disability of a patient or subject who is administered Product. The information exchanged between the Parties pursuant to this Section 5.5 shall be transmitted by e-mail or overnight courier to the following address:

Transmission to Licensor:

Weishu Lu
Pharmosa Biopharm Inc.
3F.-3, No.66, Sanchong Rd., Nangang Dist., Taipei City 11502, Taiwan
Tel: + 886-2-2782-7561#121
Fax: +886-2-2782-9013
Mobile: +886-958940912
Weishu.lu@pharmosa.com.tw

Transmission to Company:

Jennifer Weidman
Liquidia Technologies, Inc.
419 Davis Drive, Suite 100
Morrisville, NC 27560
USA
Telephone: 919-704-5916
E-mail: jennifer.weidman@liquidia.com

5.6 **Safety Data Exchange Agreement**. Without limitation of Section 5.5, the Parties shall, as soon as practical following the Effective Date, negotiate in good faith and enter into a safety data exchange agreement, which shall set forth standard operating procedures governing the collection, investigation, reporting, and exchange of information concerning adverse drug reactions or other adverse events (including Adverse Events) sufficient to permit each Party to comply with its regulatory and other legal obligations within applicable timeframes.

5.7 **Recalls**. Company shall have the sole right to determine whether and how to implement a recall or other market withdrawal of any Product in the Territory. Company shall, to the extent allowed by Law and reasonably practicable, provide written notice to Licensor of any such recall or market withdrawal and consider Licensor's comments in good faith, provided, however, that in no event shall Company be obligated to delay any such recall or market withdrawal. Licensor shall take all actions requested by Company in connection with such recall or other market withdrawal.

ARTICLE 6
FINANCIAL PROVISIONS

6.1 **Initial Fee**. Company shall pay, or cause to be paid, to Licensor a non-refundable and non-creditable fee of [***] within [***] days following Company's receipt of an invoice from Licensor following the Effective Date.

6.2 **Development Milestones**. Company shall pay, or cause to be paid, to Licensor the following one-time (except with respect to the last event in the table below), non-refundable, non-creditable milestone payments with respect to the first achievement of the milestone events described in the table below (the "**Development Milestones**"). Company shall notify Licensor in writing of the achievement of any such Development Milestone within ten (10) Business Days and Licensor shall issue Company an invoice for the amount of the corresponding milestone payment, which invoice Company shall pay within [***] days following Company's receipt of such invoice.

Development Milestone	**Milestone Payment USD**
Enrollment of [***] patients in the Planned Phase III Clinical Trial	[***]

Filing of an NDA with the FDA for the Existing Product	[***]
Approval by the FDA of an NDA for the Existing Product for PAH	[***]
Approval by the FDA of an NDA for the Existing Product for PH-ILD	[***]
Approval by the FDA of an NDA for the Existing Product for each additional Indication (other than PAH and PH-ILD)*	[***]
Approval by the FDA of an NDA for any additional Product*	[***]

With respect to each Development Milestone, the corresponding milestone payments to be made under this Agreement shall be due and payable only once (except with respect to the Development Milestones marked with an asterisk).

For purposes of the Development Milestones, an additional Product entitled to [***] in the foregoing table shall mean a Product with new dosage form, new formulation, new combination and the next generation version of Existing Product. Notwithstanding the foregoing, such Development Milestone payment shall not apply to the Existing Product in the following instances: (a) a different dosage amount; (b) different batch size; or (c) a manufacturing change to the Existing Product in consideration of supply issues (e.g., a change in liposomes used to manufacture the Existing Product due to insufficient supply of the existing liposomes or for cost reasons).

6.3 **Sales Milestones**. Company shall pay Licensor the following one-time, non-refundable, non-creditable amounts for the first achievement of the following sales event milestone events (the "**Sales Milestones**").

Sales Milestones	**Milestone Payment USD**
The first Calendar Year in which annual Net Sales of the Products in the Territory exceed [***]	[***]
The first Calendar Year in which annual Net Sales of the Products in the Territory exceed [***]	[***]
The first Calendar Year in which annual Net Sales of the Products in the Territory exceed [***]	[***]
The first Calendar Year in which annual Net Sales of the Products in the Territory exceed [***]	[***]

Company shall deliver written notice to Licensor within sixty (60) days following the end of the Calendar Year in which a Sales Milestone occurs and Licensor shall issue Company an invoice for the amount of the corresponding Sales Milestone payment, which invoice Company shall pay within [***] following receipt of such invoice.

For the avoidance of doubt, each aforementioned Sales Milestone payment shall be made only once and only with respect to Net Sales of the Products.

The achievement of a higher Sales Milestone shall trigger the payment of a lower Sales Milestone in addition to the payment of the Milestone Payment for such higher Sales Milestone in the event such lower Sales Milestone had not been triggered prior to achievement of the higher Sales Milestone.

For the avoidance of doubt, the total maximum Sales Milestones payable under this Section 6.3 shall not exceed [***].

6.4 **Royalty Payments for Product**.

6.4.1 Royalty Rate. During the Royalty Term, Company shall pay to Licensor a royalty on aggregate annual Net Sales of Products in the Territory for each Calendar Year at the percentage rates set forth below (subject to Sections 6.5 and 6.6 below):

Annual Net Sales of Products per Calendar Year (in USD) in the Territory	**Incremental Royalty Rate**
For Net Sales of Products from [***] up to and including [***]	[***]
For that portion of Net Sales of Products that is greater than [***]	[***]

By way of illustration, assume in a Calendar Year, during the Royalty Term, that (i) aggregate annual Net Sales of Products in USD total [***] and (ii) no adjustments or deductions to payments under this Article 6 apply. The total royalties due and payable by Company to Licensor for such Net Sales would be [***], calculated as follows:

[***] x [***] = [***]

[***] x [***] = [***]

Total Royalty = [***]

6.4.2 Net Sales Subject to Royalty Payments and Sales Milestones. For purposes of determining whether a royalty threshold or a Sales Milestone has been attained, only Net Sales that are subject to a royalty payment shall be included in the total amount of Net Sales and any Net Sales that are not subject to a royalty payment shall be excluded. In addition, in no event shall the manufacture of a Product give rise to a royalty obligation. For clarity, Company's obligation to pay royalties to Licensor under this Article 6 is imposed only once with respect to the same unit of Product regardless of the number of Licensor Patents pertaining thereto.

6.5 **Compulsory License**. In the event that Licensor or Company receives a request for a Compulsory License in the Territory, it shall promptly notify the other Party. If any Third Party obtains a Compulsory License in any country in the Territory, then Licensor or Company (whoever has first notice) shall promptly notify the other Party. Thereafter, as of the date the Third Party commences the First Commercial Sale of the Product under such Compulsory License in such country, the royalty rate payable under Section 6.4.1 to Licensor for Net Sales in such country will be adjusted to equal any lower royalty rate granted to such Third Party for such country with respect to the sales of such Product therein. In addition, should Company grant a sublicense to a Third Party in any country of the Territory to avoid the imposition of such a Compulsory License in good faith after consultation with Licensor, the royalty rate payable under Section 6.4.1 to Licensor for Net Sales in such country shall also be adjusted to match any lower royalty rate payable by such Sublicensee for such country under such sublicense. Notwithstanding the foregoing, the Compulsory License Compensation shall be shared equally between the Licensor and Company.

6.6 **Third Party License Agreements and Device Agreement**. In the event that, to avoid infringement of the Third Party's intellectual property rights by either (a) use of the Licensor Technology under the Licensed Rights or (b) Developing, manufacturing or Commercializing the Existing Product, it is reasonably necessary for Company to make payments to a Third Party with respect to a license under such Third Party's intellectual property rights, to develop, manufacture, use, or sell a Product in the Field in the Territory, Company will be entitled to deduct an amount equal to [***] of any such amounts due to such Third Party for such license from any amounts payable to Licensor under Section 6.4. The Parties further agree that Company is entitled to deduct an amount equal to [***] of any amounts (other than amounts due for actual manufacture and supply of a device) due under the Device Agreement from any amounts payable to Licensor under Section 6.4. In no event shall the amount otherwise due to Licensor be less than [***] of the amount that would be payable to Licensor absent the deductions pursuant to this Section 6.6. Notwithstanding the foregoing, Company shall be entitled to carry forward to future Calendar Quarters any amounts that Company would, but for the [***] payment floor in the preceding sentence, be permitted to deduct under this Section 6.6 from amounts payable to Licensor under Section 6.4.

6.7 **Timing of Payment**. Royalties payable under Section 6.4.1 shall be payable on actual Net Sales and shall accrue when such amounts are received and recognized as revenue by Company in accordance with GAAP. Royalty obligations that have accrued during a particular Calendar Quarter shall be paid, on a Calendar Quarter basis in accordance with Section 6.9.

6.8 **Mode of Payment and Currency; Invoices**.

6.8.1 Currency. All payments to Licensor hereunder shall be made by deposit of USD in the requisite amount to such bank account as Licensor may from time to time designate by written notice to Company. With respect to sales not denominated in USD, Company shall convert applicable sales in foreign currency into USD by using the then current and reasonable standard exchange rate methodology applied to its external reporting. Based on the resulting sales in USD, the then applicable royalties shall be calculated. The Parties may vary the method of payment set forth herein at any time upon mutual written agreement, and any change shall be consistent with the local Law at the place of payment or remittance.

6.8.2 Invoices. Licensor shall address its invoices to:

Liquidia Technologies, Inc.
419 Davis Drive, Suite 100
Morrisville, North Carolina
USA
Attn: Accounts Payable
E-mail: ap_invoices@liquidia.com

With a copy to:

Liquidia Technologies, Inc.
419 Davis Drive, Suite 100
Morrisville, NC 27560
USA
Attn: Legal Department

E-mail: legal@liquidia.com

6.9 **Royalty Reports and Records Retention**. Within [***] days after the end of each Calendar Quarter during which Product has been sold, Company shall deliver to Licensor a written royalty report in the form attached hereto as Schedule 6.9. Such report shall be deemed "Confidential Information" of Company subject to the obligations of Article 8 of this Agreement. For two (2) years (unless Company's, or any of its relevant Affiliate's, internal company procedures require a shorter period) after each sale of Product occurs, Company shall, and shall ensure that its Affiliates and Sublicensees, keep complete and accurate records of such sale in sufficient detail to confirm the accuracy of the royalty calculations hereunder.

6.10 **Legal Restrictions**. If at any time legal restrictions prevent the remittance by Company of all or any part of royalties due on Net Sales in any country, Company shall have the right and option to make such payment either by depositing the amount thereof in local currency to an account in the name of Licensor in a bank or other depository selected by Licensor in such country.

6.11 **Taxes**.

6.11.1 Withholding Tax. Licensor shall be responsible for the payment of any and all Taxes levied on account of the royalties and other payments paid to Licensor by Company or its Affiliates or Sublicensees under this Agreement. If Law requires that Taxes be deducted and withheld from royalties or other payments paid under this Agreement, Company shall (a) deduct those Taxes and interests and penalties assessed thereon from the payment or from any other payment owed by Company hereunder; (b) pay the Taxes to the proper Governmental Body; (c) send evidence of the obligation together with proof of Tax payment to Licensor within thirty (30) days following such payment; (d) remit the net amount, after deductions or withholding made under this Section 6.11.1; and (e) cooperate with Licensor in any way reasonably requested by Licensor, to obtain available reductions, credits or refunds of such Taxes; provided, however, that Licensor shall reimburse Company for Company's Out-of-Pocket Expenses incurred in providing such assistance.

6.11.2 Value Added Tax. It is understood and agreed between the Parties that any payments made by Company under this Agreement are exclusive of any value added or similar Tax imposed upon such payment and that Company shall be responsible for the payment of any and all value added Taxes levied on account of any payments paid to Licensor by Company. Company is entitled to receive a proper tax invoice where any value added Tax amount is shown separately. The foregoing notwithstanding, if (a) Licensor or its Affiliates redomiciles to a new jurisdiction that is outside of its current residence and therefore becomes subject to new value added Tax obligations, or (b) Licensor assigns any rights or obligations under this Agreement to a Person that is domiciled in or redomiciles to a new jurisdiction outside its residence and therefore new value added Tax obligations apply, or (c) Licensor, its Affiliates or such assignee thereof otherwise becomes subject to value added Tax obligations in a jurisdiction outside its residence or new value added Tax obligations in its residence, whether through a change in Law or otherwise, then such Licensor (or its Affiliate or assignee) that has re-domiciled or become subject to value added Tax obligations as described in clauses (a) through (c) shall be responsible for any such new value added Tax obligations in accordance with Law and cooperate with Company, where appropriate and relevant.

6.12 **Audits**.

6.12.1 Audits Generally. During the Royalty Term and for [***] Calendar Years thereafter, and not more than once in each Calendar Year unless Licensor has reasonable grounds and evidence to suspect a material inaccuracy in the amount of royalty payments reported and paid by Company hereunder for any period subject to (but that has not already been) audit hereunder, Company shall permit, and shall cause its Affiliates or Sublicensees to permit, an independent certified public accounting firm of internationally recognized standing selected by Licensor, and reasonably acceptable to Company or such Affiliate or Sublicensee, to have access to and to review, during normal business hours upon reasonable prior written notice, the applicable records of Company and its Affiliates or Sublicensees to verify the accuracy of the royalty reports and payments under this Article 6. Such review may cover the records for sales made in any Calendar Year ending not more than two (2) years prior to the date of such request (unless Company's, or any of its relevant Affiliate's, internal company procedures require a shorter period); provided, however, that Licensor shall not be permitted to review any period (or portion thereof) more than once. The accounting firm shall disclose to Licensor and Company only whether the royalty reports are correct or incorrect and the specific details concerning any discrepancies. No other information shall be provided to Licensor.

6.12.2 Audit-Based Reconciliation. If such accounting firm concludes that additional royalties were owed during such period, and Company agrees with such calculation, Company shall pay the additional undisputed royalties within thirty (30) days after the date Licensor delivers to Company such accounting firm's written report. If such accounting firm concludes that an overpayment was made, such overpayment shall be fully creditable against amounts payable in subsequent payment periods or, at Company's request, shall be reimbursed to Company within thirty (30) days after the date of receipt of the foregoing report. If Company disagrees with such calculation, it may retain its own independent certified public accounting firm of recognized standing and reasonably acceptable to Licensor, to conduct a review, and if such firm concurs with the other accounting firm, Company shall make the required payment within thirty (30) days after the date Company receives the report of its accounting firm. If Company's accounting firm does not concur, Company and Licensor shall meet and negotiate in good faith a resolution of the discrepancies between the two firms. Licensor shall pay for the cost of any audit, unless Company has underpaid Licensor by the greater of (a) [***] or more or (b) [***], in which case Company shall pay for the costs of audit.

6.12.3 Audit Confidentiality. Each Party shall treat all information that it receives under this Section 6.12 in accordance with the confidentiality provisions of Article 8 of this Agreement, and shall cause its accounting firm to enter into an acceptable confidentiality agreement with the other Party obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement, except to the extent necessary for such Party to enforce its rights under this Agreement.

ARTICLE 7
INTELLECTUAL PROPERTY MATTERS

7.1 **Certification Under Drug Price Competition and Patent Restoration Act**. Each Party shall immediately give written notice to the other Party of any certification of which they become aware filed pursuant to 21 U.S.C. Section 355(b)(2)(A) or 21 U.S.C. Section 355(j)(2)(A) (or any amendments or successor statutes thereto) claiming that any Licensor Patents Covering Product, or the manufacture or use of each of the foregoing, are invalid or unenforceable, or that infringement will not arise from the manufacture, use or sale of a product by a Third Party.

7.2 **Listing of Patents**. Notwithstanding any Licensor Patent prosecution rights of Licensor under this Agreement, Company shall have the sole right to determine which of the Licensor Patents, if any, shall be listed for inclusion in the Approved Drug Products with Therapeutic Equivalence Evaluations pursuant to 21 U.S.C. Section 355, or any successor Law in the United States, together with any comparable Laws in any other country in the Territory.

7.3 **Further Assurances**. Licensor shall require all of its employees, and use its commercially reasonable efforts to require its contractors and agents, and any Affiliates and Third Parties working on its behalf under this Agreement (and their respective employees, contractors and agents), to assign to Licensor any Licensor Technology.

7.4 **Patent Prosecution and Maintenance**.

7.4.1 Specific Licensor Patents. With respect to Licensor Patents that recite at least one claim that (a) encompasses any Product or (b) encompasses any composition of matter covering a Product and explicitly recites treprostinil as the explicit and sole active pharmaceutical ingredient, in the Territory ("**Specific Licensor Patents**"), including the Licensor Patents identified as such in Schedule 1.38 (as may be updated by Company from time to time), Company shall have the first right, and the obligation, to file, prosecute (including initiating or defending any reexamination and reissue proceedings) and maintain, using counsel of Company's choosing, such Specific Licensor Patents in Licensor's name in the Territory. Company shall bear all costs and expenses of filing, prosecuting and maintaining Specific Licensor Patents in the Territory. Company shall keep Licensor informed of the status of the filing and prosecution of Specific Licensor Patents by promptly forwarding to Licensor copies of all official correspondence (including, but not limited to, applications, office actions, and responses) relating thereto. Licensor shall have the right, and Company shall provide Licensor a reasonable opportunity, to comment on and advise Company as to the conduct of such filing, prosecution and maintenance of Specific Licensor Patents, provided, however, that Company shall have the final decision-making right for all matters associated with such filing, prosecution and maintenance. At Company's request, Licensor will provide Company with reasonable free-of-charge assistance in prosecuting Specific Licensor Patents to the extent possible, including providing such data in Licensor's Control that is, in Company's reasonable judgment, needed to support the prosecution of a Specific Licensor Patent.

7.4.2 Non-Specific Licensor Patents. Subject to Section 7.4.1, with respect to all Licensor Patents in the Territory other than Specific Licensor Patents ("**Non-Specific Licensor Patents**") as listed in Schedule 1.38 (as may be updated from time to time by Company), Licensor shall have the first right, and the obligation, to file, prosecute (including initiating or defending any reexamination and reissue proceedings) and maintain, using counsel of Licensor's choosing, such Non-Specific Licensor Patents in Licensor's name. Licensor shall bear all costs and expenses of filing, prosecuting and maintaining Non-Specific Licensor Patents. Licensor shall keep Company informed of the status of the filing and prosecution of Non-Specific Licensor Patents by promptly forwarding to Company copies of all official material correspondence (including, but not limited to, applications, office actions, and responses) relating thereto. Company shall have the right, and Licensor shall provide Company a reasonable opportunity, to comment on and advise Licensor as to the conduct of such filing, prosecution and maintenance of Non-Specific Licensor Patents, provided, however, that Licensor shall have the final decision-making right for all matters associated with such filing, prosecution and maintenance. Notwithstanding the foregoing of this Section 7.4.2, in the event that Licensor or Company wishes to file any continuation

or divisional with respect to any Non-Specific Licensor Patent that claims treprostinil as the explicit and sole active pharmaceutical ingredient, then the prosecution and maintenance of any such continuation or divisional shall be governed by Section 7.4.1.

7.4.3 Election Not to File and Prosecute Licensor Patents. If either Party elects not to file or to continue to prosecute or maintain a Licensor Patent in the Territory where it is permitted to do so pursuant to Sections 7.4.1 and 7.4.2 above, as applicable, or fails to do so after receipt of notice from the other Party, then it shall notify the other Party in writing at least ninety (90) days before any deadline applicable to the filing, prosecution or maintenance of such Licensor Patent, as the case may be, or any other date by which an action must be taken to establish or preserve such Licensor Patent in such country or possession. In such case, the other Party shall have the right to pursue the filing or support the continued prosecution or maintenance of such Licensor Patent. If Licensor fails to continue prosecution or maintenance of any of the Non-Specific Licensor Patents in the Territory, then such abandoned Licensor Patents shall not extend the Royalty Term (i.e., no royalty payments shall be due under this Agreement on account of such abandoned Licensor Patents). If Company fails to continue prosecution or maintenance of any of the Specific Licensor Patents in the Territory, then the Product shall be deemed to be Covered under a Valid Claim for the purposes of the Royalty Term, unless and until Licensor fails to continue such prosecution or maintenance.

7.4.4 Patent Term Extension. Notwithstanding any Licensor Patent prosecution rights of Licensor under this Agreement, Company shall be responsible, in Licensor's name, for obtaining patent term extensions or supplemental protection certificates or comparable extensions in any other country in the Territory, wherever available for Specific Licensor Patents in the Territory. Licensor shall provide Company with all relevant information, documentation and assistance in this respect as may reasonably be requested by Company. Any such assistance, supply of information and consultation shall be provided promptly and in a manner that will ensure that all patent term extensions for Specific Licensor Patents are obtained wherever legally permissible, and to the maximum extent available. In the event that any election with respect to obtaining patent term extensions is to be made, Company shall have the right to make such elections, and Licensor shall abide by all such elections.

7.4.5 Company Patents. Company shall own any Know-How and Patent Rights developed by Company or any of its Affiliates or a Third Party on behalf of Company and shall have the right, but not the obligation, to file, prosecute and maintain any such Patent Rights (collectively, "**Company Patents**"). Company shall bear all costs and expenses of filing, prosecuting and maintaining Company Patents and Licensor shall have no right, title or interest in or to Company Patents.

7.5 **Enforcement**.

7.5.1 Notice.

(a) If either Party believes that an infringement, unauthorized use, misappropriation or ownership claim or threatened infringement or other such activity by a Third Party with respect to any Licensor Technology, or if a Third Party claims that any Licensor Patent is invalid or unenforceable, in each case in the Territory, the Party possessing such knowledge or belief shall notify the other Party and provide it with details of such infringement or claim that are known by such Party.

(b) In the event that Licensor believes that a Company Patent, if any, is being infringed by a Third Party or if a Third Party claims that any Company Patent is invalid or unenforceable, Licensor shall notify Company and provide it with details of such infringement or claim.

7.5.2 Actions. Company shall have the exclusive right, at its own cost (subject to the indemnity obligations set forth in Section 10.2), to attempt to resolve any infringement or claim, including by filing an infringement suit, defending against such claim or taking other similar action, with respect to a Licensor Patent in the Territory (each, an "**Action**") and to compromise or settle any such infringement or claim; provided that the compromise or settlement shall require Licensor's prior written consent if the compromise or settlement will have an adverse impact on Licensor's business outside the Territory or ownership of the Licensor Technology, such consent not to be unreasonably withheld, conditioned or delayed. At Company's request, Licensor shall immediately provide Company with all relevant documentation (as may be requested by Company) evidencing that Company is validly empowered by Licensor to take such an Action. Licensor shall join Company in such Action upon Company's written request. Licensor shall provide reasonable assistance to Company, at the Company's cost, including providing access to relevant documents and other evidence and making its employees available. All amounts recovered by Company shall be allocated, first, to the costs and expenses of the Parties incurred to enforce the Licensor Patents and, second, to Company (provided that such remaining amounts after deduction of the costs and expenses of the Action shall be deemed Net Sales for royalty and Sales Milestone calculation purposes). In the event that Company does not bring such Action against the Third Party infringer within ninety (90) days of the notice delivered under Section 7.5.1, Licensor may request in writing that Company bring an Action, and Company shall consider such request in good faith. Notwithstanding the foregoing, in the event that a Third Party institutes a re-examination action or *inter partes* review proceeding or brings an action where the sole relief sought is declaratory judgment, in each case seeking to have a Licensor Patent declared invalid or unenforceable (a "**Re-Examination Action**"), and Company does not elect to defend such Re-Examination Action within thirty (30) days following Licensor's request pursuant to the preceding sentence, Licensor shall be free to defend the Re-Examination Action, at its own expense, and retain any award or settlement in its entirety. If necessary, Company shall join or be joined as a party to the Re-Examination Action, but shall be under no obligation to participate, except to the extent that such participation is required as a result of being named a party to the Re-Examination Action. Company shall offer reasonable assistance in connection therewith, at no charge to Licensor, except for reimbursement of reasonable Out-of-Pocket Expenses.

7.5.3 Company Patents. Company shall have the sole right and authority, but not the obligation, to enforce Company Patents against any Third Party infringer; provided, however, that Licensor shall provide reasonable assistance to Company with respect thereto, including providing access to relevant documents and other evidence and making its employees available, subject to Company's reimbursement of any Out-of-Pocket Expenses incurred on an on-going basis in providing such assistance.

7.6 **Third Party Actions Claiming Infringement**.

7.6.1 Notice. If Company becomes aware of any Third Party Action against Company, Company shall promptly notify Licensor thereof in writing, setting for the facts of such claim in reasonable detail.

7.6.2 Right to Defend. As between the Parties, Company shall have the exclusive right, at its sole expense and with counsel of its sole choice, but not the obligation, to defend a Third Party Action described in Section 7.6.1 and to compromise or settle such Third Party Action; provided, however, that Company shall not enter into a settlement, consent judgment or other voluntary disposition of any such Third Party Action without consent by Licensor if the settlement, consent judgment or voluntary disposition will have an adverse impact on Licensor's business outside of the Territory or Licensor Technology or involve the admission of liability on the part of Licensor. Licensor shall provide reasonable assistance to Company, at the Company's cost (subject to the indemnity obligations set forth in Section 10.2), including providing access to relevant documents and other evidence and making its employees available.

ARTICLE 8
CONFIDENTIALITY

8.1 **Confidentiality Obligations**. Each Party agrees that, for the Term and for five (5) years thereafter, such Party shall, and shall ensure that its Representatives hold in confidence all Confidential Information disclosed to it by the other Party pursuant to this Agreement, unless such information:

(a) is or becomes generally available to the public other than as a result of disclosure by the recipient;

(b) is already known by or in the possession of the recipient at the time of disclosure by the disclosing Party;

(c) is independently developed by recipient without use of or reference to the disclosing Party's Confidential Information; or

(d) is obtained by recipient from a Third Party that has not breached any obligations of confidentiality.

The recipient shall not disclose any of the Confidential Information, except to Representatives of the recipient who need to know the Confidential Information for the purpose of performing the recipient's obligations, or exercising its rights, under this Agreement and who are bound by obligations of non-use and non-disclosure substantially similar to those set forth herein. The recipient shall be responsible for any disclosure or use of the Confidential Information by such Representatives. The recipient shall protect Confidential Information using not less than the same care with which it treats its own confidential information, but at all times shall use at least reasonable care. Each Party shall: (i) implement and maintain appropriate security measures to prevent unauthorized access to, or disclosure of, the other Party's Confidential Information; (ii) promptly notify the other Party of any unauthorized access or disclosure of such other Party's Confidential Information; and (iii) cooperate with such other Party in the investigation and remediation of any such unauthorized access or disclosure.

8.2 **Use**. Notwithstanding Section 8.1, a Party may use the Confidential Information of the other Party for the purpose of performing its obligations, or exercising its rights, under this Agreement, including for purposes of:

(a) filing or prosecuting patent applications, subject to the terms of Section 7.4;

(b) prosecuting or defending litigation;

(c) conducting pre-clinical studies or Clinical Trials pursuant to this Agreement;

(d) seeking or maintaining Regulatory Approval of the Product; or

(e) complying with Law, including securities Law and the rules of any securities exchange or market on which a Party's securities are listed or traded.

In addition to the foregoing, Company may, in furtherance of its rights under this Agreement, disclose Confidential Information of Licensor to any Third Party, provided that such Third Party is bound by obligations of confidentiality at least as stringent as the ones herein.

In making any disclosures pursuant to this Section 8.2, the disclosing Party shall, where reasonably practicable, give such advance notice to the other Party of such disclosure requirement as is reasonable under the circumstances and will use its commercially reasonable efforts to cooperate with the other Party in order to secure confidential treatment of such Confidential Information required to be disclosed. In addition, in connection with any permitted filing by either Party of this Agreement with any Governmental Body the filing Party shall endeavor to obtain confidential treatment of economic, trade secret information and such other information as may be requested by the other Party, and shall provide the other Party with the proposed confidential treatment request with reasonable time for such other Party to provide comments, and shall include in such confidential treatment request all reasonable comments of the other Party.

For the avoidance of doubt and notwithstanding anything in this Agreement to the contrary, in no event may Licensor use or reference any Confidential Information of Company, including any information reported by Company to Licensor in connection with this Agreement, to engage in any Competitive Action.

8.3 **Required Disclosure**. The recipient may disclose the Confidential Information to the extent required by Law or court order; provided, however, that the recipient promptly provides to the disclosing party prior written notice of such disclosure and provides reasonable assistance in obtaining an order or other remedy protecting the Confidential Information from public disclosure. If the recipient is required to make a disclosure as described in this Section 8.3, the recipient will furnish only that portion of the Confidential Information that is legally required.

8.4 **Publications**. Licensor shall not publish any information relating to Product without the prior written consent of Company (which consent may be withheld or given in Company's sole discretion), unless such information has already been publicly disclosed either prior to the Effective Date or after the Effective Date through no fault of Licensor or otherwise not in violation of this Agreement. Company shall have the right to make such publications as it chooses, in its sole discretion, without the approval of Licensor. Licensor shall submit to Company for Company's written approval (which approval be granted or denied in Company's sole discretion) any publication or presentation (including in any seminars, symposia or otherwise) of information related directly or indirectly to the Product for review and approval at least ninety (90) days prior to submission for the proposed date of publication or presentation.

8.5 **Press Releases and Disclosure**.

8.5.1 Initial Press Release. The proposed joint public announcement by Licensor and Company of the execution of this Agreement is set forth on Schedule 8.5.1 hereto.

8.5.2 Public Disclosures by Licensor. Except as provided in Section 8.5.4, Licensor may not make any subsequent press release or public announcement regarding the terms of this Agreement or any matter covered by this Agreement, including the Development or Commercialization of Licensed Products, without the prior written consent of Company.

8.5.3 Public Disclosures by Company. Except as provided in Section 8.5.4, Company may not make any subsequent press release or public announcement regarding the terms of this Agreement; provided, however, that Company shall have the right to make such press releases as it chooses, in its sole discretion, regarding the status of its Development or Commercialization of Licensed Products without the approval of Licensor, provided further, that, to the extent practicable, Company shall use commercially reasonable efforts to notify Licensor in advance of any such press release that would reasonably be expected to trigger any securities filing obligations for Licensor.

8.5.4 Exceptions. Notwithstanding the foregoing, either Party shall have the right, without the approval of the other Party, (a) to make securities filings that such Party determines are required under applicable securities laws and regulations (provided, that to the extent practicable, it provides the text of such planned disclosure to the non-disclosing Party no less than two (2) days prior to disclosure, and has used commercially reasonable efforts to incorporate all reasonable comments of the non-disclosing Party regarding such disclosure); and (b) to make disclosures of information that has been previously published or released in accordance with the terms and conditions of this Agreement.

ARTICLE 9
REPRESENTATIONS, WARRANTIES AND COVENANTS

9.1 **Representations and Warranties**. Each Party represents and warrants to the other Party that, as of the Effective Date:

(a) such Party is duly organized and validly existing under the Laws of the jurisdiction of its incorporation;

(b) such Party has taken all action necessary to authorize the execution and delivery of this Agreement and the performance of its obligations under this Agreement;

(c) this Agreement is a legal and valid obligation of such Party, binding upon such Party and enforceable against such Party in accordance with the terms of this Agreement, except as enforcement may be limited by applicable bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement by such Party does not conflict with, breach or create in any Third Party the right to accelerate, terminate or modify any agreement or instrument to which such Party is a party or by which such Party is bound, and does not violate any Law of any Governmental Body having authority over such Party; and

(d) such Party has all right, power and authority to enter into this Agreement, to perform its obligations under this Agreement.

9.2 **Additional Representations and Warranties of Licensor**. Licensor represents and warrants to Company that, as of the Effective Date:

(a) no consent by any Third Party or Governmental Body is required with respect to the execution and delivery of this Agreement by Licensor or the consummation by Licensor of the transactions contemplated hereby;

(b) no claims have been asserted or threatened by any Person, nor to Licensor's Knowledge, are there any valid grounds for any claim of any such kind, (i) challenging the validity, effectiveness, or ownership of Licensor Technology, and/or (ii) to the effect that the use, reproduction, modification, manufacturing, distribution, licensing, sublicensing, sale or any other exercise of rights in any of Licensor Technology infringes or will infringe on any intellectual property right of any Person;

(c) to Licensor's Knowledge, there is no unauthorized use, infringement or misappropriation of any of Licensor Technology by any employee or former employee of Licensor, or any other Third Party in the Territory;

(d) the Licensor Patents are subsisting and all registration, renewal, maintenance and other official fees with respect to the Licensor Patents due on or before the date of this Agreement have been paid in full. Licensor is the sole assignee and owner of each item listed on Schedule 1.38. To Licensor's Knowledge, the Licensor Patents are not the subject of any litigation procedure, discovery process, interference, reissue, reexamination, opposition, appeal proceedings or any other legal dispute;

(e) the Licensor Patents (i) constitute all Patent Rights owned or Controlled by Licensor as of the Effective Date that are directly related to, necessary or useful for, or used in, the Development, regulatory approval, manufacture, use, marketing, sale, offer for sale, import, export or Commercialization of the Existing Product in the Territory and (ii) listed on Schedule 1.38 hereto constitute all Patent Rights that are directly related to, necessary or useful for, or used in, the Development, regulatory approval, manufacture, use, marketing sale, offer for sale, import, export or Commercialization of the Existing Product in the Territory;

(f) the Licensor Know-How (i) constitutes all Know-How owned or Controlled by Licensor as of the Effective Date that is directly related to, or are necessary or useful for, the Development, manufacture, use or Commercialization of the Existing Product under the Licensed Rights and (ii) to Licensor's Knowledge, constitutes all Know-How that is directly related to, or are necessary or useful for, the Development, manufacture, use or Commercialization of the Existing Product under the Licensed Rights;

(g) all of the Licensor Technology is owned by Licensor or its Affiliates and Licensor has not in-licensed, or otherwise obtained any rights, from a Third Party with respect to the Existing Product or the Licensor Technology;

(h) Licensor has not licensed to a Third Party the right to develop a Product;

(i) no Third Party has filed, pursued or maintained or threatened in writing to file, pursue or maintain any claim, lawsuit, charge, complaint or other action alleging that any Licensor Patent is invalid or unenforceable;

(j) to Licensor's Knowledge, Company's and its Affiliates' and Sublicensees' practice and use of the inventions claimed in the Licensor Patents under the Licensed Rights as

permitted herein (including the sale, offer for sale, Commercialization or regulatory approval of Product) will not infringe any intellectual property rights of any Third Party;

(k) all Representatives of Licensor who have performed any activities on its behalf in connection with Development regarding Product have assigned to Licensor the whole of their rights in any intellectual property made, discovered or developed by them as a result of such Development, and no Third Party has any rights to any such intellectual property;

(l) Licensor has all right, title and interest in and to the Licensor Technology and Licensor Technology is free and clear of any liens, charges, encumbrances or rights of others to possession or use;

(m) Licensor has not previously licensed, assigned, transferred, or otherwise conveyed any right, title or interest in and to the Licensor Technology to any Third Party in the Territory, including any rights with respect to Product;

(n) to Licensor's Knowledge, the Licensor Technology constitutes all of the intellectual property which could reasonably be expected to be necessary or useful for, or used in, the Development, manufacture, regulatory approval, import, export, use, marketing, sale, offer for sale or Commercialization of the Existing Product;

(o) the Existing Product falls within the scope of at least one valid claim of at least one of the Licensor Patents listed on Schedule 1.38;

(p) to Licensor's Knowledge, there is no additional Third Party licenses that have to be taken now or in the future to guarantee freedom-to-operate to Develop, manufacture and Commercialize the Existing Product without any limitation;

(q) except as set forth in Schedule 9.2(q), Licensor has the right, power and authority to assign the Existing Third Party Agreements to Company. In particular, except as set forth in Schedule 9.2(q), no such assignment requires consent, waiver or other action by any party to the applicable Existing Third Party Agreement;

(r) the Existing Third Party Agreements constitute all agreements that were entered into by Licensor or its Affiliates with Third Parties for the conduct of Clinical Trials for the Existing Product. Licensor has provided to Company an accurate, true and complete copy of each of the Existing Third Party Agreements, as amended to date and each of the Existing Third Party Agreements is in full force and effect. Licensor is not, and to Licensor's Knowledge no other party to any Existing Third Party Agreement is, in breach or default in the performance of its obligations under any of the Existing Third Party Agreements. Licensor has not received any notice from any Third Party of any breach, default or non-compliance of Licensor under the terms of any of the Existing Third Party Agreements. There have been no amendments or other modification to any Existing Third Party Agreements, except as have been disclosed to Company in writing;

(s) all tangible information and data provided by or on behalf of Licensor to Company on or before the Effective Date in contemplation of this Agreement was and is true, accurate and complete in all material respects, and Licensor has not failed to disclose, or cause to be disclosed, any information or data that would cause the information and data that has been disclosed to be misleading in any material respect;

(t) Licensor (and its Affiliates) has not employed or otherwise used in any capacity, and will not employ or otherwise use in any capacity, the services of any Person debarred under any Law, including under Section 21 USC 335a or any foreign equivalent thereof, with respect to the Licensor Technology or Product;

(u) all Development related to Existing Product prior to the Effective Date has been conducted in accordance with all Laws; and

(v) Licensor has on hand as of the Effective Date the inventory of materials set forth in Exhibit A to the Asset Transfer Agreement (including in the quantities set forth therein). Such materials to be provided to Company pursuant to the Asset Transfer Agreement were (and at all times up until delivery of such materials hereunder shall remain) manufactured, packaged, labeled, tested, stored and handled in accordance with all Laws and specifications (including, to the extent applicable, release specifications as provided by Licensor to Company in writing prior to the Effective Date). Such materials are not adulterated or misbranded within the meaning of any Law. All such materials are free and clear of all encumbrances (including through lien, charge, security interest, mortgage, encumbrance or otherwise) and are suitable for use in Clinical Trials.

9.3 **Licensor Covenants**. Licensor covenants to Company that:

(a) Licensor shall fulfill all of its obligations, including but not limited to its payment obligations, under each Existing Third Party Agreement that related to periods prior to the assignment of such Existing Third Party Agreement to Company;

(b) Licensor shall fulfill all of its obligations, including but not limited to its payment obligations, under any Third Party License Agreement;

(c) Licensor shall not amend or waive, or take any action or omit to taking any action that would alter, any of Licensor's rights under any Third Party License Agreement in any manner that adversely affects, or would reasonably be expected to adversely affect, Company's rights and benefits under this Agreement. Licensor shall promptly notify Company of any default under, termination or amendment of, any Third Party License Agreement; and

(d) without limiting Section 2.4, with respect to each Existing Third Party Agreement, until such time as such Existing Third Party Agreement has been assigned to, and assumed by, Company, (i) Licensor shall not amend or terminate such Existing Third Party Agreement, or waive, or take any action or omit to take any action that would alter, any of Licensor's rights under any Existing Third Party Agreement, and (ii) Licensor shall promptly notify Company of any default under, or termination or amendment of, any Existing Third Party Agreement. In the case of any default by Licensor under an Existing Third Party Agreement, Licensor shall provide Company a reasonable opportunity to cure such default.

ARTICLE 10
INDEMNIFICATION AND INSURANCE

10.1 **Indemnification by Company**. Company shall indemnify, defend and hold Licensor and its Affiliates and each of their respective employees, officers, directors and agents (the "**Licensor Indemnitees**") harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorneys' fees) (collectively, the "**Losses**") to the extent arising out of Third

Party claims or suits to the extent arising out of: (a) the Development, sale, offer for sale, import, export and other Commercialization of the Product by or on behalf of Company, its Affiliates or Sublicensees after the Effective Date; (b) Company's gross negligence or willful misconduct; (c) Company's breach of its obligations under this Agreement; or (d) breach by Company of its representations or warranties set forth in Article 9; except, in each case (a)-(d), to the extent such Losses arise out of (i) any activities set forth in Sections 10.2(a)-(d) for which Licensor is obligated to indemnify any Company Indemnitee under Section 10.2 or (ii) any liability for which Licensor is responsible under the Supply Agreement or any other agreement between Licensor and Company.

10.2 **Indemnification by Licensor**. Licensor shall indemnify, defend and hold Company and its Affiliates and each of their respective agents, employees, officers and directors ("**Company Indemnitees**") harmless from and against any and all Losses to the extent arising out of Third Party claims or suits to the extent arising out of: (a) Licensor's Development, manufacture, use or Commercialization of the Licensor Technology and Product (including Existing Product) prior to the Effective Date; (b) Licensor's gross negligence or willful misconduct; (c) Licensor's breach of its obligations under this Agreement; or (d) breach by Licensor of its representations, warranties or covenants set forth in Article 9; except, in each case (a)-(d), to the extent such Losses arise out of any activities set forth in Sections 10.1(a)-(d) for which Company is obligated to indemnify any Licensor Indemnitee under Section 10.1.

10.3 **No Consequential Damages**. EXCEPT WITH RESPECT TO EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 10.1 OR SECTION 10.2, AS APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES BE LIABLE TO THE OTHER PARTY OR ANY OF ITS AFFILIATES FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING LOSS OF PROFITS, WHETHER IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREIN OR ANY BREACH HEREOF. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT SHALL LIMIT EITHER PARTY FROM SEEKING OR OBTAINING ANY REMEDY AVAILABLE UNDER LAW FOR ANY BREACH OF BY THE OTHER PARTY OF ITS CONFIDENTIALITY OBLIGATIONS UNDER ARTICLE 8.

10.4 **Notification of Claims; Conditions to Indemnification Obligations**. As a condition to a Party's right to receive indemnification under this Article 10, it shall: (a) promptly notify the other Party as soon as it becomes aware of a claim or suit for which indemnification may be sought pursuant hereto; (b) cooperate, and cause the individual indemnitees to cooperate, with the indemnifying Party in the defense, settlement or compromise of such claim or suit; and (c) permit indemnifying Party to control the defense, settlement or compromise of such claim or suit, including the right to select defense counsel. In no event, however, may the indemnifying Party compromise or settle any claim or suit in a manner which admits fault or negligence on the part of the indemnified Party or any indemnitee without the prior written consent of the indemnified Party. Each Party shall reasonably cooperate with the other Party and its counsel in the course of the defense of any such suit, claim or demand, such cooperation to include without limitation using commercially reasonable efforts to provide or make available documents, information and witnesses. The indemnifying Party shall have no liability under this Article 10 with respect to claims or suits settled or compromised without its prior written consent.

10.5 **Insurance**. During the Term, each Party shall obtain and maintain, at its sole cost and expense, insurance (including any self-insured arrangements) in types and amounts, that are reasonable and

customary in the United States and Taiwan, as applicable, pharmaceutical and biotechnology industry for companies engaged in comparable activities. It is understood and agreed that this insurance shall not be construed to limit either Party's liability with respect to its indemnification obligations hereunder. Each Party will, except to the extent self-insured, provide to the other Party upon request a certificate evidencing the insurance such Party is required to obtain and keep in force under this Section 10.5.

ARTICLE 11
TERM AND TERMINATION

11.1 **Term and Expiration**. The term of this Agreement (the "**Term**") shall commence on the Effective Date and, unless earlier terminated as provided in this Article 11, shall continue in full force and effect, on a country-by-country and Product-by-Product basis until the date on which the Royalty Term in such country with respect to such Product expires, at which time this Agreement shall expire in its entirety with respect to such Product in such country and the terms of Section 11.5.2(a) shall apply.

11.2 **Termination upon Material Breach**.

11.2.1 Material Breach. If a Party breaches any of its material obligations under this Agreement, the Party not in default may give to the breaching Party a written notice specifying the nature of the default, requiring it to cure such breach, and stating its intention to terminate this Agreement if such breach is not cured within [***] days. If such breach is not cured within [***] days after the receipt of such notice, the Party not in default shall be entitled to terminate this Agreement immediately by written notice to the other Party. For clarity, such material obligations may apply to the performance of either: (a) this Agreement in its entirety, in which case this provision shall apply to the entire Agreement; (b) a specific Product or Product(s), in which case this provision shall apply only to such affected Product or Product(s); or (c) a specific country or countries within the Territory, in which case this provision shall apply only to such affected country or countries.

11.2.2 Licensor Cure Period. If Licensor is the defaulting party and a material breach by Licensor is not cured within [***] days of receipt following a notice from Company under Section 11.2.1 (the "**Cure Period**"), Company may elect not to terminate this Agreement and, instead, during the period commencing at the end of the Cure Period and continuing until the end of the last Royalty Term in all countries, reduce the Development Milestone payments under Section 6.2, the Sales Milestone payments under Section 6.3 and the then applicable royalty rates under Section 6.4.1 by [***]; provided, that such reduction shall not be Company's sole remedy with respect to the breach by Licensor.

11.2.3 Material Breach Dispute. Any Dispute regarding an alleged material breach of this Agreement shall be resolved in accordance with Article 3 and Article 12. In such event, termination will be tolled and the termination will become effective only if such material breach remains uncured for the applicable cure period after the final resolution of the Dispute through such dispute resolution procedures.

11.3 **Bankruptcy Event Termination**. This Agreement may be terminated by written notice by a Party at any time during the Term in the event of a Bankruptcy Event of the other Party.

11.4 **Mutual Termination**. The Parties may terminate this Agreement in its entirety or on a country-by-country or Product-by-Product basis upon mutual written agreement.

11.5 **Effects of Termination**.

11.5.1 Survival.

(a) Notwithstanding the expiration or termination of this Agreement, the following provisions shall survive: Articles 1, 8 (solely with respect to the time period set forth in Section 8.1) and 12; and Sections 4.5 (with respect to trademark ownership), 5.1 (with respect to ownership of regulatory filings and Regulatory Approvals), 5.7, 6.9, 6.11, 6.12.1-6.12.2 (solely with respect to audits conducted within the period set forth in Section 6.12.1), 6.12.3, 7.4.5, 10.1-10.4, 11.5-11.7, 13.1, 13.2.1-13.2.4, 13.2.5 (for so long as Company has a continuing license hereunder), 13.3, and 13.5-13.18.

(b) Expiration or termination of this Agreement shall not relieve the Parties of any liability that accrued hereunder prior to the effective date of such termination. In addition, termination of this Agreement shall not preclude either Party from pursuing all rights and remedies it may have hereunder or at Law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation.

11.5.2 Licenses.

(a) As of the effective date of expiration of the Royalty Term with respect to a given Product and country, the Licensed Rights shall convert to a fully paid, royalty free, irrevocable, perpetual, exclusive, and sublicensable license under the Licensor Technology to Develop, manufacture, have manufactured, use and Commercialize such Product in the Field in such country.

(b) Upon termination of this Agreement by Licensor pursuant to Section 11.2.1 or 11.3, the following terms and conditions shall apply with respect to such Product(s) and country(ies) as are the subject of such termination:

(i) all licenses granted to Company under Section 2.1 shall terminate;

(ii) Company shall, upon written request by Licensor and within three (3) months therefrom, and subject to Licensor assuming legal responsibility for any Clinical Trials of the Existing Product then ongoing, transfer to Licensor or its Third Party designee at no cost to Licensor (except in any such case where Licensor is seeking a claim for damages from Company with respect to any such breach or termination of this Agreement, in which case Company shall be entitled to offset any costs against any such damages in an amount equal to the sum of the Development Milestone payments made by Company to Licensor prior to the commercial launch of the Existing Product) ownership and control of all regulatory filings, Regulatory Approvals and product data prepared or obtained by or on behalf of Company prior to the date of such termination, to the extent solely related to the Existing Product and country(ies) and transferable, and Company shall take any actions reasonably necessary to effect such transfer, provided Company shall have the right to retain one copy of such transferred regulatory filings, Regulatory Approvals and product data for record-keeping purposes;

(iii) Company shall, upon written request of Licensor, return to Licensor or, at Company's option, destroy, at Company's cost and expense, all relevant records and materials in its possession or control containing or comprising the Licensor Know-How, or such other Confidential Information of Licensor, to the extent solely related to such Product(s) and country(ies); provided, however, that Company shall have the right to retain one copy of such Licensor Know-How and such other Confidential Information of Licensor for archival purpose;

(iv) Company shall, at Licensor's election within thirty (30) days following termination, sell such materials (in whole or in part) to Licensor at a price equal to Company's costs of goods. Any clinical supplies of such Product(s) or other materials purchased by Licensor from Company shall be purchased on an "as is" basis with no representations or warranties. In the event that Licensor does not make an election within such thirty (30) day period or elects not to purchase such materials, Company shall have the right to (A) destroy or retain any and all chemical, biological or physical materials relating to or comprising such Product(s), including clinical supplies of such Product(s), that are Controlled by Company to the extent solely related to such country(ies) or (B) sell such materials to a Third Party;

(v) To the extent not prohibited by Law, Company shall wind down any ongoing Clinical Trials to the extent solely related to such Product(s) and country(ies);

(vi) Company and its Affiliates and Sublicensees shall be entitled, during the [***] month period following such termination, to sell any commercial inventory of such Product(s) which remains on hand as of the date of the termination, so long as Company pays to Licensor the royalties applicable to said subsequent sales in accordance with the terms and conditions set forth in this Agreement. Any commercial inventory remaining following [***] month period shall be offered for sale to Licensor at a price equal to Company's costs of goods; and

(vii) Upon any termination of this Agreement, each of Company's Sublicensees shall continue to have the rights and license set forth in its sublicense agreements, which agreements shall be automatically assigned to Licensor, to the extent solely related to such Product(s) and country(ies); provided, however, that such Sublicensee is not then in breach of any of its material obligations under its sublicense agreement.

11.6 **Additional Effects of Termination for a Licensor Bankruptcy Event**.

11.6.1 Continuing Rights. The Parties agree that Company, as licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code. The Parties further agree that, in the event of a Licensor Bankruptcy Event, Company shall be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property and all embodiments of such intellectual property, which, if not already in Company's possession, shall be promptly delivered to it (a) following any such commencement of a bankruptcy proceeding upon Company's written request therefor, unless Licensor elects to continue to perform all of its obligations

under this Agreement or (b) if not delivered under clause (a), following the rejection of this Agreement by Licensor upon written request therefor by Company.

11.6.2 Right of First Refusal. In addition to the foregoing, in the event of a Licensor Bankruptcy Event, Company shall, to the extent allowed by Law (including to the extent enforceable under the Laws of Taiwan), have a right of first refusal to purchase all of Licensor's interest in the Product and the Licensor Technology (the "**Right of First Refusal**"). The Right of First Refusal shall operate as follows:

(a) Licensor (or other authorized representative of Licensor, including a bankruptcy trustee) shall promptly send to Company a reasonably detailed written notification of any Licensor Bankruptcy Event.

(b) Licensor (or other authorized representative of Licensor, including a bankruptcy trustee) shall promptly send to Company a written notification of any Third Party offer made on Product or Licensor Technology. For a period of up to [***] after Company receives such notice (such period, the "**Right of First Refusal Notice Period**"), it shall notify Licensor of its intention to exercise its Rights of First Refusal. In the event Company exercises its Right of First Refusal, the terms of the Third Party offer shall become binding upon Company and Licensor. For the avoidance of doubt, Licensor shall not enter into any agreement with a Third Party relating to Licensor's interest in the Products or Licensor Technology during the Right of First Refusal Notice Period.

11.7 **Other Remedies**. Termination of this Agreement for any reason shall not release either Party from any liability or obligation that already has accrued prior to such termination. Termination of this Agreement for any reason shall not constitute a waiver or release of, or otherwise be deemed to prejudice or adversely affect or limit, any rights or remedies that otherwise may be available at Law or in equity.

ARTICLE 12
DISPUTE RESOLUTION

12.1 **General**. The Parties recognize that disputes ("**Disputes**") as to certain matters may from time to time arise during the Term which relate to either Party's rights and/or obligations hereunder. It is the objective of the Parties to establish under this Article 12 procedures to facilitate the resolution of Disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to litigation.

12.2 **Escalation to Executive Officers**. Either Party may, by written notice to the other Party, request that a Dispute that remains unresolved by the Parties or the JSC for a period of thirty (30) days be submitted to the Executive Officers for resolution. If the Executive Officers cannot resolve such Dispute within thirty (30) days after referral of such Dispute to them, then, at any time after such thirty (30) day period, either Party may refer such Dispute to arbitration by submitting a written notice of such request to the other Party.

12.3 **Arbitration**.

12.3.1 Disputes. The Parties hereby agree that, except as otherwise expressly set forth herein, in the event the Parties are unable to resolve any Dispute after referring such Dispute to the Executive Officers, the Dispute shall be settled by binding arbitration administered by the

International Chamber of Commerce ("**ICC**") in accordance with its Rules of Arbitration (the "**Rules**"). Either Party may refer any Dispute to arbitration by submitting a written notice of such request to the other Party.

12.3.2 Arbitrators. Any arbitration shall be presided over by three (3) arbitrators. Each Party shall select one (1) arbitrator, and such selected arbitrators shall mutually agree upon the third arbitrator who shall act as the chairman of the arbitration panel. If either Party fails or both Parties fail to choose an arbitrator or arbitrators within thirty (30) days after receiving notice of commencement of arbitration or if the two (2) arbitrators fail to choose a third arbitrator within thirty (30) days after their appointment, then either or both Parties shall immediately request that the ICC select the remaining number of arbitrators to be selected. The arbitrators shall be neutral and independent of the Parties and their respective Affiliates, and may not be current or former directors, officers or employees of the Parties or their respective Affiliates. No Party may have any *ex parte* discussion with any potential arbitrator, except for confirming if such arbitrator is willing and able to serve on the arbitration panel. All arbitrators shall have ten (10) or more years of experience in the pharmaceutical and biotechnology industries, shall have appropriate experience with respect to the matter(s) to be arbitrated, and shall have some experience in mediating or arbitrating issues relating to such agreements.

12.3.3 Arbitration Process. The seat of the arbitration shall be New York, New York, USA. The arbitrators shall set a date for a hearing that shall be held no later than sixty (60) days following the appointment of the last of such three (3) arbitrators. The Parties shall have the right to be represented by counsel. No less than thirty (30) days prior to the hearing, each Party shall submit the following to the other Party and the arbitration panel: (a) a copy of all exhibits on which such Party intends to rely in any oral or written presentation to the panel; (b) a list of any witnesses such Party intends to call at the hearing, and a short summary of the anticipated testimony of each witness; and (c) a brief in support of such Party's proposed rulings and remedies; provided that the brief shall not exceed twenty-five (25) pages. This page limitation shall apply regardless of the number of issues raised in the arbitration proceeding. The arbitrators shall determine what discovery will be permitted in accordance with the Rules, consistent with the goal of reasonably controlling the cost and time that the Parties must expend for discovery; provided, however, that the arbitrators shall permit discovery as they deem proportionate to the issues in dispute. The arbitration panel shall have sole discretion regarding the admissibility of any evidence, except statements made during settlement negotiations and affidavits prepared for the purposes of the hearing shall not be admissible. Within ten (10) days following completion of the hearing, each Party may submit to the other Party and the panel a post-hearing brief in support of its proposed rulings and remedies; provided that such brief shall not contain or discuss any new evidence and shall not exceed ten (10) pages. This page limitation shall apply regardless of the number of issues raised in the proceeding.

12.3.4 Decision of Arbitrators. The arbitrators shall use their best efforts to rule on each disputed issue within thirty (30) days after completion of the hearing described in Section 12.3.3. The determination of the arbitrators as to the resolution of any Dispute shall be binding and conclusive upon the Parties, absent manifest error. All rulings of the arbitrators shall be in writing and shall be delivered to the Parties as soon as is reasonably possible.

12.3.5 Awards. Any award to be paid by one Party to the other Party as determined by the arbitrators as set forth above under this Section 12.3 be promptly paid in USD free of any Tax, deduction or offset, and any costs, fees or Taxes incident to enforcing the award shall,

to the maximum extent permitted by Law, be charged against the Party resisting enforcement. Each Party agrees to abide by the award rendered in any arbitration conducted pursuant to this Section 12.3, and agrees that, subject to the Federal Arbitration Act, judgment may be entered upon the final award in a court of competent jurisdiction and that other courts may award full faith and credit to such judgment in order to enforce such award.

12.3.6 Costs and Expenses. The Parties agree that they shall share equally in the joint costs associated with the arbitration hearing(s) and any procedural conferences (location, stenographer and similar), the fees and expenses of any independent expert retained by the arbitrators, if any, and the fees and expenses of the arbitrators (as set forth above) and administrative fees and expenses of ICC. Each Party shall bear its own costs and attorneys' and witnesses' fees and associated costs and expenses. The existence and substance of the arbitration proceedings and the decision of the arbitrators shall be kept confidential by the Parties and the arbitrators except to the extent disclosure may be necessary to conduct the arbitration, or in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision.

12.4 **Injunctive Relief**. Notwithstanding anything to the contrary in this Agreement, either Party will have the right to seek temporary injunctive or preliminary equitable relief pending final resolution of any Dispute under Section 12.3, in any court of competent jurisdiction as may be available to such Party under Law in such jurisdiction with respect to any matters arising out of the other Party's performance or breach of its obligations under this Agreement.

ARTICLE 13
MISCELLANEOUS PROVISIONS

13.1 **Relationship of the Parties**. Nothing in this Agreement is intended or shall be deemed, for financial, Tax, legal or other purposes, to constitute a partnership, agency, joint venture or employer-employee relationship between the Parties.

13.2 **Assignment**.

13.2.1 Assignment Generally. Except as expressly provided herein, neither this Agreement nor any interest hereunder shall be assignable, nor any other obligation delegable, by Licensor without the prior written consent of Company (not to be unreasonably withheld or delayed).

13.2.2 Assignment by Company. Except as expressly provided herein, neither this Agreement nor any interest hereunder shall be assignable, nor any other obligation delegable, by Company without the prior written consent of Licensor (not to be unreasonably withheld, conditioned or delayed); provided, however, that Company may, without the prior written consent of Licensor, assign this Agreement to an Affiliate or to any Third Party in connection with a Change of Control or sale of all or substantially all of its assets to which this Agreement relates.

13.2.3 Continuing Obligations. No assignment under this Section 13.2 shall relieve the assigning Party of any of its responsibilities or obligations hereunder and, as a condition of such assignment, the assignee shall agree in writing to be bound by all obligations of the assigning Party hereunder. This Agreement shall be binding upon the successors and permitted assigns of the Parties.

13.2.4 Void Assignments. Any assignment not in accordance with this Section 13.2 shall be void.

13.2.5 Assignment of Licensor Technology. Licensor shall not assign or transfer any Licensor Technology to any of its Affiliates without the prior written consent of Company unless such Affiliate agrees in writing to be bound by all obligations of Licensor.

13.3 **Performance and Exercise by Affiliates**. Company shall have the right to have any of its obligations hereunder performed, or its rights hereunder exercised, by, any of its Affiliates and the performance of such obligations by any such Affiliate shall be deemed to be performance by Company; provided, however, that Company shall be responsible for ensuring the performance of its obligations under this Agreement and that any failure of any Affiliate performing obligations of Company hereunder shall be deemed to be a failure by Company to perform such obligations. For clarity, the foregoing means that Company may designate an Affiliate to perform its obligations hereunder or to be the recipient of Licensor's performance obligations hereunder.

13.4 **Competition**. In the event (a) of a Change of Control of Licensor in which a Company Competitor acquires control (as defined in Section 1.2) of Licensor or (b) Licensor or its Affiliates (i) file for or receive Regulatory Approval for a Competing Product for the Contemplated Indications in the Territory or (ii) are Commercializing a Competing Product in the Territory with off-label prescription for at least [***] or use in the Territory for the Contemplated Indications ("**Competitive Action**"), then as from the date of such Change of Control or the date on which Licensor or its Affiliates begin such Competitive Action, Company shall cease to have obligations to provide royalty reports to Licensor or its successor entity or share any market information pursuant to Section 4.2.1 and the JSC shall be immediately disbanded. In the event that such reporting obligations cease and the JSC is disbanded as a result of Competitive Action, such reporting obligations and the JSC will be resumed at the time when (x) Licensor or its Affiliates grants an exclusive (even as to Licensor and its Affiliates) license to a Third Party to research, develop, manufacture and commercialize the Competing Product for the entire Territory or (y) all Competitive Action ceases.

13.5 **Further Actions**. Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

13.6 **Accounting Procedures**. Each Party shall calculate all amounts, and perform other accounting procedures required, under this Agreement and applicable to it in accordance with GAAP.

13.7 **Force Majeure**. Neither Party shall be liable to the other Party or be deemed to have breached or defaulted under this Agreement for failure or delay in the performance of any of its obligations under this Agreement for the time and to the extent such failure or delay is caused by or results from acts of God, earthquake, riot, civil commotion, terrorism, war, strikes or other labor disputes, fire, flood, failure or delay of transportation, omissions or delays in acting by a governmental authority, acts of a government or an agency thereof or judicial orders or decrees or restrictions or any other reason which is beyond the control of the respective Party. The Party affected by force majeure shall provide the other Party with full particulars thereof as soon as it becomes aware of the same (including its best estimate of the likely extent and duration of the interference with its activities) and will use Commercially Reasonable Efforts to overcome the difficulties created thereby and to resume performance of its obligations hereunder as soon as practicable.

13.8 **No Trademark Rights**. No right, express or implied, is granted by this Agreement to a Party to use in any manner the name or any other trade name or trademark of the other Party in connection with the performance of this Agreement or otherwise.

13.9 **Entire Agreement of the Parties; Amendments**. This Agreement and the Schedules and Exhibits hereto constitute and contain the entire understanding and agreement of the Parties respecting the subject matter hereof and cancel and supersede any and all prior negotiations, correspondence, understandings and agreements between the Parties, whether oral or written, regarding such subject matter. No waiver, modification or amendment of any provision of this Agreement shall be valid or effective unless made in a writing referencing this Agreement and signed by a duly authorized officer of each Party.

13.10 **Captions**. The captions to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement.

13.11 **Governing Law**. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York, USA, excluding application of any conflict of laws principles that would require application of the Law of a jurisdiction outside of State of New York, USA.

13.12 **Notices and Deliveries**. Any notice, request, approval or consent required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person or transmitted by express courier service (signature required) to the Party to which it is directed at its address shown below or such other address as such Party shall have last given by notice to the other Party.

If to Company, addressed to:

Liquidia Technologies, Inc.
419 Davis Drive, Suite 100
Morrisville, North Carolina 27560
USA
Attention: General Counsel
Email: legal@liquidia.com

With a copy, which shall not constitute notice, to:

DLA Piper LLP (US)
51 John F. Kennedy Parkway, Suite 120
Short Hills, New Jersey 07078
USA
Attention: Andrew P. Gilbert
Email: andrew.gilbert@us.dlapiper.com

If to Licensor, addressed to:

Pharmosa Biopharm Inc.
3F.-3, No. 66, Sanchong Road
Nangang District, Taipei City 11502
Taiwan
Attention: Pei Kan/ Weishu Lu
Email: peikan@pharmosa.com.tw/ Weishu.lu@pharmosa.com.tw

With a copy, which shall not constitute notice, to:

K&L Gates
30F, No. 95. Dun Hua S. Road, Section 2
Ta-an District, Taipei City 106
Taiwan
Attention: Jacqueline Fu
Email: jacqueline.fu@klgates.com

13.13 **Language.** The official language of this Agreement and between the Parties for all correspondence shall be the English language.

13.14 **Waiver**. A waiver by either Party of any of the terms and conditions of this Agreement in any instance shall not be deemed or construed to be a waiver of such term or condition for the future, or of any other term or condition hereof. All rights, remedies, undertakings, obligations and agreements contained in this Agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of either Party.

13.15 **Severability**. When possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under Law, but if any provision of this Agreement is held to be prohibited by or invalid under Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. The Parties shall make a good faith effort to replace the invalid or unenforceable provision with a valid one which in its economic effect is most consistent with the invalid or unenforceable provision.

13.16 **No Implied License**. No right or license is granted to Licensor hereunder by implication, estoppel, or otherwise to any know-how, patent or other intellectual property right owned or controlled by Company or its Affiliates.

13.17 **Interpretation**. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references herein to Articles, Sections, Schedules and Exhibits shall be deemed references to Articles and Sections of, and Schedules and Exhibits to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP. Unless the context otherwise requires, countries shall include territories.

13.18 **Counterparts**. This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. A facsimile or a portable document format (PDF) copy of this Agreement, including the signature pages, will be deemed an original.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, duly authorized representatives of the Parties have executed this Agreement as of the Effective Date.

PHARMOSA BIOPHARM INC.	**LIQUIDIA TECHNOLOGIES, INC.**
Signature: /s/ Pei Kan	Signature: /s/ Roger Jeffs
Printed Name: Pei Kan	Printed Name: Roger Jeffs
Title: President	Title: CEO

[Signature Page to License Agreement]

Schedule 1.23

Existing Product

[***]

Schedule 1.24

Existing Third Party Agreements

[***]

Schedule 1.35

Licensor Know-How

[***]

Schedule 1.36

Licensor's Knowledge Individuals

[***]

Schedule 1.38

Licensor Patents

[***]

Schedule 2.3

Licensor Technology Transfer Plan

[***]

Schedule 4.3

Supply Agreement Key Terms

The terms outlined below, together with any terms contained or described in the Agreement, will serve as the basis for the definitive Supply Agreement between the Parties. Unless otherwise set forth herein, capitalized terms shall have the meanings ascribed to them in the Agreement.

CLINICAL SUPPLY TERMS	
Clinical Supply Obligation	During the term of the Supply Agreement, Company may deliver purchase orders to Licensor for the manufacture and supply of Filled Ampules for the development of Product in the Territory (including use of Filled Ampules in clinical trials). Within [***] following Company's issuance of each purchase order, Licensor shall acknowledge receipt and acceptance of such purchase order; provided, that Company provides at least [***] of lead time for such purchase order. In the event that Company does not provide such minimum lead time for such purchase order, Licensor shall be permitted to reject any amounts ordered without such minimum lead time; provided, however, that Licensor shall use commercially reasonable efforts to manufacture and supply all such Filled Ampules to Company in such requested delivery date set forth in such purchase order. In the event that Licensor fails to reject in writing to Company any purchase order hereunder within [***] following issuance from Company, such purchase order shall be deemed accepted by Licensor and Licensor shall be responsible for manufacturing and supplying all quantities of Filled Ampules thereunder in accordance with the terms of such purchase order. The purchase order shall be placed in a number of Filled Ampules equal to a multiple of Licensor's standard batch size (the "**Order Size Requirement**"). Company will use reasonable efforts to satisfy its clinical supply requirements through the submission of no more than [***] orders per year.
Clinical Supply Price	[***] of the Manufacturing Cost. "**Manufacturing Cost**" means the actual and verifiable costs and expenses paid by Licensor to one (1) or more Third Parties for the manufacture and supply of the Filled Ampules, including but not limited to, Licensor's external, out-of-pocket costs of materials, production, factory overhead, quality control, quality assurance, bulk and finished packaging, transportation and insurance. Licensor will invoice Company for (i) [***] of the estimated price at the time of Licensor's acceptance or deemed acceptance of the purchase order, and (ii) the balance upon delivery of the Filled Ampules. Company will pay within thirty (30) days upon receipt of each invoice.
Remaining Shelf Life at Time of Delivery for Clinical Supply	At a minimum, each Filled Ampule shall, at the time of delivery, have at least a number of months of shelf life remaining equal to the greater of (i) the number of months equal to the approved shelf life for the Filled Ampules minus [***] and (ii) [***].
COMMERCIAL SUPPLY TERMS	
Commercial Supply Obligation	Forecast. Commencing [***] prior to anticipated launch of the first Product in the Territory and on or before the last day of the first month of each calendar quarter thereafter, Company will provide Licensor with a

	written rolling forecast (each, a "**Forecast**") of Company's quarterly anticipated orders of Filled Ampules for commercialization in the Territory for the following [***] (commencing with the calendar quarter immediately following the calendar quarter in which such Forecast is delivered), which forecast shall be broken down on a quarterly basis. The first [***] of each Forecast shall be binding and Company shall be required to deliver to Licensor with its Forecast a purchase order for the [***] of the binding Forecast (for clarity, the [***] of each Forecast will be covered by earlier submitted purchase orders). The Forecast and the purchase orders shall be provided in compliance with the Order Size Requirement. Acceptance and Delivery. Licensor shall, within [***] of receipt of a purchase order, confirm in writing that a purchase order has been accepted. Subject to the Company's compliance with the Order Size Requirement, Licensor shall be required to accept and fulfill the purchase orders (or portions thereof, as applicable) which are provided to Licensor in accordance with the terms and conditions of the Supply Agreement; provided, however, that the quantity of Filled Ampules in a given purchase order is no more than [***] or less than [***] of the quantity forecasted for such quarter when such quarter was in the binding portion of the Forecast. Should Company request Filled Ampules in excess of [***] of the quantity forecasted for such quarter when such quarter was in the binding portion of the latest Forecast, then Licensor shall use commercially reasonable efforts to meet such request. Licensor shall deliver Filled Ampules to satisfy each purchase order (including with respect to the delivery dates, delivery locations, quantities and other terms set forth therein). In the event that Company orders less than [***] of Filled Ampules in the aggregate in any [***], Licensor shall not be liable for failure to deliver the Filled Ampules in quantities up to [***] quantity due to batch failure either in the event of shortage in quantity or total batch failure. For the avoidance of doubt, in the case of shortage in quantity in a particular batch instead of a total batch failure, Company will still pay for the remaining Filled Ampules in that batch duly delivered in accordance with the terms of the Supply Agreement.
Commercial Supply Price	[***] of the Manufacturing Cost. Licensor will invoice Company for (i) [***] of the estimated price at the time of Licensor's acceptance or deemed acceptance of the purchase order, and (ii) the balance upon delivery of the Filled Ampules. Company will pay within thirty (30) days upon receipt of each invoice.
Remaining Shelf Life at Time of Delivery for Commercial Supply	At a minimum, each Filled Ampule shall, at the time of delivery, have at least a number of months of shelf life remaining equal to the greater of (i) the number of months equal to the approved shelf life for the Filled Ampules minus [***] and (ii) [***].
Cooperation to Improve Terms of Commercial Supply	Licensor and Company shall reasonably cooperate to improve the efficiency of Licensor's commercial supply chain, including Licensor's costs, payment terms to vendors, lead times and approved shelf life. In the event any such improvements are achieved, Licensor and Company shall amend the commercial supply terms to pass through the benefit of such improvements to Company.

TERMS COMMON TO CLINICAL AND COMMERCIAL SUPPLY	
Specifications and Product Warranties	The Supply Agreement shall set forth the release specifications for Filled Ampules (the "**Specifications**"). The Filled Ampules will be packaged in pouches for delivery and Company shall be responsible for the secondary outer packaging and labeling. In addition to other representations and warranties to be set forth in the Supply Agreement, Licensor will represent and warrant that the Filled Ampules shall be manufactured (a) to meet the Specifications, (b) in compliance with cGMP (to be defined in the Supply Agreement), (c) in compliance with applicable law and (d) in compliance with the Regulatory Approvals. Without limiting the foregoing, Licensor shall further represent and warrant that (i) the Filled Ampules will not be adulterated or mislabeled within the meaning of the U.S. Federal Food, Drug and Cosmetic Act or any similar law of any other jurisdiction, (ii) the Filled Ampules will not be an article which may not, under the provisions of the U.S. Federal Food, Drug and Cosmetic Act or any similar law of any other jurisdiction, be introduced into interstate commerce in the Territory, (iii) the Filled Ampules and its method of manufacture do not and will not infringe any letters patent or any extension thereof, copyrights, trade secrets, know-how, trademarks or any other intellectual property rights of a Third Party, or breach any confidentiality or non-use obligation owed to a Third Party, (iv) the Filled Ampules are in a form suitable for packaging and labeling by or on behalf of Company (or its Affiliate or designee) and ultimate distribution, sale and/or other exploitation in the Territory and (v) all Filled Ampules will be free and clear of all liens and encumbrances other than statutory lien on the payment not yet due (the "**Product Warranties**").
Delivery Terms	Licensor shall deliver or arrange for delivery of Filled Ampules to a carrier designated by Company in the applicable purchase order, EXW (Incoterms 2020), Licensor's (or, as the case may be, its Affiliate's or designee's) facility as indicated in the applicable purchase order.
Defective Product	If Company claims that any Filled Ampules did not meet any Product Warranty, Company shall notify Licensor thereof in writing within thirty (30) days after Company's discovery and confirmation of such defect. At Licensor's request, Company shall forward for inspection a representative sampling of the Filled Ampules that is the subject of Company's claim. Licensor shall, as soon as is reasonably practicable, inspect such samples. If Licensor concurs with Company's claim, Licensor shall (at Company's option) either replace (as soon as reasonably practicable) the defective Filled Ampules without any cost to Company or credit or refund Company for the amount of the Supply Price for such quantities of Filled Ampules. If Licensor disagrees with Company's claim and the Parties are unable to resolve their differences, then either Party may refer the matter to an independent specialized firm of international reputation agreeable to both Parties for final analysis, which shall be a final resolution of such issue, binding on both Parties. If the Filled Ampules are determined to have met the warranty any Product Warranty, then Company shall bear the cost of the foregoing independent specialized firm and the independent laboratory testing. If the Filled Ampules are determined not to

	have met the Product Warranties, then Licensor shall bear the costs of such independent specialized firm and laboratory testing and Licensor shall (at Company's option) either replace (as soon as reasonably practicable) the defective Filled Ampules without any cost to Company or credit Company for the amount of the Supply Price of such quantities of Filled Ampules.
OTHER TERMS	
Supply Redundancy	Company shall have the right, at its own cost and expense, to qualify and maintain a secondary site outside Taiwan for each stage of the manufacture of Filled Ampules and each supplier of materials, components and processes necessary for the manufacture of Filled Ampules if the primary site (a "**Primary Site**") under Licensor's existing supply chain as of the Effective Date is in Taiwan ("**Company Secondary Sites**"), and Licensor shall provide reasonable assistance necessary or desirable for the qualification and maintenance of the secondary site at reasonable, mutually agreed upon charges to Company. With respect to any materials, components and processes sourced from Primary Sites outside of Taiwan, Company shall have the right to source, directly from such Primary Site or any applicable Licensor Secondary Site (or their respective affiliates) or indirectly through Licensor, any and all materials, components and processes necessary for Company Secondary Sites to perform their respective manufacturing activities for their respective stages. Licensor may, at its sole discretion, at its own cost and expense, qualify and maintain a secondary site for each stage of the manufacture of Filled Ampules and each supplier of materials, components and processes necessary for the manufacture of Filled Ampules ("**Licensor Secondary Sites**", together with Licensor's current sites, "**Licensor Sites**")). Licensor shall ensure that all of Licensor Sites, and Company shall ensure that all of Company Secondary Sites, for the manufacture of Filled Ampules and all of their respective suppliers of materials, components and processes necessary for the manufacture of Filled Ampules are in a qualified and validated state appropriate for inclusion as a manufacturing site for Filled Ampules (or any portion thereof) as required by the applicable Governmental Body and in the Regulatory Approvals. After a Company Secondary Site for a stage has been fully qualified and all applicable regulatory approvals obtained, the manufacture of Filled Ampules (or portion thereof) and the supply of materials, components and processes necessary for the manufacture of Filled Ampules may be allocated between the Company Secondary Site and the Licensor Site for such stage in a manner to ensure that each site is able to supply Company's and/or its Affiliates (and other designees) requirements expeditiously if the need arises; provided that Company and Licensor shall reasonably cooperate and use good faith efforts to work together to set and meet any reasonable minimum purchase requirements of Primary Sites for supply of Filled Ampules, if any. If Company is using a Licensor Site outside Taiwan for the Company Secondary Site, the Parties shall use reasonable efforts to align and coordinate the manufacture schedules of such site, and such site shall fulfil the Parties' orders through an allocation reasonably determined by Company taking into consideration demand and upstream supply requirements. Further, Licensor Technology and the equipment

	supplied by Licensor shall not be used to manufacture any products for Company or its Affiliates other than the Products. As between the Parties, Company shall be responsible for obtaining the Regulatory Approvals for qualifying and maintaining Licensor Sites for the manufacture of Filled Ampules for the Field in the Territory.
Tech Transfer	Once a Company Secondary Site is identified, upon Company's request, Licensor shall provide reasonable technical assistance to Company and its Affiliates (and the Third Party contract manufacturer for such Company Secondary Site "**CMO**") at reasonable, mutually agreed upon charges with respect to Company's and its Affiliate's (and any CMO's) receipt, adoption and establishment of the manufacturing process, including: (a) making available a reasonable number of appropriately trained personnel to provide, on a mutually convenient timetable, technical assistance with respect to such transfer, (b) using commercially reasonable efforts to promptly assist Company and its Affiliates (and any CMO) in obtaining all necessary regulatory approvals and/or modifying existing health authorizations for the manufacture of Filled Ampules by Company, its Affiliate and/or a CMO at such Company Secondary Site, (c) allowing Company and its Affiliates (and any CMO) to cross reference Licensor's (and its Affiliate's) regulatory filings (such as a drug master file) and such other regulatory submissions controlled by Licensor (or its Affiliates) applicable to the Filled Ampules, as the case may be, (d) supplying analytical test methods and other testing know-how including method validation required to perform release testing or other testing as may be required by the applicable Regulatory Authority, and (e) upon request by Company, providing Company and its Affiliates (and any CMO) with appropriate quantities of reference standards related to Product in order to facilitate its testing.
Audit Rights	Licensor shall permit (and shall ensure that its Affiliates and any Third Parties involved in the manufacture of Filled Ampules permit) one or more qualified technical specialists from Company (or its Affiliate or its designees, as applicable), at Company's cost, upon reasonable prior notice and during normal business hours, to conduct one (1) annual audit of each manufacturing facility (and any other facility that is involved in the manufacture of Filled Ampules); provided, however, that in the case of a "for cause" audit, Company (or its Affiliate or its designees, as applicable) shall have the right to perform additional audits at any time (regardless of any other audits Company may have conducted during a given year) upon reasonable prior notice. Licensor shall use commercially reasonable efforts to provide a written response to any audit findings within one (1) month of receipt of such observations and conclusions. The Parties will discuss such response and Licensor shall promptly implement (and cause to be implemented) corrective actions.
Ongoing Stability Studies	For purposes of extending the permitted dating of the Filled Ampules, Licensor shall, at its own expense, (a) continue performing all stability studies ongoing at the Effective Date with an objective to achieve [***] stability dating for the Filled Ampules, and (b) conduct, in addition to those studies set forth in subsection (a), an on-going program of annual stability testing, in each case of subsection (a) and (b), in accordance with Licensor's current protocol and otherwise meeting all requirements of

	cGMP, applicable laws, the Specifications and Regulatory Approvals, on samples from all batches of Filled Ampules. Such stability testing shall be stability indicating. In the event that Licensor detects any out of Specification results, or any negative trends and/or degradant in excess of approved limits in connection with such testing, Licensor shall notify Company in the manner set forth in the Quality Agreement. Licensor shall specifically incorporate such additional testing and controls *(e.g.,* storage condition changes) as Company may reasonably specify with respect to such instability and/or degradant. In addition, Licensor shall place a number of batches, as reasonably instructed by Company, of Filled Ampules on stability following the implementation of any change request. Furthermore, any batch of Filled Ampules manufactured with one or more significant deviations should be assessed for possible inclusion in stability studies. Licensor is responsible to perform stability testing on Filled Ampules to support shipping conditions and/or temperature excursions that may occur during shipping and make available to Company such data.
Quality Agreement	The Parties shall negotiate in good faith and use commercially reasonable efforts to enter into the Quality Agreement within ninety (90) days after the effective date of the Supply Agreement, which Quality Agreement will set out the policies, procedures and standards by which the Parties and any Affiliates will coordinate and implement (or cause its Third Party contract manufacturers to coordinate and implement, as applicable) the operation and quality assurance activities and regulatory compliance objectives contemplated under the Supply Agreement.
Term and Termination	The Supply Agreement shall commence on the effective date (as set forth therein) and, unless earlier terminated, continue in effect until expiration of the last Royalty Term under the Agreement. Either Party shall be permitted to terminate the Supply Agreement (a) for an uncured material breach of the other Party, (b) in the event of the bankruptcy of the other Party or (c) in the event that the other Party is unable to perform due to force majeure, in each case as shall be more fully set forth in the Supply Agreement. Company shall also be permitted to terminate the Supply Agreement immediately in the event of a Change of Control of Licensor (to be defined in the Supply Agreement) in which a Company Competitor acquires control of Licensor.
Additional Terms	Other terms, conditions and provisions as are usual and customary for an agreement of this type, including, without limitation, representations, warranties, insurance, indemnification, dispute resolution and confidentiality will be negotiated and agreed upon between the Parties in the Supply Agreement.

Schedule 5.4.1

Regulatory Transition Plan

[***]

Schedule 6.9

Form of Royalty Report

[***]

Schedule 8.5.1

Initial Press Release

Liquidia Corporation and Pharmosa Biopharm Announce Collaboration for Sustained-Release Inhaled Treprostinil Product in North America

- Liquidia exclusively licenses North American rights to L606, an inhaled formulation of treprostinil administered twice-daily with a short duration, next-generation nebulizer
- Liquidia funds $10 million upfront payment from finance agreement with HealthCare Royalty
- Pharmosa to receive up to $215 million in development and sales milestones for PAH and PH-ILD indications, $10 million for each additional approved indication and additional product, and royalties on net sales of L606
- Creates industry leading portfolio in rapidly expanding market for inhaled treprostinil
- Liquidia to host webcast today at 8:30 a.m. Eastern Time

MORRISVILLE, N.C., [June X], 2023 – Liquidia Corporation (NASDAQ: LQDA) (Liquidia or the Company) and Pharmosa Biopharm (Pharmosa) today announced that they have entered into an exclusive licensing agreement for the development and commercialization in North America of L606, an inhaled, sustained-release formulation of treprostinil currently being evaluated in a clinical trial for the treatment of pulmonary arterial hypertension (PAH) and pulmonary hypertension associated with interstitial lung disease (PH-ILD).

Roger Jeffs, Chief Executive Officer of Liquidia, stated: "L606 is the perfect life-cycle complement to our pipeline and furthers our mission to provide innovative treatment options that improve the lives of patients suffering from PAH or PH-ILD. As already observed in the ongoing Phase 3 open-label study of PAH patients, Pharmosa's novel liposomal formulation offers potential to improve patient convenience and compliance with twice-daily dosing using a short-duration, next-generation nebulizer. More importantly, we believe that the inhaled drug-device combination may provide best-in-class treprostinil exposure over a 24-hour period, including during sleeping hours, which could translate to improved efficacy, tolerability, and patient outcomes. Our investment in this collaboration, alongside our continued preparation for a potential launch of YUTREPIA™ (treprostinil) inhalation powder, are clear examples of Liquidia's long-term commitment to addressing unmet needs in treating pulmonary hypertension and enabling choice based on patients' preferences and circumstances."

Pei Kan, Ph.D., President of Pharmosa, added: "Liquidia is the ideal partner to bring L606 to the North American market. Liquidia has shown an unflinching determination to bring novel products to patients, and provides clear synergies with their commercial effort, clinical expertise and deep relationships with key opinion leaders. Pharmosa will focus on advancing its sustained-release liposomal technology which has demonstrated in L606 the ability to dramatically reduce maximum systemic drug concentrations while significantly increasing local concentrations deep in the lung."

Under the agreement, Liquidia will be responsible for development, regulatory and commercial activities of L606 in North America. Pharmosa will manufacture clinical and commercial supplies of L606 and support Liquidia in establishing a redundant global supply chain. In consideration for these exclusive rights, Liquidia will pay Pharmosa an upfront payment of $10 million, potential development and sales milestone payments of up to $215 million tied to PAH and PH-ILD indications, and two tiers of low, double-digit royalties on net sales of L606. Pharmosa will also receive a $10 million milestone payment for each additional indication and additional product approved. Liquidia retains the first right to negotiate for development and commercialization of L606 in Europe and other territories should Pharmosa seek a partner, subject to satisfaction of certain conditions as set forth in the license agreement.

Liquidia intends to seek first regulatory approval of L606 in the United States under the 505(b)(2) regulatory pathway. The planned New Drug Application (NDA) is expected to include: (i) the completed Phase 1 trial demonstrating tolerability and comparable pharmacokinetics to nebulized Tyvaso (treprostinil) inhalation solution; (ii) clinical data from the on-going, open-label Phase 3 study in the United States in PAH and PH-ILD patients; and (iii) clinical data from a double-blind, randomized, placebo-controlled study to evaluate treatment of PH-LD patients with L606. Liquidia intends to initiate the PH-ILD trial in first half of 2024.

In support of today's announcement, HealthCare Royalty (HCRx) will fund Liquidia $10.0 million from the Revenue Interest Financing Agreement (RIFA) announced in January 2023. The RIFA included a $7.5 million financing tranche at Liquidia's discretion to support any acquisition of rights to a clinical stage or commercial stage biopharmaceutical product to diagnose, prevent, or treat pulmonary hypertension. In connection with the transaction with Pharmosa, HCRx has agreed to advance an additional $2.5 million from the $25 million fourth tranche under the RIFA, which was to be funded upon the mutual election of both Liquidia and HCRx. Today's announcement does not impact the $35 million tranche that will be available to Liquidia upon favorable resolution of the ongoing patent litigation with United Therapeutics Corporation. Total proceeds funded to Liquidia by HCRx are now $42.5 million of the up to $100 million contemplated by the RIFA. As previously announced, HCRx will receive a tiered royalty on net revenue generated by YUTREPIA and other products marketed by Liquidia. The aggregate payments to HCRx are capped at 175% of the total amounts advanced by HCRx, with the potential for a true-up payment to be made by Liquidia if HCRx's internal rate of return is less than 18% on the date the cap is reached.

Conference Call

Liquidia will host a webcast call today at 8:30 a.m. Eastern Time. To listen to the webcast, please visit https://liquidia.com/investors/events-and-presentations.

About L606 (liposomal treprostinil) inhalation suspension

L606 is an investigational, liposomal formulation of treprostinil administered twice-daily with a short-duration next-generation nebulizer. The L606 suspension uses Pharmosa's proprietary liposomal formulation to encapsulate treprostinil which can be released slowly at a controlled rate into the lung, enhancing drug exposure over an extended period of time and reducing local irritation of the upper respiratory tract. L606 is currently being evaluated in an open-label study in the United States for treatment of pulmonary arterial hypertension (PAH) with a planned pivotal study for the treatment of pulmonary hypertension associated with interstitial lung disease (PH-ILD).

About YUTREPIA™(treprostinil) inhalation powder

YUTREPIA is an investigational, inhaled dry powder formulation of treprostinil delivered through a convenient, low-resistance, palm-sized device. On November 5, 2021, the FDA issued a tentative approval for YUTREPIA, which is indicated for the treatment of pulmonary arterial hypertension (PAH) to improve exercise ability in adult patients with New York Heart Association (NYHA) Functional Class II-III symptoms. The FDA has confirmed that YUTREPIA may add the indication to treat pulmonary hypertension with interstitial lung disease (PH-ILD) without additional clinical studies. YUTREPIA was designed using Liquidia's PRINT® technology, which enables the development of drug particles that are precise and uniform in size, shape, and composition, and that are engineered for enhanced deposition in the lung following oral inhalation. Liquidia has completed INSPIRE, or Investigation of the Safety and Pharmacology of Dry Powder Inhalation of Treprostinil, an open-label, multi-center phase 3 clinical study of YUTREPIA in patients diagnosed with PAH who are naïve to inhaled treprostinil or who are transitioning from Tyvaso® (nebulized treprostinil). YUTREPIA was previously referred to as LIQ861 in investigational studies.

About pulmonary arterial hypertension (PAH)

Pulmonary arterial hypertension (PAH) is a rare, chronic, progressive disease caused by hardening and narrowing of the pulmonary arteries that can lead to right heart failure and eventually death. Currently, an estimated 45,000 patients are diagnosed and treated in the United States. There is currently no cure for PAH, so the goals of existing treatments are to alleviate symptoms, maintain or improve functional class, delay disease progression, and improve quality of life.

About pulmonary hypertension associated with interstitial lung disease (PH-ILD)

Pulmonary hypertension (PH) associated with interstitial lung disease (ILD) includes a diverse collection of up to 150 different pulmonary diseases, including interstitial pulmonary fibrosis, chronic hypersensitivity pneumonitis, connective tissue disease related ILD, and sarcoidosis among others. Any level of PH in ILD patients is associated with poor 3-year survival between 30 to 35%. A current estimate of PH-ILD prevalence in the United States is greater than 60,000 patients, though population growth in many of these underlying ILD diseases is not yet known due to factors including underdiagnosis and lack of approved treatments until March 2021 with inhaled treprostinil.

About Liquidia Corporation

Liquidia Corporation is a biopharmaceutical company focused on the development and commercialization of products in pulmonary hypertension and other applications of its PRINT® Technology. The company operates through its two wholly owned subsidiaries, Liquidia Technologies, Inc. and Liquidia PAH, LLC. Liquidia Technologies has developed YUTREPIA™ (treprostinil) inhalation powder for the treatment of pulmonary arterial hypertension (PAH). Liquidia PAH provides the commercialization for pharmaceutical products to treat pulmonary disease, such as generic Treprostinil Injection. For more information, please visit www.liquidia.com.

About Pharmosa Biopharm

Pharmosa Biopharm Inc. (PBI) is a Taiwan-based biotechnology company focused on developing new drugs by exploiting its proprietary liposomal formulations and manufacturing technology. With regional

and global strategic partnerships, PBI develops products through 505(b)2 or hybrid applications to regulatory authorities with the intent to expand the clinical potential of existing drugs by exploiting innovative delivery formulations and medical devices. For more information, please visit https://www.pharmosa.com.tw

About HealthCare Royalty

HCRx is a leading royalty acquisition company focused on commercial or near-commercial stage biopharmaceutical products. HCRx has $6.3 billion in cumulative capital commitments with offices in Stamford (CT), San Francisco, Boston and London. For more information, visit www.hcrx.com. HEALTHCARE ROYALTY® and HCRx® are registered trademarks of HealthCare Royalty Management, LLC.

Contact Information for Media & Investors

Jason Adair
Senior Vice President, Corporate Development and Strategy
919.328.4400
jason.adair@liquidia.com

Schedule 9.2(q)

Existing Third Party Agreements Requiring Consent

[***]

Exhibit A

Form of Assignment and Assumption

ASSIGNMENT AND ASSUMPTION AGREEMENT[1]

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Assignment Agreement**") is made as of the _____ day of _____, 202__ (the "**Effective Date**"), by [between/among] Pharmosa Biopharm Inc., a corporation incorporated under the laws of Taiwan having a place of business at 3F.-3, No. 66, Sanchong Road, Nangang District, Taipei City 11502, Taiwan ("**Assignor**"), [and] Liquidia Technologies, Inc., a corporation incorporated under the laws of the State of Delaware, USA having a place of business at 419 Davis Drive, Suite 100, Morrisville, NC 27560, USA ("**Assignee**")[, and _____, a _____ under the laws of _____ having a place of business at _____ ("**Counterparty**"). Assignor[,/and] Assignee [and Counterparty] may be referred to herein individually as a "**Party**" and collectively as the "**Parties**".

WITNESSETH:

WHEREAS, [Counterparty/_____, a _____ under the laws of _____ having a place of business at _____ ("**Counterparty**")] and Assignor entered into that certain _____ dated as of _____ ___, 20___ attached hereto as Exhibit 1 (as amended, the "**Agreement**");

WHEREAS, Assignor and Assignee have entered into that certain License Agreement dated as of _____ ___, 2023 (the "**License Agreement**"), pursuant to which Assignor agreed to assign the Agreement to Assignee upon Assignee's request;

WHEREAS, pursuant to the License Agreement, Assignee has requested that Assignor assign the Agreement to Assignor; [and]

WHEREAS, Assignor desires to assign, transfer and convey unto Assignee, and Assignee desires to assume, all of Assignor's right, title and interest in and to the Agreement and its delegation to Assignee of all of Assignor's obligations, duties and responsibilities under the Agreement; [and

WHEREAS, Counterparty desires to consent to such assignment, transfer, conveyance, assumption and delegation;]

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor[,/and] Assignee [and Counterparty], each intending to be legally bound, hereby agree as follows:

1. Assignment. Effective as of the Effective Date, Assignor hereby assigns, transfers and conveys

[1] This form of Assignment and Assumption Agreement has been drafted to contemplate the situations in which either (a) no consent to the assignment is required by the counterparty to the Existing Third Party Agreement or (b) consent is required from such counterparty. The form should be customized by removing the inapplicable bracketed language (depending on whether counterparty consent is required) and filling in the blanks, as applicable.

unto Assignee all of Assignor's right, title and interest in and to the Agreement, and delegates all of Assignor's obligations, duties and responsibilities arising after the Effective Date under the Agreement.

2. Assumption. Effective as of the Effective Date, Assignee hereby assumes all of Assignor's right, title and interest in and to the Agreement, and assumes responsibility for the performance of all of Assignor's obligations, duties and responsibilities arising after the Effective Date under the Agreement [(paragraphs 1 and 2, collectively, the "**Assignment**")].

3. [Consent to Assignment. Licensor hereby consents to the Assignment.]

4. Representations and Warranties. Each Party represents and warrants that (a) it has the full power and authority to execute, deliver and perform this Assignment Agreement, and each person whose signature appears on this Assignment Agreement on behalf of such Party has been duly authorized and has full power and authority to execute and deliver this Assignment Agreement on behalf of such Party; (b) upon its execution and delivery, this Assignment Agreement will constitute the valid and legally binding obligation of each of the Parties, enforceable against it in accordance with its terms; and (c) the Assignment Agreement attached hereto as Exhibit 1 is a complete and correct copy of the Agreement.

5. Counterparts. This Assignment Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. A facsimile or a portable document format (PDF) copy of this Agreement, including the signature pages, will be deemed an original.

[Signature Page Follows]

IN WITNESS WHEREOF, duly authorized representatives of the Parties have executed this Assignment Agreement as of the Effective Date.

ASSIGNOR:

PHARMOSA BIOPHARM INC.

Signature:_____
Printed Name:_____
Title: _____

ASSIGNEE:

LIQUDIA TECHNOLOGIES, INC.

Signature:_____
Printed Name:_____
Title: _____

[COUNTERPARTY:

_____

Signature:_____
Printed Name:_____
Title: _____]

Exhibit 1 to Assignment Agreement

See attached.[2]

[2] Agreements set forth on Schedule 1.24 to be assigned (including all amendments) to be attached.

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Supply Agreement ("Agreement")

Parties.

1. **Liquidia Technologies, Inc.**, 419 Davis Dr., Suite 100, Morrisville, NC 27560 United States , email supplychain@liquidia.com ("Liquidia").
2. **Plastiape SpA** of 23875 Osnago (Lecco) - Via 1 Maggio, 8, Italy facsimile +39 039 587805 email info.plastiape@plastiape.it ("Plastiape" and, collectively with Liquidia, the "Parties" and each a "Party").

Introduction.

A. Plastiape is in the business of manufacturing the Products (as defined below).

B. Liquidia is a pharmaceutical company.

C. Liquidia wishes to acquire the Products from Plastiape and Plastiape agrees to supply the Products to Liquidia on the terms and conditions set out in this agreement.

Operative Clauses.

1. Definitions and Interpretation.

1.1 Definitions. In this Agreement:

"**Affiliate**" means: (i) a holding company of the Party; (ii) a subsidiary of the Party or a subsidiary of the holding company of the Party; (iii) any entity controlled by the Party; or (iv) persons or entities who directly or indirectly have the capacity to control the Party (including persons or entities who individually or collectively have the capacity to control more than 50% of the membership of the board of directors of the Party or who control more than 50% of the equity securities of the Party or a related party).

"Background IP" means all Intellectual Property Rights (a) acquired, conceived or developed by a Party independently before the execution of this Agreement, or (b) independently acquired, conceived or developed by a Party outside the scope of this Agreement.

"**Arising IP**" means all Intellectual Property Rights discovered, invented, conceived or developed by a Party in connection with the activities described in this Agreement.

"Business Day" means any day of the week which is not a Saturday, Sunday or legal holiday observed by the federal government of the United States or Italy.

"cGMP" means the current and any future good manufacturing practices and quality system regulations promulgated by the FDA under the authority of the Federal Food, Drug and Cosmetic Act, as amended, as set forth in 21 C.F.R. Parts 210, 211, and 820 or the counterpart current and any future good manufacturing practices and quality system regulations in the country in which the Products are manufactured.

"Change of Control" occurs, in relation to a Party, if any person or group of persons acting together, other than the persons entitled on the date of this Agreement, becomes entitled to the power, whether held directly or indirectly (such as through interposed entities) and by whatever means (whether or not enforceable at law or in equity) to:

(a) exercise, or control the exercise of, more than 50% of the voting power of that Party;

(b) dispose of, or control the disposal of, more than 50% (by value) of the equity securities of that Party;
(c) appoint, or control the appointment of, directors of that Party having more than 50% of the votes at board meetings; or
(d) determine, or control the determination of, the substantial conduct of that Party's affairs, business activities or decisions.

"Confidential Information" means the confidential, proprietary, or other similar information of a Party which includes without limitation:

(a) information relating to scientific and technical matters, research and development activities, inventions, data and know-how, regulatory practices, personnel, policies, clientele, suppliers or business strategies, product information, financial information, prices and/or costs or information observed during facilities tours;
(b) information relating to the terms upon which the Products are to be manufactured and sold pursuant to this Agreement.

The foregoing notwithstanding, the term "Confidential Information" does not include information:

i. which the Party receiving such information (the "Receiving Party") was aware of prior to its receipt from the other party (the "Disclosing Party") and without an obligation of confidentiality to Disclosing Party;
ii. which otherwise becomes known to the Receiving Party other than through the disclosure by or on behalf of the Disclosing Party or any other source known by the Receiving Party to be under an obligation of confidentiality to Disclosing Party with respect to such information;
iii. which is in the public domain (other than through a breach of this Agreement or a breach of confidence by any person); or
iv. which is discovered or developed by the Receiving Party without use of or reference to the Disclosing Party's Confidential Information.

"Debarred Entity" means (i) a corporation, partnership or association that has been debarred by the FDA pursuant to 21 U.S.C. §335a (a) or (b) from submitting or assisting in the submission of any abbreviated drug application, or (ii) any entity that is an Affiliate of any entity described in clause (i).

"Debarred Individual" means an individual who has been debarred by the FDA pursuant to 21 U.S.C. §335a (a) or (b) from providing services in any capacity to a person that has an approved or pending drug product application.

"Effective Date" means May 22nd, 2023.

"FDA" means the United States Food and Drug Administration or any successor entity thereto.

"Force Majeure" means, solely to the extent beyond the reasonable control of the Party whose performance is adversely affected by the event:

(a) any act of God, fires, unusually severe weather conditions, earthquakes, floods, epidemics, war, revolution or any other unlawful act against public order or authority by any third parties;
(b) governmental restrictions or sanctions embargo or other governmental action;
(c) industrial dispute or disturbance, energy shortages, raw material shortages or delays, power outages; or
(d) other event which is not within the reasonable control of a Party.

"Insolvency Event" in relation to a Party, means any of the following events:

(a) the Party ceases to (or is unable to) pay its creditors (or any class of them) in the ordinary course of business, or announces its intention to do so;

(b) a receiver, manager, receiver and manager, administrative receiver or similar officer is appointed to that Party or any of its assets;

(c) such Party enters into, or resolves to enter into, a scheme or arrangement, compromise or composition with any class of creditors;

(d) a resolution is passed or an application to a court is taken for the winding up, dissolution, official management or administration of that Party; or

(e) anything having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

"Intellectual Property Rights" means any patent, patent application, trademark, service mark, copyright, domain name, trade dress, inventions, trade secrets and know-how or any similar or equivalent rights in any part of the world whether or not patentable or copyrightable or otherwise registerable.

"Product(s)" means (i) dry powder inhaler known as RS00 Dry Powder Inhaler Model 8 as described on Plastiape's Type III Drug Master File, filed at the FDA with # 18418 (the "DMF"), along with any improvements which might be agreed in writing between the Parties and (ii) any other products that may be added to this Agreement by mutual agreement of the Parties.

"Quality Agreement" means that certain Quality Agreement, executed on July 9, 2020, by and between Liquidia and Plastiape, as it may be amended from time to time.

"Specifications" means the mutually agreed specifications for the design, composition, product safety assurance, manufacture, packaging, and/or quality control of the Product, as described in the DMF referenced above, as the same may be modified or supplemented by mutual agreement of the Parties in writing.

"Term" has a meaning described to it in clause 16.

1.2 Interpretation. In this Agreement, unless the context otherwise requires:

(a) singular includes plural and plural includes singular;

(b) reference to a person includes a corporation, firm and any other entity;

(c) reference to a Party includes that Party's successors and permitted assigns;

(d) headings do not affect interpretation of this Agreement;

(e) if any part of this Agreement is for any reason declared invalid, such decision will not affect the validity of any remaining portion, which will remain in full force and effect;

(f) no rule of construction applies to the disadvantage of a Party because that Party put forward this document or any portion of it;

(g) the schedules and annexures to this Agreement form part of this Agreement; and

(h) terms defined in Incoterms 2020 have the meaning set forth in Incoterms 2020 when used in this Agreement unless otherwise defined herein.

2. <u>Supply of Product.</u>

During the Term, Plastiape must manufacture, sell, and deliver to Liquidia and its Affiliates such quantities of Product as ordered by Liquidia and its Affiliates pursuant to this Agreement. Each Product sold under this Agreement must conform to the Specifications for such Product and otherwise be supplied in accordance with this Agreement. All Products shipped to Liquidia shall have, at the time of delivery to Liquidia, at least [***] of remaining approved Product shelf life. Plastiape acknowledges and agrees that Liquidia may, from time to time, designate in writing certain third parties who shall be authorized to purchase Products on behalf of Liquidia pursuant to this Agreement (such third parties being referred to herein as "Designees"). In the event any such Designee places any order for any Product pursuant to this Agreement, such Designee shall have all of the same rights and obligations as Liquidia under this Agreement with respect to such order. Liquidia shall have the right to withdraw the designation of any Designee pursuant to this Section 2 at any time in its sole

discretion upon written notice to Plastiape. Liquidia shall notify Plastiape of its decision of withdrawal of the Designee as soon as possible.

3. Prices for Supply of Product.

The prices for the Products will be as set out in Schedule 1 to this Agreement and are based on FCA terms (Incoterms 2020). If customer elects the Products to be delivered on DAP terms (Incoterms 2020), Plastiape will provide the calculation of such cost (and as specified in clause 6.4.).

The prices may be increased or decreased from time to time in accordance with the pricing adjustment program set forth in Schedule 1.

4. Forecasts and Ordering.

4.1 Forecasts.

(a) At least [***] prior to the beginning of each calendar year during the term of this Agreement, Liquidia will provide Plastiape with a non-binding written forecast of Liquidia's expected requirements for Product during the following [***].

4.2 Orders.

(a) Liquidia is not required to buy any specific amount of Product under this Agreement, except for the quantities which Liquidia actually orders through binding purchase orders.

(b) Liquidia may place binding orders for Product by written or electronic purchase order to Plastiape, which shall be placed at least [***] prior to the desired date of delivery.

(c) Plastiape must provide Liquidia with written confirmation of receipt of the purchase order within five (5) business days of receipt (hereinafter "Purchase Order").

(d) Liquidia may cancel or vary a Purchase Order at any time prior to dispatch of the Product. Liquidia will be responsible for all reasonable raw material costs, molded components costs, and finished product costs incurred and subsequent destruction cost of the Products (if any), as a consequence of the cancellation or variation of such order; provided, however, that Plastiape must reasonably mitigate Liquidia' loss with respect to such costs, including by utilizing the raw materials to manufacture Product for other customers or by retaining the raw materials for use with respect to any future order made by Liquidia. Other than as set out in this sub-clause (d), Liquidia will have no other liability with respect to the cancellation or variation of a purchase order.

4.3 If Plastiape fails to deliver or anticipates that it will be unable to deliver any quantity of Products ordered pursuant to Liquidia's Purchase Orders, Plastiape will promptly notify Liquidia and consult with Liquidia to develop an interim contingency plan for meeting as much of Liquidia's then-current market needs as possible, including, by way of example, and without limitation, granting Liquidia priority treatment with respect quantities of Products that Plastiape has in its finished products inventory or stock-in-progress, to be labeled or re-labeled as Liquidia Products. In any event, in the event of a shortage of Products, Plastiape shall allocate Products to Liquidia not less than in the same proportion as Liquidia's most recent [***] average of unit purchases of Products.

4.4 To the extent of any conflict or inconsistency between this Agreement and any purchase order documentation, the terms of this Agreement prevail.

5. Payment and Invoicing.

5.1 Payment terms on the undisputed portion of all invoices are the later of (i) sixty (60) days from the receipt of invoice by Liquidia (which invoice shall not be issued until shipment of the applicable Products) or (ii) thirty (30) calendar days from the receipt of the Product by Liquidia. Undisputed invoices will comply with

the invoicing instructions that will be provided in the purchase order that will be supplied to or on behalf of Liquidia via e-mail or by any different invoicing processing system agreed in writing between the Parties following the execution of this Agreement. Payment shall be made to the bank account nominated in writing by Plastiape and time of payment is of the essence. Liquidia shall pay all amounts due in full and cleared funds without any deduction or withholding.

5.2 If any portion of an invoice is disputed by Liquidia, Liquidia will use commercially reasonable efforts to notify Plastiape within sixty (60) days of receipt of the invoice and shall pay all the undisputed amounts when due and the Parties shall use good faith efforts to reconcile the disputed amount as soon as possible; provided, however, that failure by Liquidia to dispute an invoice within the time period specified in this Section 5.2 shall not constitute a waiver by Liquidia of any claim against Plastiape, including any claim related to any error with respect to such invoice.

6. Delivery, Title and Risk of Loss, Price Revision and Adjustment.

6.1 Plastiape will deliver the Product, at the direction of Liquidia, either:

(a) Free-Carrier at the point of manufacture in Italy (FCA); or

(b) Delivered At Place (DAP) to the location specified in Liquidia's purchase order, in this latter case on or before the date specified in the purchase order.

6.2 Plastiape must pack all Product ordered in accordance with the agreed Specifications included into the Drug Master File or as otherwise agreed in writing between Liquidia and Plastiape.

6.3 The following will apply if Liquidia elects for the Product to be delivered on a Free Carrier basis (FCA):

(a) Plastiape must make all the Product set forth in the purchase order available for collection not more than [***] from the date of the order;

(b) Liquidia will select the carrier and organize for collection of the Product;

(c) Liquidia will bear all applicable taxes, duties, export or import charges and similar charges and similar imposts associated with the collection and shipping of the Products;

(d) Liquidia is responsible for all export and importation processes and costs;

(e) Liquidia will be responsible for obtaining applicable transport insurance; and

(f) all risk of loss or damage in transportation passes ex works (Incoterms 2020) to Liquidia at the time of delivery which is taken to be when the Product is collected from Plastiape's facilities.

6.4 The following will apply if Liquidia elects for the Product to be delivered on a Delivered At Place (DAP) basis:

(a) Plastiape will engage the carrier and organize the delivery of the Product to the facilities nominated by Liquidia in the purchase order. Liquidia accepts no liability for either the choice of the carrier or the carrier's conduct or any loss or damage that may occur while the Products are being transported;

(b) Plastiape must deliver the Product set forth in the purchase order to the location nominated by Liquidia not more than [***] from the date of the order;

(c) Plastiape will bear all applicable delivery charges

(d) Plastiape must obtain applicable transport insurance;

(e) Plastiape is responsible for all export processes and costs; and

(f) all risk of loss or damage to the Products passes to Liquidia upon delivery of the Product to Liquidia at the location specified by Liquidia.

6.5 The prices quoted in Schedule 1 are for Incoterms FCA. Additional costs for DAP Incoterms will be quoted by Plastiape upon request from Liquidia in connection with a defined quantity of Product and with a defined destination address based on incremental out-of-pocket costs actually incurred by Plastiape in

connection with DAP Incoterms. DAP Incoterms will be applied only if Liquidia will agree to such extra cost and places a binding Purchase Order specifying DAP Incoterms.

6.6. Price revision criteria are detailed at Schedule 1.

6.7. Title to the Products shall pass to Liquidia at such time as the risk of loss with respect to the Products passes to Liquidia pursuant to Section 6.3(f).

7. Additional Obligations of Plastiape.

Plastiape must:

(a) manufacture and supply the Products in accordance with all applicable laws, regulations and standards, including without limitation cGMP, and the Specifications for the Products. Plastiape shall bear responsibility for all product liability and quality assurance issues arising from any failure to comply with cGMP or Specifications for the Products. Plastiape shall comply in all respects with all applicable governmental laws, rules and regulations regarding the manufacture, labeling, and packaging of the Products;

(b) ensure the Products conform with the Specifications and all applicable laws, regulations and standards, including without limitation cGMP;

(c) inform Liquidia promptly of any adverse events (including without limitation fires, explosions, accidental discharges) occurring in the manufacture of the Product;

(d) inform Liquidia promptly of any allegations or findings of violations of applicable laws, regulations or standards, including without limitation cGMP, which relate to the Products or may impact on the supply of the Products;

(e) allow Liquidia to inspect Plastiape's facilities, such inspections upon written and advance request of 10 (ten) business days;

(f) implement promptly any corrective action, as a result of non-compliance to this Agreement or Product's Specifications;

(g) maintain Conformité Européene (CE) marking for the Products and any improvements;

(h) maintain the Drug Master File as required by the FDA or such other requirements under the FDA;

(i) engage in good faith discussion to review and, if warranted, amend the Quality Agreement from time to time to ensure compliance with applicable regulations relating to the production, storage, transportation and release of Products, including, but not limited to, cGMP; and

(j) provide to Liquidia upon Liquidia's request copies of Material Safety Data Sheets ("MSDSs") and any other information and documentation related to Product safety, including but not limited to physical, chemical, and biological characteristics of the Products.

8. Defective Product.

8.1 Plastiape represents and warrants that any Product sold and delivered to Liquidia complies in all respects with the Specifications and with this Agreement and is free from defects in design, material and workmanship.

8.2 The Products shall be subject to inspection, evaluation and testing by Liquidia at any reasonable time and from time to time before or during manufacture, or delivery and in any event within thirty (30) calendar days after delivery of the Products at Liquidia's warehouse or other designated delivery location. Liquidia shall be entitled to reject any Products that do not meet Specifications or are otherwise defective, whether such defects are patent within the period specified above; provided, however, that if the defect or the non-conformity of the Product(s) are not apparent on Liquidia's reasonable inspection of the Products (latent defects), then Liquidia shall notify Plastiape within five (5) Business Days after discovery thereof. Liquidia shall notify Plastiape of the existence and nature of any non-compliance or defect within the period specified above and Plastiape shall have a reasonable opportunity, not to exceed twenty (20) calendar days from

receipt of notification and of defective samples or photos or other visual or written information as needed by Plastiape to assess if the Products do not meet the Specifications, to provide Liquidia with detailed written instructions to return or dispose of such defective Product unless the parties confirm that there was not, in fact, any non-compliance or defect. Thereafter, Plastiape shall, within a reasonable time, identify the root cause of the defect and implement corrective actions to prevent the recurrence of any such non-compliance(s) or defect(s).

8.3 Without prejudice to any other remedy which Liquidia may have, Plastiape shall at Liquidia's option:

(a) replace at Plastiape's own cost and expense, including reimbursement of freight and costs incurred by Liquidia, Product that is not as warranted or otherwise fails to comply with the Specifications or other requirements of this Agreement; or

(b) repay Liquidia any amounts paid with respect to the relevant Product and for the disposal or return of defective Product.

8.4 Liquidia has no obligation to pay for any Product that is subject to such a claim of non-compliance or defect. If Plastiape fails to so inspect and instruct Liquidia as to the return of disposal of such defective Product, Liquidia may dispose of such defective Product. Plastiape must promptly reimburse Liquidia for all direct and commercially reasonable out-of-pocket costs incurred by Liquidia in such disposition, and replace such defective Product at its own cost and expense.

8.5 If, after Plastiape's inspections of such Product, the Parties disagree as to the Product's conformance to the Specifications or whether the Product has such a defect, either Party may deliver the Product to an independent third-party laboratory, reasonably acceptable to both Parties, for testing to confirm the Product's conformance to the Specifications or the presence or absence of defects. All costs associated with such third-party testing shall be at Liquidia' expense unless the tested Product is deemed by such third-party to be defective or not in compliance with the Specifications or this Agreement, in which case all such costs must be promptly paid by Plastiape. This clause in no way reduces Plastiape's own obligations for testing, inspection and quality control as provided in the Specifications or under applicable laws, regulations, standards or codes, including, but not limited to, cGMP.

8.6 Liquidia will notify Plastiape reasonably promptly after receipt of any non-medical customer complaints that implicate the Products. Plastiape, as requested by Liquidia, will conduct internal investigations to determine the validity of such complaints. Plastiape will report the findings of the investigation to Liquidia promptly following the completion of the investigation, but in no event later than thirty (30) calendar days after notification. Liquidia will be responsible for customer response communications with respect to such complaints. Plastiape, upon Liquidia's reasonable request and at Plastiape's expense, shall provide all reasonable assistance and material needed for such response communications. Plastiape shall reimburse Liquidia for all reasonable out of pocket expenses incurred by Liquidia with respect to activities under this Section 8.6 if the complaint is due to the failure of the Products to conform to the Specifications.

8.7 Plastiape shall provide Liquidia with a copy of any MedWatch report relating to any serious medical adverse events related to the Products at the same time Plastiape provides the report to the FDA. Plastiape shall be responsible for the medical investigation of, evaluation of, and reporting of all adverse events related to the Products as required by any regulatory authorities. Plastiape shall be responsible for reporting any such adverse event reports to regulatory authorities and shall provide Liquidia with a copy of any such reports. Plastiape shall be responsible for submission of all reports related to medical adverse events required by the regulatory authorities, including without limitation, global literature surveillance and periodic reporting, and shall provide Liquidia with a copy of any such reports.

8.8 Liquidia shall, with the assistance of Plastiape as needed, handle all medical and technical inquiries regarding the Products. Plastiape shall review and approve (subject to any suggested changes by Plastiape), as

soon as possible but in no event later than ten (10) calendar days after receipt, the response letters prepared by Liquidia to use to respond to routine inquiries.

8.9 Any material complaint, including, but not limited to, any complaint relating to safety and/or efficacy of the Products, received by Plastiape for the Products or similar products manufactured by Plastiape will be forwarded to Liquidia as soon as possible but in no event later than five (5) Business Days after receipt thereof via written communication. Any material complaint, including, but not limited to, any complaint relating to safety and/or efficacy of the Products, received by Liquidia for the Products will be forwarded to Plastiape as soon as possible but in no event later than five (5) Business Days after receipt thereof via written communication.

8.10 Liquidia and Plastiape must notify each other as soon as possible but in no event later than five (5) Business Days after confirmation of the event, by telephone or other rapid communication means, when there is information concerning any Products issues that may impact the quality, purity, safety and effectiveness of Products in the field. Examples of such information include any contamination, stability failure, certain confirmed Product complaints or any significant chemical, physical or other change or deterioration in the distributed Products.

8.11 In the case where a field alert or recall is deemed necessary by a regulatory authority or by Plastiape or by Liquidia, the Parties will jointly develop a strategy to handle such field alert or recall. Liquidia will be responsible for communication to its customers regarding such recall and for retrieving any Products that have been sold to its customers. Plastiape shall be responsible for reporting to the regulatory authorities all recalls and field alert notifications and for associated follow-up reports.

8.12 In the event any governmental agency having jurisdiction shall request or order, or if Liquidia shall determine to undertake, any corrective action with respect to any Product (or any finished product containing or contained in any Product), including any recall, corrective action or market action, and the cause or basis of such recall or action is attributable to a breach by Plastiape of any of its warranties, guarantees, representations, obligations or covenants contained in this Agreement or the Specifications, then Plastiape shall be liable, and shall reimburse Liquidia for the reasonable costs of such action, including the cost of any Product (or any finished product containing, contained in or included in a kit with any Product) which is affected.

9. Supply and Use of the Products.

9.1 During the Term, Plastiape will supply the Product (or any improvement or product line extensions or successors) to Liquidia. Plastiape represents and warrants to Liquidia that as of the date of this Agreement it has not entered into any agreement, understanding or arrangement with any third party that prevents Plastiape from supplying the Product to Liquidia hereunder.

9.2 Liquidia may use the Products for any lawful purpose except Liquidia agrees not to use Product in combination with: Platelet-derived growth factor receptor kinase inhibitors.

10. Improvements and Changes to the Product.

10.1 Plastiape will notify Liquidia of any Product improvement or Product line extensions, or successors, any new products, product ideas or inventions made by Plastiape which may have applicability to the Product or to Liquidia' products.

10.2 From time to time, either Party may submit to the other written proposals for the adoption, implementation or development of changes, improvements or modifications to the Product or the Specifications. Any such changes may not be implemented without the prior written agreement of the Parties.

10.3 Plastiape agrees that:

(a) no changes or modifications to the method or process of manufacture or production of the Product or the raw materials or Specifications; and

(b) no change in location of the facility used to supply Product to Liquidia under this Agreement, can be made without prior written notification to and approval of Liquidia. Any such change or modification approved by Liquidia shall be made at Plastiape's sole cost and expense.

11. Labelling, Brand Name and Trademark Matters.

11.1 (a) Subject to Clause 22, Plastiape acknowledges that Liquidia is the exclusive owner of and has all rights to the Liquidia trademarks, copyrights, and brand names of Liquidia, artwork and all other that appear on or are otherwise used in connection with the marketing, sale and or use of Liquidia's end product or finished product containing or contained in any Product.

(b) Subject to Clause 22, Liquidia acknowledges that Plastiape is the exclusive owner of and has all rights to the Plastiape trademarks, copyrights and brand names that are contained in or associated with the standard Products (excluding customized versions), including inhaler RS00.

11.2 Neither Party will register or use any names or marks that are similar to the other Party's brand name or might be confused with them. The obligations in this sub-clause survive termination or expiration of this Agreement.

11.3 Each Party shall as soon as possible advise the other Party of any suspected or actual infringement of any of the Intellectual Property Rights of such other Party in or relating to the Product.

11.4 Subject to the terms and conditions of this Agreement, (a) Plastiape hereby grants to Liquidia a limited, revocable, non-exclusive, non-transferable, fully paid license (without the right to sublicense) to use Plastiape's trademarks during the Term solely for the purposes of marketing and promoting the Product(s), and (b) to the extent Liquidia requires Plastiape to affix Liquidia's trademark(s) on the Products, Liquidia hereby grants to Plastiape a limited, revocable, non-exclusive, non-transferable, royalty free license (without the right to sublicense) to use Liquidia's trademark(s) during the Term solely for the purposes of supplying Products to Liquidia.

12. Records and Access.

12.1 Plastiape shall maintain and preserve full and accurate books and records of all matters relating to the Product (excluding any financial documentation), including, but not limited to those records required to be maintained under cGMP (ISO13485 and 21 CFR Part 820), and any other records or documentation required to be maintained pursuant to the Quality Agreement.

12.2 Liquidia and its authorized representatives have the right to inspect and examine all such books and records (excluding any financial documentation) and to access any facilities at which the Product is manufactured, tested or stored, with prior written notification of twenty (20) Business Days, during normal business hours. During any such inspection, Plastiape shall permit Liquidia upon at least twenty (20) Business Days' prior written notice and during normal business hours during Business Days and without interruption of manufacturing process of Plastiape (other than making personnel available as necessary for the conduct of the audit), access to those areas of Plastiape's manufacturing facilities where any of the Products are manufactured, tested, packaged, stored, handled and shipped and access to the regulatory, manufacturing, testing and quality assurance records for the Products. On any inspection or audit by Liquidia or by any governmental agency which results in required corrective actions, Plastiape shall have such time as is provided by such agency or as is commercially reasonable, as the case may be, to take all needed steps to implement the corrective actions identified in the aforementioned audits or inspections. Nothing in this provision is to be construed so as to place a duty on Liquidia to make any such inspection or audit or to determine whether or not Plastiape is in compliance with its obligations hereunder or with applicable laws and regulations. No

determination by Liquidia that Plastiape is or is not in compliance shall be construed as relieving Plastiape from its duty to determine if it is in such compliance with such laws and regulations. The foregoing notwithstanding, in the event any such inspection or examination is "for cause" as a result of any Product defects, nonconformance, material breach of this Agreement, failure to comply with regulatory requirements or adverse finding of any regulatory authority, then the references to "twenty (20) Business Days" in this Section 12.2 shall be deemed to be amended to "ten (10) Business Days."

12.3 Plastiape shall maintain and preserve full and accurate records and files which Plastiape is required to maintain in connection with the Product by law, including cGMP, or any regulatory authority. Plastiape must retain all such records for the longer of the period required by law or regulations or seven (7) years. In case of longer periods required by regulatory authorities Liquidia will advise Plastiape in writing of the time required.

13. Communication.

13.1 Plastiape and Liquidia will each appoint an individual who will act as the primary liaison point between the Parties. The Parties agree to discuss regularly any issues arising in relation to the Products. If requested by Liquidia, Plastiape must advise Liquidia of the stock of Product or raw materials held by Plastiape at any particular time.

13.2 Each Party agrees to provide the other Party with prompt written notice if:

(a) there is a Change of Control of the Party;

(b) the Party is in breach of this Agreement; or

(c) Plastiape becomes aware of any issues or nonconformances with respect of any Product, any failure of any Products to meet the Specifications or any other matter which may adversely affect the supply or use of the Products.

13.3 At Liquidia's cost and expense, Plastiape agrees to cooperate with Liquidia in doing any reasonable act or thing which is necessary or desirable to facilitate Liquidia's compliance with any regulatory requirements.

13.4 Plastiape agrees that, unless specifically authorized in writing by Liquidia, Liquidia will be responsible for all communications with regulatory authorities with respect to Liquidia's products (which contains or is contained in any Product).

13.5 To the extent legally permissible by law, Plastiape agrees to forward any such communications (whether oral or written) received by Plastiape from a regulatory authority in relation to the Product to Liquidia within three (3) Business Days of receipt.

14. Audit.

14.1 In addition to Liquidia's rights pursuant to Section 12, Liquidia (or any third-party approved by Liquidia, such case, subject to a confidentiality agreement and acceptance of safety and health rules at Plastiape's site) shall have the right, upon prior written notification of twenty (20) Business Days to Plastiape and during regular business hours and without interruption of manufacturing process (other than making personnel available as necessary for the conduct of the audit), to inspect and audit the facilities being used by Plastiape for production and storage of the Product to assure compliance by Plastiape with current cGMP and other applicable laws, rules and regulations and with other provisions of this Agreement. The foregoing notwithstanding, in the event any such audit is "for cause" as a result of any Product defects, nonconformance, material breach of this Agreement, failure to comply with regulatory requirements or adverse finding of any regulatory authority, then the references to "twenty (20) Business Days" in this Section 14.1 shall be deemed to be amended to "ten (10) Business Days."

14.2 Plastiape will within thirty days remedy or cause the remedy of any deficiencies which may be noted in any such audit or, if any such deficiencies cannot reasonably be remedied within such thirty day period, present to Liquidia a written plan to remedy such deficiencies as soon as possible. The failure by Plastiape to

remedy or cause the remedy of any such deficiencies within such thirty day period or to present such a plan within such thirty day period and then use its reasonable commercial efforts to remedy or cause the remedy of such deficiencies in accordance with such written plan, constitutes a material breach of this Agreement.

14.3 The granting to Liquidia of certain audit rights shall in no way relieve Plastiape of any of its obligations under this Agreement or other legal obligations, nor does such provision require Liquidia to conduct any such audits.

15. Insurance.

15.1 Plastiape must maintain or cause to be maintained, at its own expense, adequate insurance as is usual for a prudent manufacturer in respect of the manufacture and sale of the Product, including the following types of insurance with carriers rated A- or better with A.M. Best: (i) public liability insurance and products liability insurance, and property damage in an amount not less than one million six hundred thousand US dollars ($1,600,000) per occurrence and aggregate; and (ii) products liability insurance, with a combined single limit in an amount of not less than one million six hundred thousand (1 600,000 $) per occurrence and in the aggregate.

15.2 Plastiape shall furnish Liquidia with a letter from the insurance broker evidencing the insurance coverages stated above in place.

16. Term.

This Agreement shall commence on the effective date hereof and shall continue for a period of five (5) years, unless terminated earlier in accordance with Section 17 (such period, the "Initial Term"). Following the Initial Term, this Agreement shall automatically renew for successive five-year periods (each, a "Renewal Term") unless terminated by either Party upon notice to the other Party at least thirty-six (36) months prior to the conclusion of the Initial Term or then-current Renewal Term. The Initial Term and any Renewal Term shall be, collectively, the "Term."

17. Termination.

17.1 This Agreement may be terminated:

(a) by one Party upon one hundred and eighty (180) days written notice to the other Party if the other Party is in default in performing or observing any material terms or representation, warranty, guarantee, covenant or obligation of this Agreement or any Quality Agreement entered into in connection herewith, and that default is not remedied within a period of one hundred and eighty (180) days after written notice has been given to the Party in default;

(b) by one Party if the other Party has suffered an Insolvency Event, in which case, the Party not suffering the Insolvency Event may immediately by written notice terminate this Agreement;

(c) by Liquidia upon thirty (30) days written notice to Plastiape if there is a Change of Control of Plastiape (except change of control within Berry Global, Inc.); or

(d) by a Party if the Parties cannot agree on a proposed price modification pursuant to Schedule 1 within ninety (90) days after notice of the proposed price change and evidence supporting the proposed price change have been given by one Party to the other Party.

17.2 Liquidia may also immediately terminate this Agreement upon written notice to Plastiape

(a) if complete orders of Product are not received within the time period required by this Agreement in fulfilment of three (3) purchase orders in any twelve (12) month period; or

(b) if Liquidia receives Product that does not meet Plastiape's warranty contained in this Agreement in connection with three (3) deliveries of Product in any twelve (12)-month period.

17.3 Upon termination or expiration of this Agreement for any reason the accrued rights and obligations of each Party as at the date of termination shall not be affected. In the event of termination, then:

(a) Each Party promptly (i) shall return to the other Party all relevant materials belonging to the other Party which are in the Party's possession, or, if instructed by the other Party, the Party shall destroy such materials and provide written confirmation to other Party of their destruction, and (ii) Plastiape shall deliver to Liquidia all Product and all associated items, including without limitation related ingredients, inventories, materials, and supplies;

(b) If the Agreement is terminated by Plastiape for any reason or by Liquidia pursuant to Section 17.1 or 17.2, and subject to Plastiape's manufacturing capacity, Liquidia shall have the right to issue a final Purchase Order for Products in such quantities as Liquidia may determine in its sole discretion.

17.4 Termination of this Agreement for any reason shall not affect either Party´s accrued right, remedies or liabilities including any payment of any sum due by Liquidia for Products, Product molds, forms, and the like, and all associated items, including without limitation related at the effective date of termination and/or Liquidia´ obligation to take delivery of and pay the price of the Products ordered before the effective date of termination and pay for any unmortised investments (if any), stock of Products (if any), unused components including raw materials, colours, additives ordered by the Supplier, in each case pursuant to a forecast or binding Purchase Order received from Liquidia and that are not able to be used by Supplier for purposes other than supplying Products to Liquidia hereunder. Liquidia shall pay within 30 (thirty) calendar days of the invoice of Plastiape.

17.5 Clauses 8, 11, 12, 13.3, 13.4, 13.5, 14, 15, 17.3, 17.4, 17.5, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 30, 32, 33 and 34, together with other terms and conditions that by their intent or meaning have continuing validity, survive termination or expiration of this agreement.

18. <u>Confidentiality.</u>

18.1 The Receiving Party must not, without the prior written approval of the Disclosing Party, disclose the Disclosing Party's Confidential Information except as expressly permitted by the terms of this Agreement. Confidential Information of the Disclosing Party may only be used in a manner contemplated by this Agreement solely for the express purposes of this Agreement and not for any other purpose.

18.2 The Receiving Party will not be in breach of clause 18.1 in circumstances where it is legally compelled to disclose the Disclosing Party's Confidential Information or is required to disclose the information by as a result of the listing rules of any stock exchange on which the Party is listed or any other regulatory request. If Receiving Party becomes legally compelled (whether in judicial or administrative proceedings or to comply with requirements otherwise imposed by any governmental or regulatory agency with authority over Receiving Party) to disclose any Confidential Information, to the extent legally permissible, prompt notice of such fact shall be given to Disclosing Party so that appropriate action (including, without limitation, the seeking of a protective order) may be taken and to the extent legally permissible, Receiving Party will reasonably cooperate with Disclosing Party, at Disclosing Party's sole cost and expense, in contesting such disclosure or in obtaining a protective order. If Receiving Party is required to make a disclosure under this paragraph, Receiving Party will furnish only that portion of the Confidential Information that is legally required.

18.3 Confidential Information shall be maintained in strict confidence and otherwise may only be disclosed to Affiliates, employees, or subcontractors, legal and tax advisors of the Receiving Party (i) who have a need to know such Confidential Information and are engaged in the performance of this Agreement and (ii) who are bound by the terms of their employment agreements (or other legal obligations) to keep all Confidential Information of the Disclosing Party confidential and not to use such Confidential Information except as expressly permitted by this Agreement.

18.4 The Receiving Party will on demand return to the Disclosing Party all Confidential Information supplied by the Disclosing Party to the Receiving Party in connection with this Agreement, except that (i) the Receiving Party may retain one copy of such Confidential Information in its legal files solely for verifying compliance with its obligations under this Agreement or enforcing its rights hereunder and (ii) the Receiving Party shall not be required to expunge Confidential Information from any computer, word processor or other similar device storing Confidential Information in electronic format that are made in the ordinary course of business or during backups; provided that the confidentiality of such electronically stored Confidential Information continues to be maintained by the receiving party in accordance with the terms of this Agreement and is not at any time copied, reproduced or summarized.

18.5 This clause 18 survives termination or expiration of this Agreement for the period of 10 years from the date of termination or expiration of this Agreement, provided, however, that any Confidential Information contained in any copy retained pursuant to sub-clause 18.4 above shall continue to be protected by the confidentiality and non-use provisions of this Agreement for as long as such copy (whether physical or electronic) is in the possession of the Receiving Party, its Affiliates or their respective employees, agents or subcontractors.

19. Representations and Warranties and Compliance With Laws.

19.1 Liquidia and Plastiape each respectively represents and warrants to the other Party that:

(a) it is duly incorporated in the jurisdiction in which it is incorporated;

(b) it has the power to enter into and perform this Agreement and has obtained all necessary consents and authorizations to enable it to do so;

(c) the entry into and the performance of this Agreement does not constitute a breach of any obligation (including without limitation, any statutory, contractual or fiduciary obligation) or default under any agreement or undertaking by which it is bound;

(d) this Agreement constitutes the valid and binding obligations of such Party, enforceable against it in accordance with its terms; and

(e) at all times, it will comply with all applicable laws, regulations, codes, rules, ordinances, judgments, orders and decrees.

19.2 Plastiape represents and warrants to Liquidia that:

(a) all Product supplied in connection with this Agreement shall be:

(1) of merchantable quality, fit for the purpose intended by this Agreement (that is disclosed in writing) and free from defects in design, material and workmanship; and

(2) manufactured and supplied in conformity with the Specifications and this Agreement.

(b) it shall comply with all applicable present and future statutes, laws, ordinances and regulations relating to the manufacture and supply of the Product, including, without limitation, cGMP, including, as applicable, (a) the principles detailed in U.S. Current Good Manufacturing Practices, 21 C.F.R. Parts 4, 210, 211, 601, 610 and 820, (b) European Directive 2003/94/EC and Eudralex 4, (c) other applicable regulatory requirements and international standards specified in the Specifications;

(c) it has right and title to sell the Products to Liquidia in accordance with the terms of this Agreement and the Products will be free from all encumbrances;

(d) the Products will correspond with all mutually agreed samples used by Plastiape and conform to the Specifications;

(e) the Products will conform to any Quality Agreement signed by the Parties in connection with this Agreement;

(f) the Product(s) and Plastiape's trademarks used in connection with the Product(s) do not infringe any patent, copyright, trademark or other proprietary right of any third parties and Plastiape has title

or interest in all Intellectual Property Rights in the Products sufficient to authorize use of it by Liquidia and its direct and indirect customers and the grant of rights, in the manner contemplated by this agreement;

(g) technical information, product data sheets and material safety data sheets are complete, current and accurate and suitable and sufficient for use by Liquidia to use, process, sell or otherwise make use of the Products; and

(h) neither Plastiape, nor any of its employees, has ever been, is currently, or is the subject of a proceeding that could lead to that party becoming, as applicable, a Debarred Entity or Debarred Individual. Plastiape further covenants, represents and warrants that if, during the Term of this Agreement, it, or any of its employees or agents, becomes or is the subject of any FDA investigation or debarment proceeding that could lead to that party becoming, as applicable, a Debarred Entity or Debarred Individual, Plastiape shall promptly notify Liquidia and to the extent legally permissible Plastiape shall immediately terminate the employment of any Debarred Individual or remove the Debarred Individual from any activities related to the Products hereunder and shall promptly notify Liquidia and any regulatory authority of the details of the same in compliance with applicable laws.

19.2.1. The foregoing warranties will not apply in any of the following events: if (a) Liquidia makes any further use of any Products after Liquidia has given notice in accordance with this clause that such Products fail to conform to the representations set forth in Section 19.2; or (b) the defect arises because of any act or omission by Liquidia (including any unauthorized alteration or repair of the Products, a failure to follow oral or written instructions as to storage, installation, use and maintenance of the Products (or good trade practice), willful damage, negligence or storage or usage conditions that are outside of any specifications provided or notified by Plastiape to Liquidia); or (c) the defect arises as a result of the Supplier following any drawing, design or specification supplied by Liquidia.

19.3 Each Party represents and warrants that it shall comply fully with:

a) All applicable Laws relating to anti-bribery and anti-corruption and, more specifically, abide by the standards of conduct set forth in the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act of 2010 and any other applicable anti-corruption and/or anti-money laundering Laws (all together the “Anti-Corruption Laws”); and
b) All relevant export Laws, trade restriction Laws of the United States, European Union and any other applicable national Laws (“Export Laws”) in force at the relevant time. Liquidia shall not, in respect of the Products: (i) export, re-export, trans-ship, or otherwise transfer, directly or indirectly, in violation of Export Laws; or (ii) use the same for any purposes prohibited by the Export Laws (including, without limitation, nuclear, chemical, or biological weapons proliferation).

20. Indemnification.

20.1 Plastiape shall indemnify Liquidia, its Affiliates and each of their officers, directors, employees (each a ”Liquidia Indemnitee”) from and against any and all of the Liquidia Indemnitees’ direct damages, liabilities, claims, costs, charges, judgments and expenses (including reasonable attorneys’ fees) (collectively “Damages”) arising out of a claim by a third party and that is sustained, suffered or incurred by a Liquidia Indemnitee, in connection with:

(a) personal injury, death, loss or damage to any property to the extent caused by the negligent, reckless or intentional act or omission of Plastiape, provided that Plastiape shall not be liable for any product liability or personal injury claims by third parties arising from the sale, distribution or use of any Product which meets the Specifications and other requirements of this Agreement and is not otherwise defective;

(b) a breach by Plastiape of any warranty, representation, covenant or agreement made by Plastiape in this Agreement; and

(c) any claim that any Product purchased from Plastiape or the use or sale of such Product infringes any Intellectual Property Rights of any third party (excluding any claims relating solely to Liquidia's materials, including Liquidia's Intellectual Property Rights, brand names and copyrights contained in or used with the Product).

20.2 Liquidia shall indemnify Plastiape, its Affiliates and each of their officers, directors, employees and agents (each a "Plastiape Indemnitee") from and against any and all Damages arising out of a claim by a third party and sustained, suffered or incurred by a Plastiape Indemnitee in connection with (i) the breach by Liquidia of any warranty, representation, covenant or agreement made by Liquidia in this Agreement, (ii) any Product sold by Liquidia under the Agreement or that are in the possession or under the control of Liquidia, its employees, agents, except any claim with respect to which Plastiape is obligated to indemnify Liquidia pursuant to Section 20.1, and (iii) any infringement or alleged infringement by Liquidia of any Intellectual Property Rights of third parties relating solely to Liquidia's materials, including Liquidia's Intellectual Property Rights, Liquidia's brand names, specifications provided by Liquidia to Plastiape for changes to the Products and Liquidia's copyrights contained in or used with the Product.

20.3 Upon assertion of any third party claim against a Party that might give rise to indemnification under this Agreement, the Party claiming the right of indemnification ("Indemnified Party") must give prompt written notice to the Party alleged to have the duty to indemnify ("Indemnifying Party") of the existence of such a claim and will give the Indemnifying Party a reasonable opportunity to control, defend and/or settle such claim at its own expense and with counsel of its own selection. The Indemnified Party has the right to participate in such defense at its own expense and with separate counsel. Provided that the Parties are not contractually or legally excluded, or are not otherwise prejudiced in their legal position by doing so, the Parties will co-operate with each other and their respective insurers in relation to the defense of such third party claim. In the event that the Indemnifying Party elects to defend such a claim, neither Party may settle the claim without the prior written consent of the other Party (which consent shall not be unreasonably delayed or withheld). Notwithstanding the foregoing, in the event of a dispute with respect to the indemnity, each Party is entitled to participate in the defense of such claim and to join the other in any such action.

21. Failure to Supply; Advance Notice by Plastiape.

21.1 If during the Term, Plastiape ceases to manufacture the Product or is unable or unwilling or fails to supply any Product in such quantities as Liquidia shall order and in compliance with the required delivery periods (whether due to the occurrence of a Force Majeure or otherwise), then, without limiting Liquidia's right of termination or other rights hereunder, Liquidia shall be entitled (with no obligation or liability to Plastiape) to obtain such Product from another supplier.

21.2 If Plastiape determines to cease manufacturing the Product for any reason, it will provide Liquidia with at least three (3) years' advance notice prior to taking such action to permit Liquidia to locate and qualify a substitute supplier, and during such three (3) year period Plastiape will continue to provide Product to Liquidia under the terms of this Agreement.

22. License and Intellectual Property Rights.

22.1 As between the Parties, (i) Liquidia shall own all right, title and interest in and to Liquidia's Background IP and (ii) Plastiape shall own all right, title and interest in and to the Plastiape Background IP.

22.2 Plastiape's Background IP if any, and IP Rights created by or on behalf of Plastiape as a direct result of the Plastiape's Background IP under this Agreement ("Plastiape Arising IP") is retained by Plastiape (collectively with Plastiape Background IP, "Plastiape IP Rights"). During the term of this Agreement, Plastiape grants to Liquidia, and Liquidia hereby accepts, a , worldwide, royalty-free, non-exclusive license under Plastiape IP Rights, including the right to practice such Plastiape IP Rights in any way for Liquidia to receive the

full benefit of the Products under this Agreement (license to use, market, sell or resell), which license shall be perpetual as to Products received by Liquidia pursuant to this Agreement. To the extent legally permissible, Liquidia waives any moral rights in Plastiape IP Rights, including, without limitation, the right to be named as author, the right to modify, the right to prevent mutilation and the right to prevent commercial exploitation. To the extent such waiver is not legally permissible, Plastiape will have the irrevocable right to exercise any moral rights in Plastiape IP Rights on Liquidia's behalf to the fullest extent permitted by law.

22.3 Plastiape accepts no responsibility whatsoever for any changes to the drawings, specifications, designs, documents or wording, in whatever language, related to the Products that is provided to Plastiape by Liquidia.

23. Publicity.

Neither Party nor such Party's Affiliates will make any public announcements, press releases, regulatory filing or other public disclosures, written or oral, whether to the public, the press, stockholders or otherwise, concerning this Agreement or the terms or the subject matter hereof, the performance hereof or the Parties' activities hereunder (a "Public Statement"), except: (i) with the prior written consent of the other Party (such consent not to be unreasonably delayed or withheld but may be conditional upon certain restrictions as to the content and/or distribution of such Public Statement to ensure consistency with the Parties' respective policies); (ii) for such Public Statements, as in the opinion of the counsel for the Party intending to make such Public Statement, are required to comply with applicable laws (including the regulations of any stock exchange) (a "Legal Requirement") and which in any event contain only the minimum disclosure necessary to comply with the relevant Legal Requirement; or (iii) for Public Statements by Liquidia related to the use of Product(s) with its pharmaceutical products and the inclusion of Products in kits with Liquidia's products.

24. Force Majeure.

24.1 If by reason of Force Majeure, either Party is unable to carry out any of its obligations under this Agreement, that obligation is suspended during the continuance of the Force Majeure. Such non-performing Party shall exercise all reasonable efforts to eliminate the Force Majeure Event and to resume performance of its affected obligations as soon as practicable.

24.2 Such non-performance will be excused for six (6) months or as long as such event shall be continuing (whichever occurs sooner), provided that the non-performing Party gives prompt written notice to the other Party of the Force Majeure.

25. Notices.

25.1 Any notice, report or other instrument provided for in this Agreement will be deemed sufficiently given or delivered pursuant to this Agreement if directed to the Party for whom it is intended at the following addresses or such different address as that Party may have specified for the purpose by notice in writing to the other Party:

(a) if to Liquidia , at the address, or email address specified on page 1 with copy to Liquidia Technologies, Inc., Attn: Legal Department, 419 Davis Drive, Suite 100, Morrisville, NC 27560 USA or legal@liquidia.com;

(b) if to Plastiape, at the address, facsimile number or email address specified on page 1,

or as otherwise notified in writing to the other Party.

25.2 Notice will be deemed to have been given by the sender and received by the addressee:

(c) if by delivery in person, when delivered to the addressee;

(d) if by post, ten (10) business days from and including the date of posting;

(e) if by facsimile transmission, when the sender's machine generates a correct facsimile transmission report; or

(f) if by email, one (1) Business Day after sending to the correct email address.

26. Dispute Resolution and Jurisdiction.

26.1 If a dispute arises between the Parties out of or in relation to this Agreement ("Dispute"), either Party seeking to resolve the Dispute must do so strictly in accordance with the provisions of this clause. Compliance with the provisions of this clause is a condition precedent to seeking relief in any court in respect of the Dispute except as provided in clause 26.2.

26.2 A Party seeking to resolve a Dispute must notify the existence and nature of the Dispute to the other Party ("Notification"). Upon receipt of a Notification, the Parties must refer resolution of the dispute to their respective chief executive officers or nominees appointed by the chief executive officers.

26.3 If the Dispute has not resolved within thirty (30) days of receipt of the Notification, then either Party may initiate proceedings in accordance with clause 34 of this Agreement.

26.4 Nothing in this clause shall prevent either Party from seeking interlocutory relief, injunctive relief or equitable relief through any court of competent jurisdiction at any time.

27. Limitation of Liability.

27.1 In no event shall either Party be liable to the other Party for any indirect, special, incidental, consequential (except in connection with a breach of Section 18), statutory, punitive or exemplary damages arising under or in connection with this Agreement including, without limitation loss of business or profits or interruption of business, regardless of the nature of the claim or theory of recovery.

27.2 Notwithstanding anything to the contrary and to the extent legally permissible, neither Party's total liability to the other Party in respect of alleged direct damages or losses arising under or in connection with this Agreement, regardless of the nature of the claim or theory of recovery, shall exceed in aggregate over a contractual year, the price paid by Liquidia to Plastiape for Products.

27.3. Nothing in this Agreement shall limit or exclude (i) a Party's liability for fraud, death or personal injury caused by its negligence, unlawful actions, intentional misconduct or any matter in respect of which it would be unlawful for a Party to exclude or restrict its liability, or (ii) any indemnity claims hereunder relating to the matters described in clause (i) of this Section 27.3.

28. Relationship.

28.1 Each Party is an independent contractor.

28.2 The Parties are not principal and agent, partners, joint venturers, trustee and beneficiary, or employer and employee of each other.

28.3 Neither Party may:

(a) hold out their agents, contractors or employees as the agents, contractors or employees of the other Party;

(b) pledge the credit of the other Party; or

(c) contract for or on behalf of the other Party or make any other commitments on behalf of the other party.

28.4 For the avoidance of doubt, either Party's dealings with its customers are in no way binding on the other Party.

29. Assignment.

29.1 Subject to clause 29.2, without the consent of the other Party (not to be unreasonably withheld, conditioned or delayed), each Party must not:

(a) assign the benefits of this Agreement;

(b) mortgage, charge or otherwise encumber the benefit of this Agreement; or

(c) cause its obligations under this Agreement to be assumed by a third party.

29.2 Subject to Clause 17.1 the Parties acknowledge that each Party may assign its rights hereunder to any Affiliate of the Party or to any third party that acquires the Party, or substantially all the assets or business of the Party that relates to this Agreement; or in the case of Liquidia, to any third party that acquires or licenses the Liquidia product(s) that uses the Product.

29.3 Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties and each of their respective successors and assigns (whether by asset sale, merger or otherwise).

30. No Waiver.

30.1 A Party only waives a breach of this Agreement if the waiver is given in writing signed by that Party or its authorized representative.

30.2 A waiver is limited to the instance(s) referred to in writing. A waiver of compliance with any provision of this Agreement shall not constitute a waiver of any subsequent lack of compliance with such provision or of any other provision of this Agreement.

30.3 Failure, omission or delay by any Party to enforce compliance with any provision of this Agreement will not constitute a waiver of or otherwise affect the rights of that Party to use any remedy available to it in respect of the breach of any such provision. Any single or partial exercise of any right, power or privilege hereunder shall not preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

31. Costs.

Each Party must pay its own costs in respect of the costs of the negotiating, preparation and examination of this Agreement and any document required by this Agreement.

32. Entire Agreement.

When signed, this Agreement constitutes the entire agreement between the Parties in relation to its subject matter. This Agreement may not be contradicted by evidence of any prior or contemporaneous agreement, oral or written, and this Agreement may not be explained or supplemented by evidence of consistent additional terms. No previous course of dealing will be admissible to explain, modify or contradict the terms of this Agreement. This Agreement supersedes, merges, and voids all prior representations, statements, negotiations, understandings, proposed agreements, and other agreements, written or oral, relating to its subject matter.

33. Amendment.

This Agreement can only be amended, modified or supplemented by written agreement executed by all the Parties.

34. Governing Law.

34.1 This agreement is governed by the laws of England and Wales, excluding its conflict of laws provisions. In the event that any dispute, controversy, conflicts or claim ("Disputes") arising out of, or in relation to, this Agreement, cannot be settled by means of negotiations within 30 calendar days from the date of notification to the other Party about the presence of the dispute or conflict, the Parties shall submit all Disputes (including the validity, invalidity, breach, or termination thereof) to the competent court in London, United Kingdom. . The Parties agree that the competent court in London, United Kingdom is the most appropriate and convenient court to settle any Dispute and, accordingly, that they will not argue to the contrary.

35. Counterparts.

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original copy of this Agreement. A counterpart may be a facsimile or electronic signature, which shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or electronic transmission shall be deemed to be their original signatures for all purposes. Together all counterparts make up one instrument.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK;
THE SIGNATURE PAGE IMMEDIATELY FOLLOWS]

The Parties have caused this Agreement to be signed by their duly authorized representatives below, effective as of May 22nd, 2023 for all purposes.

Liquidia Technologies, Inc.	Plastiape SpA
By: /s/ Rob Lippe	By: /s/ Alfredo Masuello
Name: Rob Lippe	Name: Alfredo Masuello
Title: Chief Operations Officer	Title: Managing Director

SCHEDULE 1

[***]

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Execution Version

ASSET TRANSFER AGREEMENT

This ASSET TRANSFER AGREEMENT (this "**Agreement**") is made and entered as of June 28, 2023 ("**Effective Date**") by and between Pharmosa Biopharm Inc., a corporation incorporated under the laws of Taiwan having a place of business at 3F.-3, No. 66, Sanchong Road, Nangang District, Taipei City 11502, Taiwan ("**Seller**"), and Liquidia Technologies, Inc., a corporation incorporated under the laws of the State of Delaware, USA having a place of business at 419 Davis Drive, Suite 100, Morrisville, NC 27560, USA ("**Buyer**"). Seller and Buyer may be referred to herein as a "**Party**" or, collectively, as "**Parties**", and certain other capitalized terms not otherwise defined herein shall have the definitions set forth in Article V hereof.

W I T N E S S E T H:

WHEREAS, concurrently with and contingent on the execution of this Agreement, the Parties are entering into that certain License Agreement by and between the Buyer and Seller dated on or around the date hereof (the "**License Agreement**") pursuant to which the Buyer is obtaining an exclusive license to certain intellectual property rights owned, licensed to or otherwise controlled by the Seller; and

WHEREAS, in connection with the License Agreement, Seller desires to transfer ownership of the Inventory to Buyer, and Buyer desires to obtain ownership of the Inventory from Seller, upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, promises and covenants set forth herein and in the License Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I
TRANSFER OF INVENTORY

Section 1.01. Transfer of Inventory. On the terms and subject to the conditions of this Agreement and for the consideration set forth herein and in the License Agreement, Seller hereby conveys, assigns, transfers and delivers to Buyer, and Buyer hereby acquires from Seller, the Inventory. Such rights, title and interests in and to the Inventory shall be free and clear of any and all claims, Liabilities, liens and encumbrances, except as expressly provided herein.

Section 1.02. Inventory. Seller shall Deliver to Buyer the Inventory in accordance with Section 1.06 on the respective delivery dates set forth in Exhibit A (or such other date as may be agreed by the Parties in writing). As of each date of Delivery of Inventory, Seller shall transfer all rights, title and interests in and to the respective Inventory to Buyer. Prior to the date of each Delivery, Seller shall provide an invoice to Buyer for the applicable amount(s) set forth on Exhibit A for the respective Inventory. Buyer shall pay the applicable amount(s) set forth in Exhibit A for such Inventory at the time of Delivery.

Section 1.03. Excluded Liabilities. In connection with the transfer of the Inventory pursuant to this Agreement, Buyer shall assume no Liabilities or obligations of any nature, whether known or unknown, whether fixed or contingent, including any warranties of previously sold products or inventory, accrued or not accrued, which arise out of any events occurring or actions taken or omitted to be taken by or on behalf

of Seller, or otherwise arising out of or incurred in connection with the conduct of the manufacture, purchase and sale, use and possession of Inventory on or prior to the applicable date of Delivery of such Inventory (the "**Excluded Liabilities**"), and Seller shall remain solely liable therefore for the Excluded Liabilities.

Section 1.04. Closing. Subject to the terms and conditions set forth herein, the closing with respect to the transfers contemplated herein (the "**Closing**") shall take place with respect to each item of Inventory upon its applicable date of Delivery (the "**Closing Date**").

Section 1.05. Bill of Sale. Seller shall, simultaneously with the Effective Date, execute and deliver to Buyer a Bill of Sale with respect to the Inventory (the "**Bill of Sale**"), substantially in the form of Exhibit B hereto, effective as of the Effective Date.

Section 1.06. Delivery. The Inventory shall be delivered Ex Works (Incoterms 2020) the location and on the delivery date of the respective Inventory identified in Exhibit A ("**Delivery**") whereupon the risk of loss for the Inventory shall pass to Buyer. Seller will assist Buyer in shipping the Inventory to the destinations designated by Buyer at Buyer's cost. Notwithstanding the foregoing, with respect to any Inventory currently stored at the Philadelphia GMP Depot Facility and which Buyer elects to continue to store at such location, Delivery (and risk of loss) shall be deemed to occur at the time (a) Buyer has entered into an agreement with Marken Limited or the applicable third party responsible for such storage at the Philadelphia GMP Depot Facility and (b) such Inventory has been transferred to Buyer's account at the Philadelphia GMP Depot Facility. If Buyer fails to take Delivery of the Inventory in other locations on the applicable delivery date set forth in Exhibit A by more than seven (7) days, the Delivery shall be deemed to occur on the eighth (8^{th}) day following the applicable delivery date, and Buyer shall be responsible for all costs arising therefrom including the storage costs after the date of the deemed Delivery.

Section 1.07. Further Action. In the event that at any time after any Closing any further action is necessary or desirable to carry out the purposes of this Agreement, each Party agrees that it will take such further action (including the execution and delivery of such further instruments and documents) as the other Party may reasonably request, and all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Article IV).

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in this Article II are true and correct as of the Effective Date and shall be true and correct as of the date of each Delivery with the same force and effect as though such representations and warranties had been made on and as of the Effective Date.

Section 2.01. Organization. Seller is a corporation duly incorporated, validly existing and in good standing in Taiwan. Seller has all corporate power required to carry on its business as now conducted and to transfer and assign the Inventory to Buyer.

Section 2.02. Authorization. The execution, delivery and performance of this Agreement by Seller is within Seller's corporate power, has been duly authorized by all necessary action on the part of Seller and constitutes a valid and legally binding obligation of Seller enforceable in accordance with its terms.

Section 2.03. Title. Seller is the owner of good and valid title to Inventory, and on the applicable Closing Date, the respective Inventory shall not be subject to any Liabilities, liens, leases, charges, claims, licenses, rights, encumbrances or restrictions on transfers other than the Permitted Liens,

and no financing statement for security interest covering all or any portion of the Inventory and naming Seller as debtor will be in effect. As of the date of each Delivery of Inventory, Buyer will acquire such Inventory for its exclusive use free and clear of all Liabilities owed by Seller to third parties, liens, leases, charges, claims, licenses, rights, encumbrances and restrictions on transfers. As of the date of Delivery of Inventory, Seller shall have no right, title or interest in such Inventory.

Section 2.04. Agreements. Each agreement relating to the Inventory was duly executed and delivered by, and constitutes a valid and binding obligation of, Seller, enforceable against Seller in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general equity principles. There has been no breach of the terms of any agreement related to the Inventory by Seller or, to the Knowledge of Seller, by any other party to such agreement.

Section 2.05. Inventory. Exhibit A sets forth a report by units, expiration date, lot number (as applicable) and location of the Inventory as of the Effective Date in each case owned or controlled by Seller or its Affiliates as of the Effective Date. To the Knowledge of Seller, the Inventory has been manufactured in accordance with the applicable specification therefor and good manufacturing practices in all material respects. The Inventory, while in possession of Seller or its Affiliates, has been stored and handled in conformity with the applicable specifications for such Inventory in all material respects. To Seller's Knowledge, all Inventory (a) has been manufactured, handled, and stored in accordance with cGMP, and applicable Law in all material respects, and (b) are free of defects and useable in the ordinary course of business.

Section 2.06. Tax Matters. There are no liens with respect to Taxes upon Delivery of any of the Inventory (except for Taxes not yet due).

Section 2.07. Licenses and Permits. Seller has all governmental licenses, authorizations and permits required to sell, transfer, assign and deliver the Inventory to Buyer pursuant to Section 1.06, and all such licenses, authorizations and permits are in full force and effect.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this Article III are true and correct as of the Effective Date and shall be true and correct as of the date of each Delivery with the same force and effect as though such representations and warranties had been made on and as of the Effective Date.

Section 3.01. Organization. Buyer is a corporation duly incorporated, validly existing and in good standing in the State of Delaware. Buyer has all corporate power required to carry on its business as now conducted and to purchase, acquire and assume the Inventory from Seller.

Section 3.02. Authorization. The execution, delivery and performance of this Agreement by Buyer is within Buyer's corporate power, has been duly authorized by all necessary action on the part of Buyer and, when executed and delivered in accordance with the terms hereof, will constitute a valid and legally binding obligation of Buyer enforceable in accordance with its terms.

ARTICLE IV
INDEMNIFICATION

Section 4.01. Seller's Indemnity. Subject to the limitations set forth herein, Seller hereby agrees to indemnify Buyer and its Affiliates, and their respective stockholders, officers, directors, employees, representatives, counsel, agents, successors and assigns (collectively, the "**Buyer Indemnified Parties**"), against, and agrees to hold the Buyer Indemnified Parties harmless from, any Loss incurred or suffered by such Buyer Indemnified Parties (individually, "**Claim**" or collectively, "**Claims**"), directly or indirectly (whether based on contract, tort, product liability, strict liability or otherwise), incurred in litigation or otherwise, and any investigation relating thereto, by any of the Buyer Indemnified Parties, to the extent resulting from or arising out of: (a) any breach of any of the representations or warranties of Seller or any of its Affiliates contained in this Agreement, (b) nonfulfillment of or any failure by Seller to perform any covenant or agreement made or undertaken by Seller or its Affiliates in this Agreement, (c) all Excluded Liabilities, or (d) any Liability of Seller that becomes a Liability of any Buyer Indemnified Parties under bulk sales, bulk transfers or similar applicable Laws of any jurisdiction, under any common law doctrine or de facto merger or successor liability, or otherwise by operation of applicable Law.

Section 4.02. Buyer's Indemnity. Subject to the limitations set forth herein, Buyer hereby agrees to indemnify Seller and its Affiliates, and their respective stockholders, officers, directors, employees, representatives, counsel, agents, successors and assigns (collectively, the "**Seller Indemnified Parties**"; Seller Indemnified Parties and Buyer Indemnified Parties each constitute, as applicable, "**Indemnified Parties**"), against, and agrees to hold the Seller Indemnified Parties harmless from all Claims, directly or indirectly (whether based on contract, tort, product liability, strict liability or otherwise), incurred in litigation or otherwise, and any investigation relating thereto, by any of the Seller Indemnified Parties, to the extent resulting from or arising out of: (a) any breach of any of the representations or warranties of Buyer or any of its Affiliates contained in this Agreement or (b) nonfulfillment of or any failure by Buyer to perform any covenant or agreement made or undertaken by Buyer or its Affiliates in this Agreement.

Section 4.03. General. Indemnification under this Article IV shall extend to, and shall include, reasonable attorneys' fees, reasonable accountants' fess, costs of litigation and other expenses reasonably incurred by the Indemnified Parties in the investigation or defense of any Claim asserted against such Indemnified Party and any amounts paid in settlement or compromise of any Claim asserted against it, but only to the extent that the Claim asserted is or would have been subject to this Article IV.

Section 4.04. EXCEPT WITH RESPECT TO EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 4.01 OR 4.02, AS APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES BE LIABLE TO THE OTHER PARTY OR ANY OF ITS AFFILIATES FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING LOSS OF PROFITS, WHETHER IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREIN OR ANY BREACH HEREOF.

ARTICLE V
MISCELLANEOUS

Section 5.01. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next Business Day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) Business Day after deposit with a nationally recognized overnight

courier, freight prepaid, specifying next Business Day delivery, with written verification of receipt. All communications shall be sent to the respective Parties at the following addresses:

If to Seller:

Pharmosa Biopharm Inc.
3F.-3, No. 66, Sanchong Road
Nangang District, Taipei City 11502
Taiwan
Attention: Pei Kan/ Weishu Lu
Email: peikan@pharmosa.com.tw / Weishu.lu@pharmosa.com.tw

With a copy (which shall not constitute notice) to:

K&L Gates
30F, No. 95. Dun Hua S. Road, Section 2
Ta-an District, Taipei City 106
Taiwan
Attention: Jacqueline Fu
Email: jacqueline.fu@klgates.com

If to Buyer:

Liquidia Technologies, Inc.
419 Davis Drive, Suite 100
Morrisville, North Carolina 27560
USA
Attention: General Counsel
Email: legal@liquidia.com

With a copy (which shall not constitute notice) to:

DLA Piper LLP (US)
51 John F. Kennedy Parkway, Suite 120
Short Hills, New Jersey 07078
USA
Attention: Andrew P. Gilbert
Email: andrew.gilbert@us.dlapiper.com

Section 5.02. Bulk Sales Laws. Buyer and Seller hereby waive compliance with the provisions of the bulk sales Law of any state relating to bulk transfers in connection with the sale of the Inventory hereunder. Notwithstanding the foregoing, nothing herein shall estop or prevent Seller or Buyer from asserting, as a bar or defense to any Proceeding brought under any such Law, that such Law is not applicable to the transactions contemplated by this Agreement.

Section 5.03. Amendment. This Agreement may not be amended or supplemented except by a written instrument duly executed by the authorized representative of each Party.

Section 5.04. Expenses. All costs and expenses of whatsoever nature incurred in connection with this Agreement shall be paid by the Party incurring such cost or expense.

Section 5.05. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, provided that no Party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other Parties hereto, except that Buyer may assign its rights or obligations hereunder to its parent, or any of its Affiliates, without the consent of Seller. Any other purported assignment or delegation in contravention of the foregoing shall be null and void.

Section 5.06. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York, USA, excluding application of any conflict of laws principles that would require application of the Law of a jurisdiction outside of State of New York, USA. Any disputes arising from this Agreement shall be resolved by the Parties pursuant to Article 12 of the License Agreement, which is hereby incorporated herein by reference.

Section 5.07. Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement.

Section 5.08. Entire Agreement. This Agreement (including its Exhibits and any amendments) contains the entire agreement of the Parties with respect to the subject matter of this Agreement except to the extent other agreements are referenced in this Agreement, and supersedes all previous communications, representations, understandings and agreements, either oral or written, between the Parties with respect to the subject matter hereof.

Section 5.09. Severability. If any provision of this Agreement or the application of any such provision to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

ARTICLE VI
DEFINITIONS

"**Affiliate**" means a Person that controls, is controlled by or is under common control with a Party, but only for so long as such control exists. For the purposes of this definition, the word "control" (including, with correlative meaning, the terms "controlled by" or "under the common control with") means the actual power, either directly or indirectly through one or more intermediaries, to direct the management and policies of such Person or entity, whether by the ownership of more than fifty percent (50%) of the voting stock of such entity, or by contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble of this Agreement.

"**Bill of Sale**" has the meaning set forth in Section 1.05 hereof.

"**Business Day**" means any day, other than a Saturday or Sunday or any other day on which banks are required or authorized to close in New York, New York or Taiwan.

"**Buyer**" has the meaning set forth in the preamble of this Agreement.

"**Buyer Indemnified Parties**" has the meaning set forth in Section 4.01 hereof.

"**Claim(s)**" has the meaning set forth in Section 4.01 hereof.

"**Closing**" has the meaning set forth in Section 1.04 hereof.

"**Closing Date**" has the meaning set forth in Section 1.04 hereof.

"**Delivery**" has the meaning set forth in Section 1.06 hereof.

"**Effective Date**" has the meaning set forth in the preamble of this Agreement.

"**Excluded Liabilities**" has the meaning set forth in Section 1.03 hereof.

"**Governmental Body**" means any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal); (d) multi-national or supranational organization or body; or (e) individual, entity, or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

"**Indemnified Parties**" has the meaning set forth in Section 4.02 hereof.

"**Inventory**" means the quantities of materials set forth in Exhibit A.

"**Knowledge**" shall have the meaning set forth in the License Agreement.

"**Law**" or "**Laws**" means all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the binding effect of law of any Governmental Body.

"**Liability**" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including, but not limited to, any liability for Taxes.

"**License Agreement**" has the meaning set forth in the recitals of this Agreement.

"**Loss**" means any claim, demand, Proceeding, loss, damage, penalty, Liability, obligation, settlement payment, cost and expense of every kind whatsoever (including, without limitation, costs of investigation, preparing or defending any such claim, demand or Proceeding and reasonable legal fees and disbursements).

"**Party**" or "**Parties**" has the meaning set forth in the preamble of this Agreement.

"**Permitted Liens**" means (a) any mechanic's, materialmen's or similar statutory lien incurred in the ordinary course of business for monies not yet due and (b) any lien for Taxes not yet due.

"**Person**" means any natural person, corporation, firm, business trust, joint venture, association, organization, company, partnership or other business entity, or any government or agency or political subdivision thereof.

"**Philadelphia GMP Depot Facility**" means that certain storage facility located at 215 Bridgewater Rd., Bridgewater Business Park, Aston, PA 19014, USA.

"**Proceeding**" means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or

before, or otherwise involving, any court or other Governmental Body or referee, trustee, arbitrator or mediator.

"**Seller**" has the meaning set forth in the preamble of this Agreement.

"**Seller Indemnified Parties**" has the meaning set forth in Section 4.02 hereof.

"**Tax**" or "**Taxes**" means, without limitation, any federal, state, local, foreign or other net income, gross income, gross receipts, license, lease, payroll, employment, excise, severance, stamp, occupation, premium, ad valorem, windfall profits, environmental (including taxes under Section 59A of the Internal Revenue Code), customs duties, capital stock, franchise, service, service use, profits, withholding, social security (or similar), unemployment, disability, real property, customs duties, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not, and any obligations under any agreements or arrangements with respect to any taxes described herein.

[signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date.

BUYER:

LIQUIDIA TECHNOLOGIES, INC.

By /s/ Roger Jeffs
Name: Roger Jeffs
Title: CEO

SELLER:

PHARMOSA BIOPHARM INC.

By /s/ Pei Kan
Name: Pei Kan
Title: President

[Signature Page to Asset Transfer Agreement]

EXHIBIT A

Inventory

Clinical Drug Supply[1]

[***]

Devices

[***]

[1] To the extent any inventory on this Exhibit A is stated as of a specific date, any changes in inventory since that date have been in the normal course of business in the conduct of the Existing Clinical Trial (as defined in the License Agreement) consistent with past practice.

EXHIBIT B

Bill of Sale

_____ __, 2023

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Pharmosa Biopharm Inc., a Taiwan corporation ("**Seller**"), does hereby grant, bargain, transfer, sell, assign, convey and deliver to Liquidia Technologies, Inc., a Delaware corporation ("**Buyer**"), all of its rights, title and interests in and to the Inventory (as such term is defined in the Asset Transfer Agreement dated as of even date herewith, by and between Buyer and Seller ("**Asset Transfer Agreement**")) in accordance with Asset Transfer Agreement to have and to hold the same unto Buyer, its successors and assigns forever.

Seller, for itself, its successors and its assigns, hereby covenants and agrees that, at any time and from time to time upon the written request of Buyer, Seller will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required by Buyer in order to assign, transfer, set over, convey, assure and confirm unto and vest in Buyer, its successors and its assigns, title to the assets sold, conveyed and transferred by this Bill of Sale.

IN WITNESS WHEREOF, Seller has duly executed this Bill of Sale as of the date first written above.

PHARMOSA BIOPHARM INC.

By: _____
Name:
Title:

CODE OF CONDUCT

As amended on March 8, 2022

Liquidia CORPORATION

TABLE OF CONTENTS

INTRODUCTION

Thank you for being part of the Liquidia team! Our Code, the *Liquidia Code of Conduct* (the "Code"), represents the values of Liquidia Corporation and its subsidiaries, including Liquidia Technologies, Inc. and Liquidia PAH, LLC (collectively referred herein as "Liquidia", the "Company", "we", "our" or "us") and helps define how we do business. This Code applies to all Liquidia "Team Members", which includes all of Liquidia's employees, contractors, consultants and board members, as well as our agents and vendors. Our Code serves as a guide for how we must conduct ourselves as professionals in our community and in every country in which we do business.

This Code contains our Company's policies on legal, ethical and business conduct matters. It includes both individual and corporate responsibilities. Team Members are responsible for adhering to the highest moral, legal and ethical standards of behavior, the same standards that our Company complies with in the course of business. It is this commitment to ethics that makes Liquidia a desirable employer, vendor and customer.

All Team Members, as well as agents and vendors of the Company, must respect and comply with applicable laws, rules and regulations of the countries, states, counties, cities and any other jurisdictions in which Liquidia conducts its business. All Company leaders, by virtue of their positions of authority, should act as ethical and professional role models by exemplifying our corporate values and exhibiting the highest standards of integrity. In the case that this Code is in violation of an applicable law, rule or regulation, that law, rule or regulation will supersede this Code and must be followed. Please bring any discrepancy between this Code and any law, rule or regulation to the immediate attention of the Liquidia Legal Department.

This Code is not a complete list of legal or ethical questions and issues that you might face. It is intended to be used as a guide and, by its nature, is not all-inclusive. The Company has a variety of specific codes and policies that provide additional information and clarity on issues that may arise during the course of business. Please be sure to consult appropriate codes and policies as needed. If you have any questions about, or have concerns about any violations or potential violations of, any of the codes or policies outlined here, please see "Reporting Violations" for guidance. Please report any incidents or issues related to compliance to the Liquidia Legal Department, other appropriate individual or department indicated in this Liquidia Code of Conduct or the Liquidia Red Flag Reporting Hotline. Liquidia will not permit retaliation by, or on behalf of, the Company or any of our Team Members against good faith reports and complaints of violations of this Code, or any conduct that is otherwise illegal or unethical.

Finally, this Code will be reviewed periodically to ensure it is a current and usable resource for our business. All prior policies, practices or statements, oral or written, that (a) relate to any subject that is addressed by this Code, or (b) vary in any way from the policy or practice set forth in this Code relative to the subject, are hereby superseded. Any updates which might be necessary will be approved by management and communicated to all Team Members.

MISSION STATEMENT

OUR PURPOSE

Liquidia is a biopharmaceutical company that has pioneered a simple, elegant solution to improve the performance of medicines by precisely engineering drug particles. Through the proprietary PRINT® technology, Liquidia has become the only company in the world that can improve the efficacy, safety, or route of administration, of nearly any therapeutic molecule by designing drug particles in a virtually unlimited number of compositions, sizes, or shapes. PRINT®-optimized product candidates are in or will soon enter clinical development. Liquidia also actively partners with world-class collaborators to expand the applications for PRINT® technology.

OUR PRINCIPLES:

These principles form the foundation of our culture and guide the way we make key scientific, business and organizational decisions. We stand committed to:

- OUR PATIENTS, HEALTHCARE PROFESSIONALS AND PARTNERS - They are the reason for and lifeblood in everything we do. They are the users of our products and services and expect the highest level of quality, innovation, timeliness and ethics. We must actively work with them to seek understanding of their needs, concerns and hopes for the future. Our success ultimately depends upon exceeding their expectations, and we should always strive to be the company they most prefer to do business with.

- OUR EMPLOYEES - They are the DNA of who we are. Great products and services do not happen without great employees. We must respect them as individuals, valuing the diverse backgrounds and skillsets they bring to the organization. Employees should feel valued as an integral part of a high performing team. We must always be willing to listen to their ideas and feedback. We must invest our time and resources to develop their skills in order to optimize their performance and careers. There must always be equal opportunity for employment. Compensation must be fair. Our employees should always operate in a safe, orderly environment. And our employees should participate in an ethical environment at all times.

- OUR INVESTORS - They entrust us with their financial resources in order to make a fair return on their investment. They have choices of where they invest those resources and we must earn their trust daily. Investors expect sound business decisions, ethical behavior, and results. Innovation and proper resource allocation are imperative, as well as accountability for mistakes that are made.

- OUR COMMUNITY - It provides the environment in which we live, work and grow. We have a responsibility to give back and to improve our community where we can. We should strive to lead in our community, both as an organization and individually. We also must protect our environment.

- EXCELLENCE - It is our aim in all endeavors. We must always set high standards of success for ourselves while also asking how we can learn and how we can improve. We should be comfortable being on the cutting edge and innovating for a better way of doing things. And whether it be success or failure, we must always be accountable for everything we do.

REPORTING VIOLATIONS

COMPLIANCE

Every Team Member has a responsibility to report violations, or suspected violations, of this Code in good faith. Team Members are encouraged to talk to supervisors, if they feel comfortable speaking with their supervisors, or other appropriate personnel about observed illegal or unethical behavior and about the best course of action to pursue in a particular situation. Team Members who are concerned that violations of this Code or illegal or unethical conduct by employees, officers or directors of the Company have occurred or are likely to occur should contact their supervisor, the Human Resources Department or the Liquidia Legal Department.

If Team Members do not believe that it is appropriate to contact their supervisor, the Human Resources Department or the Legal Department or they are more comfortable taking another course of action to address their concerns or complaints, the following resources are available:

- Chief Financial Officer.
- The Liquidia Board of Directors' Audit Committee, via the Liquidia Red Flag Reporting Hotline.
- The Liquidia Red Flag Reporting Hotline, which is maintained by an independent third party by (i) visiting www.redflagreporting.com and clicking on "File a Report", using client code 9193284400, or (ii) calling 1-877-647-3335, using client code 9193284400. Anonymized reports are forwarded to Liquidia's Human Resources Department, Chief Financial Officer and the Liquidia Legal Department. Whether you call or report on-line, you will have the option of being completely anonymous.

If Team Members' concerns or complaints require confidentiality, including maintaining anonymity, their confidentiality and anonymity will be protected to the extent practicable, subject to applicable laws, rules, regulations or legal proceedings.

The Company will promptly investigate any and all credible reports of violations of this Code or any domestic or foreign laws, rules and regulations. Appropriate action will be taken, up to and including termination of employment, against anyone who is found to have violated this Code or applicable laws, rules and regulations. The Liquidia Red Flag Reporting Hotline can also be used by Team Members, investors or others to speak anonymously, or in confidence, in connection with any perceived accounting or auditing irregularities or other misconduct or wrongful behavior, as further described in the *Whistleblower Policy* attached as Exhibit B hereto.

NO RETALIATION

Liquidia **will not** permit retaliation by, or on behalf of, the Company or any of its Team Members against good faith reports and complaints of violations of this Code, or any conduct that is otherwise illegal or unethical. Any Team Member engaging in impermissible retaliation will be subject to disciplinary action, up to and including termination of employment, at the discretion of the Company.

MORAL STANDARDS

CONFLICT OF INTEREST

While we expect that employees have private lives outside of Liquidia, each Liquidia Team Member has an obligation to ensure that their activities do not conflict with, or appear to conflict with, the best interests of the Company. A conflict of interest exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. A conflict of interest can arise when a Team Member takes actions or has interests that may make it difficult to perform their Company work objectively and effectively.

Conflicts of interest may also arise when a Team Member or a member of their family, receives improper personal benefits as a result of the Team Member's position at Liquidia, whether received from the Company or a third party. Team Members should conduct themselves with the highest legal and ethical standards at all times.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management. Team Members who become aware of a potential or actual conflict of interest should immediately bring it to the attention of a supervisor, senior officer or other appropriate employee and then, as appropriate, remove themselves from that situation unless they have received permission, in writing, by an officer of the Company. The terms of this Code do not seek to prohibit participation in certain protected concerted labor activities, regardless of potential conflicts with the Company's interests.

Examples of conflicts of interest may include, and are not limited to, the following:

- using Company funds, property or other resources for illegal or improper purposes, or for any purpose which is not directly related to the Team Member's employment at Liquidia;
- improperly influencing, either directly or indirectly, the decisions of any customer, supplier, government official or candidate for public office, employee, or any other outside party in their dealings Liquidia;
- employment with, or providing services to, a competitor of Liquidia while still employed at Liquidia;
- accepting from a vendor, supplier, or any other outside party that engages in business with Liquidia, could engage in business with Liquidia, or impacts Liquidia's business, any gift or entertainment that either is not in compliance with Company codes and policies, or has an unreasonable value, either on its own or when combined with other gifts and entertainment;
- situations that place personal activities in direct conflict with the interests of Liquidia;
- misuse of confidential information;
- having a significant financial interest in a company which does business with or is in competition with Liquidia;
- accepting, giving or guaranteeing obligations of loans to Team Members, including loans to directors and officers that are not permitted by law; and

- acting in violation of this Code.

Team Members must remain completely objective when choosing vendors or doing business with customers or other outside parties. All decisions should be made without preference for anything other than the best interests of our Company.

Gifts & Entertainment

Giving or receiving gifts or entertainment in exchange for doing business with, or receiving preferential treatment from, our Company is prohibited. Gifts include not only material goods, but also services, promotional premiums, discounts on personal purchases of goods or services, nonbusiness entertainment, personal travel or hotel accommodation or any other beneficial arrangement.

Liquidia is a closely regulated company, and, as a result, Team Members need to be aware of the laws, rules and regulations and Company policies that govern gifts and entertainment.

These laws, rules and regulations, as well as codes and policies, impact giving or receiving gifts as well as providing or participating in entertainment.

U.S. Health Care Professionals

As a company developing therapeutics and technology for the healthcare industry, Liquidia is subject to a variety of laws, rules and regulations that specify our guidelines, limitations and obligations relating to gifts and entertainment. The requirements of applicable codes and policies, as well as laws, rules and regulations supersede this section.

A Health Care Professional (HCP) is anyone involved in the provision of health care to patients. Physicians, doctors, nurses and other professionals who provide health care services directly to patients are HCPs. In addition, professionals whose employment can impact patient treatment, such as purchasing managers, hospital administrators and executives, and lab technicians, are considered to be HCPs. Generally, providing gifts, entertainment, sponsorships and meals to HCPs is limited, if not completely prohibited, by law or company codes and policies. When permitted, the amount that can be spent per person will be limited. Please contact the Liquidia Legal Department, with any questions that you may have.

U.S. Government & State Governments

The U.S. government has a number of laws, rules and regulations regarding business gratuities, such as gifts, entertainment and meals, that may be accepted by U.S. government personnel.

The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. In addition, contracting with employees of the U.S. government outside of their scope of employment with the U.S. government may be restricted. Please take care to review applicable laws, rules and regulations when interacting with the U.S. government and U.S. government personnel. Employees of specific U.S. state governments may also be subject to legal limitations and restrictions regarding gifts, entertainment, meals and outside employment, among other restrictions. Please contact the Liquidia Legal Department before providing any gift, entertainment, meal or other benefit to, or engaging in a contractual relationship with, a U.S. government or state government employee.

Foreign Government Officials

Internationally, the practice of gift giving and receiving varies widely from country to country. Prior to traveling abroad, Team Members should familiarize themselves with what is and is not appropriate for the areas that they will be visiting. In those countries where the exchange of gifts is customary and legal and it would be offensive or disturbing for a Team Member to decline a gift of a value greater than $100, the gift may be received with prior written approval of the Liquidia Legal Department. If obtaining prior written approval is not possible, Team Members must notify an officer of the Company or the Liquidia Legal Department of the receipt of such gift as soon as possible after receiving the gift. The Company may request gifts of that nature be turned over to the Company.

It is important to note that interactions with foreign government officials are generally governed by the Foreign Corrupt Practices Act, which is a law that has been applied to activities that occur beyond the borders of the U.S. In addition, the definition of a "government official" is very broad. Contact the Liquidia Legal Department with any questions that you may have.

U.S. Business Relationships (Non-Health Care Professionals)

Customary business entertainment provided by or to a customer, supplier or other business colleague may be provided or accepted so long as no HCP is involved; meals may also be provided and accepted. Although business entertainment may occur in a variety of situations, the key determinant is that such entertainment is permissible under Company codes and policies as well as the law, it has a business related purpose, and it is reasonable in cost and regularity. Customary business entertainment requires that an appropriate Team Member be present at the event or meal along with the customer, supplier or business colleague. In addition, Team Members may not pay for the entertainment of customer, supplier or business colleague's guests or family members, or anyone who does not have a genuine interest in the business being discussed.

Team Members may not accept personal gifts, favors or entertainment of an unreasonable value from anyone doing, or seeking to do, business with the Company without prior written approval of an officer of the Company, the Liquidia Legal Department or the Liquidia Finance Department.

Bribes, Kickbacks & Unlawful Payments

In the U.S. and most countries around the world, it is illegal to provide, accept, offer, or induce a bribe or kickback. Bribes and kickbacks are money, fees, commissions, gifts, gratuities, things of value or any compensation provided directly or indirectly, to influence a business decision.

Liquidia's policy is very simple and clear: the Company **does not** permit bribes, kickbacks or unlawful payments. To this end, Liquidia products are sold solely on the basis of quality, service and price. Team members may not offer, make, or authorize or receive payment of money or anything of value, directly or indirectly, with improper intent to:

- illegally influence the judgment or conduct, or create a desired outcome or action, by any individual customer, company or company representative;
- illegally gain an improper business advantage involving items reimbursed by a government health care program; or
- illegally induce any health care provider to purchase or order Liquidia products or services.

Any Team Member found to be offering, requesting, accepting or making a bribe, kickback or unlawful payment is subject to immediate disciplinary action, up to and including termination of employment.

No third party, including agents, consultants, friends or family members, may be used to circumvent the policy against bribes, kickbacks and unlawful payments. All Team Members have an obligation to report to the Company any actual or attempted bribe or kickback made by or given to any Team Member.

Discounts & Rebates

In negotiating pricing with health care customers, discounts, rebates and other preferential pricing strategies will be offered in compliance with applicable laws, rules and regulations. For example, in the U.S., the Company will comply with the Anti-Kickback Statute (AKS) and all applicable safe harbors to the AKS.

False Claims Act

The Federal False Claims Act (FCA) is a civil law that prohibits submission, or causing the submission, of fraudulent claims to Medicare or Medicaid, and other federal and state programs. False claims that are submitted to a federal health care program, intentionally or with reckless disregard or deliberate indifference, can subject Liquidia as well as Team Members to significant penalties. Team Members must ensure that all statements, submissions and other communications, whether oral or written, with our customers, prospective customers, suppliers and other persons and entities are truthful, accurate, and complete.

Team Members, or any third-parties contracted by Liquidia, may not provide misleading advice, guidance or encouragement to customers on how to code for or bill third-party payors for our products or services, or how to report costs on any institutional cost report. Such advice will be given only after it has been confirmed that the advice is fully consistent with all applicable coding and billing rules and regulations. Advice may not be provided as an inducement to use Liquidia products or services. If there is any question as to the accuracy of the advice to be given, then such advice may not be given. In addition, the Liquidia Regulatory Department or Liquidia Legal Department should be contacted with any questions regarding the provision of billing or coding advice, and any activities related thereto should be vetted by one of these departments prior to implementation.

Foreign Corrupt Practices Act

Many countries, including the U.S., have strict laws prohibiting payments to foreign officials for the purpose of obtaining or retaining business. Specifically, the Foreign Corrupt Practices Act, known as the FCPA, does not permit U.S. companies, either directly or indirectly, to pay or promise to pay money or provide anything of value to a foreign official in an attempt to influence decisions, gain new business or retain current business. The definition of “foreign official” is very broad. It includes employees of state-owned entities, such as doctors or administrators who work in state-owned hospitals.

U.S. law provides an exception for certain small payments, sometimes referred to “facilitation payments” or “grease payments,” made to secure “routine governmental action,” such as fees for permits or other official documents, processing government paperwork, loading and unloading cargo, for example. If such a payment is permitted, the FCPA books and records provision requires Liquidia to record payments in a transparent manner and maintain internal controls. It is the responsibility of Team Members who are involved in such payments to ensure that appropriate

action is taken to comply with the law. Unless doing so is impossible, Team

Members must receive prior written approval from the Liquidia Legal Department prior to the disbursement of any payment.

It is important to note that U.K. law prohibits some of the aforementioned payments, and Team Members should be sure that this prohibition does not apply prior to making a facilitation payment.

Anti-Money Laundering

It is illegal to engage in money laundering. Money laundering includes engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds in order to make the unlawful proceeds appear to have legitimate origins or constitute legitimate assets.

The purpose of the anti-money laundering laws, rules and regulations are to help detect and report suspicious activity, including the predicate offenses to money laundering and terrorist financing, such as securities fraud and market manipulation.

If a Team Member is uncertain of the situation or observes a violation, it should be reported immediately to their supervisor or the Liquidia Legal Department.

Company Assets

Every Team Member has the obligation to use the Company's time and property in a wise manner. The use of the Company's time and property for purposes not directly related to the Company's business is prohibited. All Team Members should protect the Company's assets and property and ensure their efficient use.

The Company's assets and property include, but are not limited to, equipment (e.g., computers, phones, and chairs), materials, facilities, office supplies and vehicles.

Team Members are expected to use and maintain equipment appropriately and safely. Please refer to applicable Company codes and polices for specific details on asset management rules and requirements.

In the event of termination of employment, all Company assets and property in the possession or control of the Team Member (including, but not limited to, documents, copies, notes, computers, keys, manuals, etc.) must be returned immediately.

Competing Outside Employment & Business Interests

Team Members may hold jobs outside Liquidia, but have a responsibility to ensure that they do not own, have a material financial interest in, work for, consult with, serve as an officer or director for, or otherwise assist a customer, supplier, contractor, regulator, or competitor that competes with or conflicts with any business of the Company without prior written approval of an officer of the Company.

Any Team Member who has outside employment must inform their supervisor or an officer of the Company, in writing, of such work. If Liquidia determines that a Team Member's outside employment is interfering with the ability to meet Company requirements, the Team Member may be asked to terminate outside employment in order to remain employed at Liquidia.

Any Team Member involved in negotiating an agreement or transaction with a company in which the Team Member owns stock, or has any other financial interest or business relationship, should inform their supervisor, an officer of the Company or Liquidia's Board of Directors, as appropriate, so that a determination can be made as to how best to proceed.

Team Members that own stock in public companies are not required to inform the Company of their ownership, so long as the Team Member's combined direct and indirect ownership interest is less than 5% of the total outstanding shares of that company.

If a family member or someone close to a Team Member is an employee of or otherwise associated with a competitor of the Company, the Team Member should notify an officer of the Company or the Liquidia Legal Department so that the nature and extent of any concern may be assessed and appropriately resolved.

Nepotism & Relationships

Liquidia recognizes that there will be situations in which relatives or persons in a close personal relationship may be employed in the same operating unit. Such situations can create an actual or at least a potential conflict of interest, especially where one relative supervises another relative. For the purpose of this Code, a "relative" is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

The Human Resources Department must be notified of any existing or potential conflict. Any questions about, or proposed exceptions to, the application of these policies should be directed to the Human Resources Department. For more information on the Company's nepotism and relationships policy, please see our Employee Handbook.

Corporate Opportunity

Team Members owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises and, as such, are prohibited from:

- taking for themselves, personally, opportunities that properly belong to the Company (such as the acquisition of a company or a product line in the same industry as the Company) that are discovered through the use of corporate property, information or their position at Liquidia;
- using the Company's property, information or position for personal gain; and
- Competing with the Company.

Loans

Loans to Team Members from financial institutions that do business with the Company are permissible as long as the loans are made on prevailing terms and conditions and are in amounts meeting the institutions' usual and ordinary lending guidelines.

Long term or non-de minimis loans to Team Members, as well as any loans to Liquidia executives from the Company are prohibited, unless explicitly authorized by the Company's Board of Directors. Team Members and their families may not borrow or otherwise receive funds from present or potential suppliers, customers or partners of the Company with the exception of financial institutions under the circumstances provided above.

Travel Benefits

Unless otherwise specified, Team Members traveling on Company business may keep airline mileage credits, hotel rewards, car rental perks or restaurant benefits for their personal use. Such benefits should be the type offered to the general traveler, and the cost of using the services or products of the companies providing these benefits must not increase as a result of the benefit.

For more information on travel and expense reimbursement, please see our Employee Handbook.

Insider Trading/Tipping

Because Liquidia is a publicly-owned company, it has legal obligations to be especially vigilant in safeguarding its material, non-public information from disclosure both inside and outside the Company. It is a violation of federal law for anyone with knowledge of such information to buy or sell Liquidia stock, or to make any unauthorized disclosure of such information (known as "tipping"). All covered persons are bound by the Company's *Insider Trading Policy*, attached as Exhibit A hereto.

CONFIDENTIALITY

Confidential Company Information

During their time at Liquidia, Team Members will come into contact with a wide variety of confidential information, including "Confidential Company Information".

Confidential Company Information includes all non-public Company information (including all non-public information of any subsidiary of the Company) that might be of use to competitors of the Company, or harmful to the Company or its suppliers, customers or other such third parties if disclosed, as well as information deemed confidential under the law.

Confidential Company Information may include, among other things, sales, earnings and other financial information, financial statements, business plans, sales programs, inventions, product and pricing information, manufacturing processes, chemical composition of materials, research and development data, acquisition targets, internal memos and electronic files, customer lists, or even information obtained from a third party pertaining to new products or ideas.

Confidential Company Information is to be protected at all times. In fact, all Team Members must sign a non-disclosure agreement or employment agreement upon hire, stating that the Company's confidential business and technical information and the Company's trade secrets will not be disclosed before, during or after termination of employment.

Employees must be cautious not to inadvertently disclose Confidential Company Information when speaking in a public setting, such as presenting papers at conferences or in discussions with prospective customers during a trade show.

On occasion, Confidential Company Information may be released to vendors, contractors or visitors to Liquidia. In those cases, a confidentiality agreement on non-disclosure agreement must be signed by the outside party or access to information and facilities must be limited.

Please refer to the section entitled "Confidential Company Information" in the Employee Handbook for more details on intellectual property and Company property.

Media, Securities Analysts and Investors

The Company is subject to laws that govern the timing of the Company's disclosures of material information to the news media, securities analysts and investors and other members of the public (collectively, the "public"). To ensure that any information provided to the public on behalf of Liquidia is accurate and timely disseminated, only the Chief Executive Officer of Liquidia, or such employees specifically designated by the Company's Chief Executive Officer to communicate with the public on behalf of Liquidia, may make comments on behalf of the Company to the public. Unless permission to speak to the public on behalf of the Company has been granted by the Chief Executive Officer of the Company in writing, any Team Member who is approached or contacted by a member of the public should refer that request to designated officers of Liquidia, or such employees specifically designated to communicate with the public on behalf of Liquidia. This process will ensure that only current, consistent, accurate and non-confidential Company information is provided to the public.

The Company also trusts and expects Team Members to exercise personal responsibility whenever they participate in social media or other online activities. The Company's "Social Networking and Blogging" policy contains additional guidelines regarding social media disclosures.

Note that the terms of this Code do not seek to restrict employees from discussing lawful compensation, hours and working conditions, or other legally protected terms and conditions of employment, and any such discussions are permitted under the law and this Code.

Nothing in this Code prohibits Team Members from reporting possible violations of a U.S. federal law, rule or regulation to any governmental agency or entity including, but not limited to, the Department of Justice, the Securities and Exchange Commission (known as the SEC), Congress, or any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of any federal law, rule or regulation. Prior authorization is not required to make any such reports or disclosures and Team Members are not required to notify the Company that they have made such reports or disclosures. We do request that, as appropriate, Team Members raise issues and concerns with the Company as they arise, so that we can efficiently and effectively address those concerns.

SECURITIES LAWS AND INSIDER TRADING

Because the Company's securities are publicly traded, it is subject to a number of laws concerning the purchase and sale of the Company's securities. Regardless of your position with the Company, if you are aware of what is known as "material inside information" regarding the Company's business, affairs or prospects, you may not disclose that information to anyone outside the Company, and you are not allowed to buy or sell the Company's securities until the material inside information is known not only by individuals within the Company, but also by the general public. The improper use of material inside information is known as insider trading. Insider trading is a criminal offense and is strictly prohibited by law and by the Company's Insider Trading Policy.

Because Team Members may learn information that is not otherwise public from the Company's clients, brokers and other companies with whom the Company does business or proposes to do business, you are not allowed to buy or sell securities of the Company's clients, brokers or other such companies.

Penalties for trading on or communicating material inside information are severe. If you are found guilty of an insider trading violation, you can be subject to civil and even criminal liability. In addition to being illegal, the Company believes that insider trading is unethical and will be dealt with firmly, which may include terminating your employment with the Company and reporting violations to appropriate authorities.

If you have any questions concerning the securities laws or about the Company's policies with regard to those laws, or regarding the correct ethical and legal action to take in a situation involving material inside information, please review the Company's Insider Trading Policy or contact the appropriate employee of the Company as set forth in the policy.

PUBLIC COMPANY REPORTING

As a public company, it is of critical importance that the Company's filings with the SEC, and other public communications, contain full, fair, accurate, timely and understandable disclosure. Depending on their respective positions with the Company, employees, officers or directors may be called upon to provide information necessary to assure that the Company's public reports are complete, fair and understandable. The Company expects employees, officers and directors to take this responsibility seriously and to provide prompt and accurate answers to inquiries from the Company's officers, directors, auditors or attorneys related to the Company's public disclosure requirements. With respect to any inquiries from other third-parties (such as analysts, members of the media and others), such inquiries should be directed to specifically designated persons who are authorized to respond, and such designated persons shall keep the Company's Board of Directors advised as to the content and scope of each such inquiry and response.

QUALITY POLICY

Liquidia expects a commitment to only the highest quality in all facets of our business. Liquidia will:

- achieve customer commitment by maintaining excellence in products and services through constant re-evaluation and refinement;
- actively assess, select, develop and reward people in a way that ensures an organization of the highest quality and integrity;
- develop an atmosphere where each Team Member is responsible for the quality of what the Team Member supplies;
- develop quality systems that are dedicated to documenting and controlling processes to assure predictable conformance to requirements; and
- ensure that Liquidia's quality systems are in compliance with domestic and international quality system standards.

VENDOR SELECTION

Liquidia is committed to working with vendors and suppliers who can fulfill the business needs of the Company, conduct their business in a lawful manner and are committed to the same high standards of integrity and ethics as Liquidia.

Liquidia expects vendors and suppliers to abide by the Company policies and codes, as well as all applicable laws, rules and regulations. Liquidia may re-evaluate and terminate its relationship with any supplier or vendor that fails to comply with applicable laws, rules and regulations or Liquidia's codes and policies.

HEALTHCARE PRODUCTS & MANUFACTURING GUIDELINES

As a manufacturer of biopharmaceutical-based products and associated products, Liquidia is subject to many laws, rules and regulations to protect patients and consumers, improve the quality of medicines and healthcare services, and ensure that our products are safe, effective and of the highest quality. Some of the U.S. laws that apply to our operations include the Food, Drug, and Cosmetic Act (FDCA), the Patient Protection and Affordable Care Act (PPACA), the FCA, the AKS, the FCPA and the Health Insurance Portability and Accountability Act (HIPAA). Additionally, we adhere to industry codes (including PhRMA) to ensure the integrity of relationships with healthcare professionals, payers and advocacy groups.

Every Team Member is expected to abide by the applicable healthcare laws of the country, state and locale in which the Company is conducting business, as well as our own policies, codes and procedures. It is imperative that Liquidia complies with all industry laws and regulations both to ensure the quality of our products and to protect the health and safety of our patients. Non-compliance with these laws and regulations can compromise patient safety and subject Liquidia to substantial civil and criminal penalties and individual liability. Your understanding and compliance with these requirements is essential in helping us ensure the safety of our patients, maintain our reputation and protect us from civil and criminal liability.

Research and Development

Our purpose is to innovate to bring therapies to patients that significantly improve their lives. Our priorities are ensuring the safety and protecting the rights of those who take part in our clinical trials, and upholding the highest ethical, scientific and medical standards in all of our research activities. The science we perform at Liquidia is without value unless it rests on a fail-safe foundation of integrity. All Team Members are responsible for acting in a manner consistent with Liquidia's high expectations for quality and integrity in research and development, and for reporting concerns through any of the many channels available, including those described in this Code.

Pre-Clinical Research. We are committed to conducting research in compliance with all applicable laws and regulations, as well as recognized international ethical guidelines such as Good Laboratory Practices (GLP).

Conduct of Clinical Research. All Liquidia-sponsored clinical studies are designed and conducted in accordance with applicable laws and regulations, as well as recognized ethical standards such as Good Clinical Practices (GCP). All clinical investigators are trained on study protocol and applicable scientific and ethical standards. We regularly audit and monitor clinical study sites and processes related to our clinical trials.

Data Integrity. Liquidia is committed to maintaining the integrity and quality of clinical data from our sponsored studies, to ensure that our submissions are built upon data of the highest quality. Our processes and procedures drive quality, compliance and performance at every stage.

Public Disclosure. We recognize the importance of making clinical studies and results available. We register certain studies and post basic results on clinicaltrials.gov. We are committed to the

development of publications that report the results of Company-sponsored clinical research studies accurately and objectively, and to the disclosure of funding and editorial support.

Human Subject Protection. Our policies and procedures aim to ensure respect for the health, well-being and safety of research participants as well as for the culture, laws and regulations of the countries in which studies are conducted. Our interventional trials adhere to globally recognized principles of international ethics and are prospectively reviewed by a qualified Institutional Review Board. Many of our trials use independent data monitoring committees to help ensure patient safety, in addition to internal reviews conducted by our physicians and safety professionals.

Animal Welfare. We are committed to conducting our animal research in a responsible, humane and ethical manner. Liquidia supports the development and adoption of novel, non-animal test methods for assessing the safety of new products that can reduce, replace or refine the use of animal testing. For those new products that require animal testing, we maintain high standards of animal care and welfare consistent with or exceeding those required by law.

Manufacturing and Supply Quality

Our reputation is built on trust. Patients, consumers and others rely on Liquidia products to improve health and enhance the quality of people's lives. Product quality, safety and efficacy are critical components of the trust people place in Liquidia. We operate a comprehensive and robust quality management system, designed to ensure the production and supply of quality products.

We are committed to ensuring that our products are manufactured and supplied to high standards of quality. Our manufacturing operations are conducted in compliance with applicable regulatory requirements, Good Manufacturing Practices (GMP), and our own internal rigorous quality standards. We also require that our suppliers and partners adhere to high standards, and we conduct audits and oversight of our supply chain.

We are all responsible for ensuring that we perform our responsibilities in a manner consistent with Liquidia's unwavering commitment to quality and compliance, and for reporting quality issues and concerns through the appropriate channels, including those described in this Code.

Colleagues who become aware of an adverse event or product quality complaint must report it by calling the Director, Regulatory and Pharmacovigilance Operations or the Vice President, Global Regulatory Affairs within 24 hours of becoming aware of the potential adverse event or product quality complaint.

Fair Competition

Each Team Member should endeavor to deal fairly with the Company's customers, suppliers and competitors.

No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. Stealing or improperly obtaining proprietary information, possessing or using trade secret information that was obtained without the owner's consent, or inducing such activities by past or present employees of other companies is prohibited.

Liquidia's activities are subject to antitrust, anti-kickback, fraud and abuse, and trade regulation statutes that govern how we interact with customers, suppliers and competitors. It is important

for Team Members to know and understand these laws, rules and regulations and to make sure they are in full compliance with them. Some of the most serious offenses that fall under antitrust laws may include the following:

- agreements or discussions with competitors to restrict competition, fix prices, limit production or allocate customers or territories;
- agreements with customers allowing them to purchase product below cost;
- agreements with customers forcing the customer to purchase a product they do not want as a condition for purchasing another product that they truly want; and
- any agreement that illegally discriminates in favor of, or against, any customer.

Any such agreement, whether formal or informal, may be unlawful and is prohibited by the Company. In addition, please note that the list above does not include every situation or conflict of interest that may rise during the course of business. Therefore, Team Members must avoid unnecessarily involving themselves in situations from which unlawful agreements may be inferred, and contact with competitors should be kept to a minimum. Contact the Liquidia Legal Department with any questions that you may have about this section.

Liquidia strictly adheres to all U.S. Export Control Laws and Sanctions Regulations aiming to prohibit unauthorized export of restricted technology and information to specified countries, individuals or entities. Liquidia also complies with U.S. Anti-boycott Laws under the Export Administration Regulations (EAR), which prohibit the Company from furthering or supporting international boycotts not sanctioned by the U.S. government.

Liquidia complies with special legal requirements when conducting business with governments or government-owned entities. Team Members should adhere to the highest ethical standards when engaging in such business transactions.

In accordance with applicable laws, rules and regulations, Liquidia engages in only accurate, truthful advertising and marketing in order to educate the public, increase awareness of the Company's services and help recruit new Team Members.

Failure to comply with any of the above could subject both the Company and individual Team Members involved to criminal penalties. In addition, the Company may be subject to civil penalties and treble damages. Team Members must direct questions or concerns regarding these laws and how they are applied to senior management or the Liquidia Legal Department.

RESPECT FOR OUR CUSTOMERS & OUR COMMUNITY

ENVIRONMENT

Liquidia is committed to ensuring that all of our operations respect the environment and the health of our employees and neighbors in the community. We comply with all legal requirements regarding waste disposal and emissions. Questions concerning environmental issues may be directed to the Liquidia Legal Department or the Vice President, Manufacturing Operations.

POLITICAL CONTRIBUTIONS

Team Members may be politically active, but may not make a contribution to any political party, committee or candidate on behalf of the Company without prior written approval by an officer of the Company. Contributions or gifts to any political party or candidate intended to illegally or improperly influence any official's decisions with regard to Liquidia are strictly prohibited.

PROFESSIONAL ORGANIZATIONS

Team Members are encouraged to participate in professional organizations that pertain to their jobs. Professional organizations provide an excellent opportunity to further professional education, generate business contacts and expand business opportunities.

Team Members must always maintain the highest ethical and business standards when interacting with any professional organization.

CORPORATE IMAGE

Liquidia seeks to create and maintain a positive reputation in the communities in which we operate, locally and globally, and strives to conduct business in such a manner that promotes goodwill. Team Members are expected to act in a way that reflects positively on the Company, whether Team Members are interacting with others Team Members or with members of the business community outside of the Company.

PURSUIT OF EXCELLENCE

INTELLECTUAL PROPERTY

Intellectual property includes patents, trade secrets, trademarks and copyrights to materials that are owned by Liquidia or authored by Team Members while employed at the Company. Liquidia's intellectual property uniquely identifies the Company and our products and encompasses the property rights of the Company in proprietary creations such as ideas and the expression of ideas and, therefore, needs to be protected.

Team Members should be mindful that ideas or inventions developed during a Team Member's normal course of work for the Company, or while using Company facilities, equipment and information, entitles the Company to the rights to that particular invention, and becomes Company property. All ideas and inventions developed while a Team Member is employed by or engaged with Liquidia must be disclosed immediately to the Company and prior to any public disclosure, in order to preserve full legal protection for the intellectual property. Team Members should refer to their Confidentiality, Inventions, and Non-Competition Agreement, and any other agreement that they may have with Liquidia, for further details regarding any additional, specific obligations pertaining to intellectual property that may apply to them.

Team Members are reminded to be diligent in their use and creation of the Company's intellectual property. This includes following internal guidelines that govern maintaining the confidentiality of Liquidia's intellectual property. These guidelines cover issues such as non- disclosure of inventions, appropriate use of Company logos, trademarks and brand names, along with other intellectual property guidelines.

Company logos, trademarks and brand names should be used exactly as they are registered, on all documentation and materials. The same guidelines are applicable to Team Members' use of third-party trademarks or brand names, which should be properly acknowledged. Misusing, misappropriating or wrongfully disclosing intellectual property carries significant legal and financial risk, and is strictly prohibited. Any known misuse or unprotected use or disclosure of intellectual property must be reported immediately to the Liquidia Legal Department.

SCIENTIFIC INTEGRITY

Liquidia's mission is to offer products that sustain quality of life for our end customers. Only after rigorous testing and meticulous research and validation are the Company's products released for sale to our customers. Every process, from development through manufacture, is performed with the utmost care and all data recorded as a result of testing and development must be true, accurate and not misleading.

TEAM MEMBER FULFILLMENT

COMPANY POLICIES & PRACTICES

Liquidia has established policies and practices to ensure that our workplace is a safe and healthy environment. How we interact with internal Team Members is a reflection of how we handle our external business affairs with customers and vendors. We expect Team Members to treat each other and all outside parties with the utmost respect and courtesy.

Safety

The health and safety of each employee is extremely important and to that end, we have established safety procedures to ensure a safe work environment. The Company provides safety training to appropriate Team Members and holds them accountable to work in a safe manner, follow established procedures and actively participate in training programs.

Any unsafe conditions or concerns should be reported immediately to the Team Member's supervisor and/or the Company's Head of Regulatory and Head of Quality Assurance.

To provide for the safety and security of Liquidia's Team Members and facilities, only authorized visitors are allowed in the workplace. If an unauthorized individual is observed on Liquidia's premises, Team Members should immediately notify their supervisor, or if necessary, accompany the individual to the reception area. Team Members should refer to the applicable Company "Visitor Policy" in the Employee Handbook. It is also essential that each employee protect personal belongings brought into the building or work location. Employees should take proper measures to safeguard their belongings when stepping away from their work location. Liquidia is not responsible for the loss of personal money or belongings.

Harassment & Workplace Conduct

Liquidia is committed to a work environment in which all individuals are treated with respect and dignity. We expect that all relationships among persons in the workplace will be business-like and strictly free of harassment that may be based on a Team Member's race, color, religion, creed, sex, national origin, pregnancy, ancestry, age, disability, genetic information, sexual orientation, gender identity/expression, marital status, military or veteran status or any other protected class defined under local, state or federal law. This policy will be read to be consistent with the "Equal Employment Opportunity" and "Non-Harassment" policies of the Employee Handbook, copies of both of which may be obtained from the Human Resources Department.

Team Members who believe that they have been the target of, or witness to harassment, discrimination, illegal retaliation, or other offensive behavior should report the incident to their supervisor, the Human Resources Department or the Liquidia Legal Department without fear of retaliation. In addition, we offer a confidential Red Flag Reporting Hotline at 1-877-647-3335 (using client code 9193284400) and a website at www.redflagreporting.com (click on "File a Report" and provide client code 9193284400). Whether you call or report on-line, you will have the option of being completely anonymous.

No retaliation will occur because a Team Member has, in good faith, reported an incident of suspected harassment or offensive behavior, even if such complaint is erroneous. Incidents will be promptly investigated and appropriate action will be taken. However, knowingly making false or malicious complaints and other types of inappropriate reports may be the subject of appropriate disciplinary action.

Violence-Free Workplace

Liquidia is committed to providing a comfortable work environment in which all individuals are free from violence or threats of violence. In accordance with local laws and our own internal policies, we do not tolerate any acts of violence in the workplace. Violence is defined as any act or threat of physical violence, harassment, intimidation, coercion, brandishing weapons, or threatening or talking of engaging in these activities. Team Members are prohibited from carrying, possessing or using firearms, or other weapons, while on Company premises or while conducting Company business.

A copy of the Company's "Workplace Violence and Weapons" policy in the Employee Handbook may also be obtained from the Human Resources Department.

Drug-Free Workplace

Liquidia believes that it is important to maintain safe, healthy and efficient operations, and to protect the safety and security of our Team Members, property and equipment. Being under the influence of drugs or alcohol on the job may pose serious safety and health risks to the user and all those who work with, or come in contact with, the user.

Team Members are prohibited from being under the influence of, using, selling, purchasing, transferring or possessing unauthorized or illegal drugs, or controlled substances. Additionally, Team Members are prohibited from abusing or misusing legal drugs while on Company premises, performing Company business or while operating Company equipment, machinery or vehicles. Alcohol may be served on Company premises at Company-sponsored events that are approved by the Human Resources Department or an officer of the Company. Otherwise, use of alcohol or being under the influence of alcohol on Company premises, or while operating Company owned assets, is prohibited.

Job applicants are required to undergo a drug test as a condition of employment at Liquidia and Team Members are subject to drug and alcohol testing, in accordance with our "Drug and Alcohol Testing" policy in the Employee Handbook. However, applicants for temporary, summer positions or other short-term, temporary positions offered to students (provided the applicant is being hired pursuant to the Company's understanding that the position will cease to exist within five months or less and the applicant will, at that time, be separating their employment to return to school), and temporaries employed by an employment agency and assigned by the agency to work at the Company, on a case-by-case basis, may not be subject to pre- employment drug and alcohol testing.

Each Team Member will receive a copy of the "Drug and Alcohol Testing" policy upon commencement of employment. The policy may also be obtained from the Human Resources Department.

In compliance with local regulations, there is to be **no smoking**, including the use of e- cigarettes, on the Company's premises by Team Members, clients or visitors.

Equal Opportunity, Diversity & Non-Discrimination

Liquidia recognizes and respects the differences and unique talents that each employee brings to the Company. We are committed to using those differences in order to succeed in the marketplace. A diverse team enables us to better serve customers across the globe and creates a work environment where Team Members feel included and motivated.

The Company is committed to ensuring fair and equitable treatment in all of its business dealings. The Company is an Equal Opportunity Employer that does not discriminate on the basis of actual or perceived race, creed, color, religion, alienage or national origin, ancestry, citizenship status, age, disability, sex (including pregnancy), marital status, veteran status, sexual orientation, gender identity, genetic information, or any other characteristic protected by applicable federal, state or local laws. This policy applies to all employment activities such as recruiting, hiring, training, promotions, performance appraisals, disciplinary actions, compensation and any other term or condition of employment, as well as to business activities with customers, vendors, and other outside parties.

Please refer to the section entitled “Equal Employment Opportunity” in the Employee Handbook for more details on the Company’s policies with respect to equal opportunity, diversity and non-discrimination.

PRIVACY

Liquidia may use the information collected on and through the Company’s websites to process orders, determine buying trends and provide a more personalized experience on the Company’s websites.

Liquidia may share collected information with affiliated companies, subcontractors, service providers or business partners of the Company, subject to applicable Company privacy policies, but does not currently sell, trade or rent personal information to any other companies or individuals.

Collected information may be disclosed as necessary by law, legal process, litigation or request from public or governmental authorities within the user’s country of residence, or as required by a governmental agency or court with valid authority to require or compel such action by the Company under applicable law.

Additionally, the Company reserves the right to disclose, without notification, collected information, if such disclosure is reasonably necessary to enforce the relevant Terms of Use for the Company’s websites, to protect users of the Company’s websites or to safeguard the operations of the Company.

In general, data privacy laws are rapidly evolving and varying by jurisdictions. Liquidia endeavors to comply with such enforceable and applicable laws and reserves the right to amend this Code, either expressly, by addendum or otherwise, as necessary to comply with such applicable laws.

Clinical Studies

In certain instances, certain personal information may be obtained through clinical studies or trials or while providing technical support. Such information must be treated as confidential and must be released only on a “need to know” basis.

Employee Information & Privacy

Team Member’s personal information is considered confidential. That may include, but is not limited to, salary information, references, health information, home address and phone numbers, and so forth. Any inquiries for employee information, past or present, should be directed to the Human Resources Department.

Liquidia maintains a personnel file on each employee, which includes the employee’s job application, resume, record of training, salary increases and other employment records. It is

important that employees provide Liquidia with the most current information on their educational accomplishments, certifications, skills learned or other qualifying change to keep their personnel file up to date.

It is Liquidia's policy to provide limited responses to requests for information regarding current, retired or terminated employees. All such requests are to be referred to, and answered by, the Human Resources Department. The only information that Liquidia will verify are dates of employment, title and, with written authorization from the employee, salary. No Team Member is authorized to ever give a personal opinion on any other employee's work performance, work approach, work behaviors or anything else on the behalf of the Company, or in the context of an official business request, without prior written approval by an officer of the Company.

Protected Health Information

Protected Health Information (PHI) and electronic PHI (ePHI) is safeguarded according to state and federal law. Special legal requirements also pertain to the confidentiality of mental health, substance abuse, abortion, venereal disease information and other conditions. Liquidia sites where health information is stored have specific policies and procedures regarding the physical security of PHI and ePHI. Additionally, all of our computer systems or data files that contain ePHI have appropriate access controls in order to limit access to this information only to authorized employees. Team Members are required to abide by all applicable laws as well as Company codes and policies related to PHI and ePHI.

Information Systems

Certain Team Members receive personal computers and email and Internet access to assist with their job responsibilities. Our computer resources are primarily for business use. However, limited personal use is acceptable and individual supervisors are responsible for setting limits.

As it relates to Company-owned or provided hardware or software, Team Members should respect each other's privacy and may not use the passwords of other Team Members in order to obtain private or protected information. A Team Member may not share their Company passwords with others or allow others to use their email accounts.

The Company, at its discretion, may monitor emails and Internet usage. Additionally, a "Personal and Company-Provided Portable Communication Devices" policy in the Employee Handbook is in effect governing computer software, hardware and networks. All Team Members with computer access are required to acknowledge this policy.

REPORTING & ACCOUNTABILITY

FINANCIAL RECORDS & ACCOUNTING POLICIES

Accurate business records are essential to the management of the Company and to maintaining and safeguarding investor confidence. Liquidia's corporate books and records must accurately represent the Company's business matters and are maintained in accordance with legal requirements and internal policies. These include financial statements as well as time sheets, vouchers, bills, invoices, expense reports, payroll and benefits records, performance evaluations and other essential Company data. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law, rule or regulation and approved by the Chief Financial Officer and the Chief Executive Officer of Liquidia in writing.

The Company's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Company. If a Team Member has concerns or complaints regarding questionable accounting or auditing matters of the Company, then the Team Member is encouraged to submit those concerns or complaints, anonymously, confidentially or otherwise, to the Audit Committee of the Liquidia Board of Directors, which will, subject to its duties arising under applicable law, regulations and legal proceedings, treat such submissions confidentially. Procedures for such submissions are set forth in the Company's *Whistleblower Policy*, attached as Exhibit B hereto. Such submissions may also be directed to the attention of (a) the Nominating and Governance Committee of the Company's Board of Directors, (b) the Liquidia Legal Department, (c) the Chief Financial Officer of the Company, (d) the Human Resources Department, or (e) the Liquidia Red Flag Reporting Hotline, which is maintained by an independent third party by (i) visiting www.redflagreporting.com and clicking on "File a Report", using client code 9193284400, or (ii) calling 1-877-647-3335, using client code 9193284400. Nothing in this Code prohibits Team Members from reporting possible violations of any federal law, rule or regulation to any governmental agency or entity including, but not limited to, the Department of Justice, the SEC, Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of any federal law, rule or regulation.

DOCUMENTATION, CODING AND BILLING

Colleagues involved in any aspect of documentation, record-keeping, data management, reporting, coding or billing are required to ensure that all information is accurate and appropriate under the circumstances presented. The accuracy of data is not only a legal responsibility, it is essential to Liquidia's integrity. If you become aware of any omission, inaccuracy or false entry, you must report it immediately.

AMENDMENT, MODIFICATION & WAIVER

This Code may be amended or modified by the Liquidia Board of Directors.

Any request for a waiver of this Code by a non-executive officer or employee of the Company must be submitted in writing to the Company's Chief Executive Officer and Chief Financial Officer, who has authority to decide whether to grant a waiver. However, a waiver of any provision of this Code for a director or an executive officer of the Company must be approved by the entire Liquidia Board of Directors or its designated committee, and will be promptly disclosed to the extent required by law or regulation. The Company's Chief Executive Officer and Chief Financial Officer will regularly report to the Board or its designated committee waivers that have been granted to non-executive officers and employees.

CERTIFICATIONS

All Team Members must sign a certificate confirming that they have read and understand this Code. The Company will also require an annual certification of compliance with this Code by all officers with the title of Vice President or above. However, failure to read this Code or sign a confirmation certificate does not excuse you from complying with this Code.

RECEIPT & ACKNOWLEDGEMENT OF THE LIQUIDIA CODE OF CONDUCT

I have read and understand the Liquidia Code of Conduct. I understand that I am responsible for complying with the Liquidia Code of Conduct and other Company codes and policies, and will report any incidents or issues related to compliance to the Liquidia Legal Department, other appropriate individual or department indicated in this Liquidia Code of Conduct or the Liquidia Red Flag Reporting Hotline.

My signature indicates that I have read and understand and will appropriately comply with the Liquidia Code of Conduct. I have reported, and will continue to report, all compliance issues that I am aware of at Liquidia. By signing below, I acknowledge and agree that any failure to comply with this Code of Conduct and other policies may result in reprimand, reassignment, demotion, termination of my relationship with the Company or other legal action.

_____

Team Member Name (please print)

_____ _____

Team Member Signature Date

EXHIBIT A

LIQUIDIA CORPORATION INSIDER TRADING POLICY

1. Introduction

Liquidia Corporation, a Delaware corporation ("Liquidia" or the "Corporation"), has adopted the following Policy regarding trading Liquidia's securities by its employees, directors, consultants, contractors, or related parties (see Section 3 below for Scope of Policy).

2. Purpose

This Policy has been established:

- To educate all Liquidia parties as noted in Section 3 below;
- To set forth guidelines for courses of action;
- To protect Liquidia and all of its employees and directors against legal liability; and
- To preserve the reputation of Liquidia and its employees and directors for adhering to the highest standards of integrity and ethical conduct.

Because Liquidia is a public company, transactions in the Corporation's securities are subject to the federal securities laws and regulations adopted by the United States Securities and Exchange Commission (the "SEC"). These laws and regulations make it illegal for an individual to buy or sell securities of the Corporation while aware of "inside information." **The SEC takes insider trading very seriously and devotes significant resources to uncovering the activity and to prosecuting offenders.** Liability may extend not only to the individuals who trade on "insider information," but also to their "tippers." The Corporation and "controlling persons" of the Corporation may also be liable for violations by the Corporation's employees.

In addition to responding to the statutes and regulations, we are adopting this Policy to avoid even the appearance of improper conduct on the part of anyone employed by or associated with Liquidia (not just so-called "insiders").

3. Scope

This Policy applies to all directors, officers, and all employees of, and consultants and contractors to, the Corporation and its subsidiaries that receive or have access to material non-public information regarding the Corporation. This group of people, members of their immediate families, members of their households and applicable related parties are sometimes referred to as "insiders." This Policy also applies to any person who receives or is in possession of material non-public information from any insider.

4. Definitions

TERM	DEFINITION
Insider	Any person who possesses material, non-public information is considered an insider to that information. Insiders include the Corporation's directors, officers, employees, independent contractors, and those persons in a special relationship with the Corporation (e.g., its auditors, consultants, or attorneys). The definition of insider is transaction specific; that is, an individual is an insider with respect to each material, non-public item of which the individual is aware.
Material Non-Public Information	Material non-public information ("inside information") is any information that is generally not known to the public and which, if publicly known, would be reasonably likely to affect either the market price of Liquidia' securities or a person's decision to buy, sell, or hold Liquidia' securities. Non-exclusive examples of material non-public information: ● Unpublished financial results and projections ● News of a pending or proposed transaction involving the Corporation (e.g. merger, acquisition, capital markets transaction or licensing arrangement) ● Unpublished data or results regarding any of the Corporation's products or product candidates ● Significant changes in the Corporation's intellectual property portfolio ● Significant changes in corporate objectives ● Significant sale, purchase or license of assets

Material Non-Public Information (Cont'd)	● Non-public communications with regulators, including the FDA and EMA or any other regulatory authority ● Gain or loss of a major contract ● Changes in senior management ● Changes in dividend policies ● Financial liquidity problems Either positive or negative information may be material. We emphasize that the foregoing list is merely illustrative.
Related Person and/or Related Party	A related person and/or related party means: ● Any family member and any non-family member who lives in your household ● A person or entity controlled by the insider or with whom the insider must be assumed to be acting in concert regarding prohibited activities

5. Responsibilities

i. It is the individual responsibility of every director, officer, employee, consultant, contractor, related person, and/or related party to comply with this Policy against insider trading and avoid engaging in any prohibited activity as outlined.

ii. As a condition of employment, it is the responsibility of all employees to certify their understanding and intent to comply with this Policy. Members of the Board of Directors, Senior Management (as defined below), and other personnel of the Corporation may be required to certify compliance on an annual basis.

iii. All applicable individuals are responsible for reporting any potential insider trading violation of which they become aware to the designated Policy Administrator (as defined below).

iv. All applicable individuals are responsible for maintaining confidentiality about internal company matters and development and should not discuss such information with any outside party except as required in the performance of regular corporate duties.

v. It is the responsibility of the Policy Administrator to fulfill the Policy Administrator's duties in accordance with the enforcement of this Policy.

6. Policy

If any member of the Board of Directors of Liquidia, any officer of Liquidia, or any employee or consultant of Liquidia is aware of material non-public information relating to Liquidia, it is Liquidia's policy that neither that person nor and any related person and/or related party may buy or sell securities of Liquidia or engage in any other action to take advantage of, or pass on to others, that information.

This Policy also applies with equal force to information relating to any other company, including our customers or suppliers, licensing partners, and any company with which Liquidia may be entering into a transaction with, obtained by a member of the Board of Directors, an officer or an employee or consultant of the Corporation during the course of their service to or employment by the Corporation. You should not trade in securities of other companies based on information derived from your course of dealings with those companies.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

i. **Material Non-Public Information.** Material non-public information is any information that is not generally known to the public, and which, if publicly known, would be reasonably likely to affect either the market price of Liquidia's securities or a person's decision to buy, sell or hold Liquidia' securities. Please see the definition of "Material Non-Public Information" in Section 4 (Definitions) for examples.

ii. **Twenty-Twenty Hindsight.** Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction, you should carefully consider how SEC regulators and prosecutors and others might view your transaction in hindsight.

iii. **Transactions by Family Members.** These restrictions also apply to your immediate family members – that is, any spouse, parent, child or sibling – and others living in your household. Employees are expected to be responsible for the compliance of members of their immediate family/household with this Policy. This means that, to the extent such family/household members intend to trade in Liquidia's securities, they need to comply with regularly-scheduled and other black-out periods applicable to their family/household members who are Corporation personnel. SEC regulations specifically provide that any material non-public information about the Corporation communicated to an immediate family/household member is considered to have been communicated under a duty of trust or confidence; any trading in Liquidia's securities by such family/household members while they are aware of such information may, therefore, violate insider trading laws and regulations.

iv. **Tipping Information to Others.** Whether the information is proprietary information about Liquidia or information that could have an impact on our stock price, Liquidia personnel must not pass the information on to others. The above penalties apply, whether or not you derive any monetary benefit from another person's actions. Insider information is often inadvertently disclosed or overheard in casual, social conversations. Care must be taken to avoid such disclosures.

v. **When Information is Public.** Because Liquidia's stockholders and the investing public should be afforded time to receive information and to act upon it, as a general rule you should not engage in any transactions until at least the conclusion of the second business day after the information has been released. Thus, if an announcement were made on a Monday, Wednesday (after the market closes) generally would be the earliest day on which you should trade. If an announcement were made on a Friday, Tuesday (after the market closes) generally would be the earliest day on which you should trade. However, if the information released is complex, such as a prospective major financing or other transaction, it may be necessary to allow additional time for the information to be absorbed by investors. In such circumstances, you will be notified by our Chief Financial Officer, who will act as our "Policy Administrator," regarding a suitable waiting period before trading.

vi. **Prevention of Insider Trading by Others.** If you become aware of a potential insider trading violation, you must immediately advise our Policy Administrator. You should also take steps, where appropriate, to prevent persons under your supervision and/or control from using inside information for trading purposes. Moreover, Corporation-imposed sanctions, including dismissal for cause, could result if an employee fails to comply with this Policy or any other Corporation policy.

vii. **Confidentiality.** Serious problems could be caused for the Corporation by the unauthorized disclosure of internal information about Liquidia, whether or not for the purpose of facilitating improper trading in the securities of Liquidia. Liquidia employees should not discuss internal company matters or developments with anyone outside of the Corporation, except as required in the performance of regular corporate duties.

This prohibition applies specifically (but not exclusively) to inquiries about the Corporation that may be made by the financial press, investment analysts or others in the financial community. It is important that all such communications on behalf of the Corporation be through an appropriately designated officer under carefully controlled circumstances. Unless you are expressly authorized to the contrary, if you receive any inquiries of this nature, you should decline comment and refer the inquirer to the Policy Administrator.

viii. **Additional Prohibited Transactions.** Because we believe it is generally improper and inappropriate for the Corporation's personnel to engage in short-term or speculative transactions involving the Corporation's securities, it is our policy that members of the Board of Directors, officers, all employees of, and consultants and contractors to, the Corporation and its subsidiaries, and their immediate family/household members should not engage in any of the following activities with respect to Liquidia' securities:

- *Trading in the Corporation's Securities on a Short-Term Basis.* Any shares of Liquidia common stock purchased in the open market must be held for a minimum of six months and ideally longer. This rule does not apply to purchases and sales under any employee stock purchase plan or sales made within six months before or after the exercise of options that were granted by Liquidia. Section 16 reporting persons (officers, directors and 10% stockholders) are reminded of the short-swing profit rules.

- *Short Sales of the Corporation's Securities*. "Short" sales of stock are transactions where you borrow stock, sell it, and then buy stock at a later date to replace the borrowed shares. Short sales generally evidence an expectation on the part of the seller that the securities will decline in value and therefore have the potential to

signal to the market that the seller lacks confidence in the Corporation's prospects. In addition, short sales may reduce a seller's incentive to seek to improve the Corporation's performance. For these reasons, short sales of our securities are prohibited.

- *Margin Accounts and Pledged Securities*. Use of the Corporation's securities held in a margin account or pledged as collateral to secure a loan, except in limited cases with the prior written approval of the Policy Administrator, are prohibited.

- *Straddles, Collars, Standing and Limit Orders, etc.* Transactions in straddles, collars, or implementing standing and limit orders or other similar risk reduction devices, except in limited cases with the prior written approval of the Policy Administrator, are prohibited. These orders create heightened risks for insider trading violations. Because there is no control over the timing of purchases or sales that result from such instructions to a broker, a transaction could be executed when persons are subject to this Policy are in possession of material nonpublic information.

- *Publicly Traded Options*. Transactions in publicly traded options relating to Liquidia's securities (i.e., put or call options that are not granted by the Corporation) are also prohibited. A put is an option or right to sell a specific stock at a specific price before a set date, and a call is an option or right to buy a specific stock at a specific price before a set date. Generally, call options are purchased when one believes that the price of a stock will rise, whereas put options are purchased when one believes that the price of a stock will fall. Because publicly traded options have a relatively short term, transactions in options may create the appearance that trading is based on material non-public information. Further, such transactions may indicate a preference for short-term performance at the expense of the Corporation's long-term objectives. Accordingly, any transactions in put options, call options or other derivative securities are prohibited by this Policy.

ix. **Trading Procedures Applying to all Corporation Personnel.** While it is never permissible to trade based on material non-public information, we are implementing the following procedures to help prevent inadvertent violations and avoid even the appearance of an improper transaction (which could result, for example, where an employee engages in a trade while unaware of a pending major development):

Prohibited Periods for Trading. All members of the Board of Directors, officers, employees, and consultants of and contractors to, the Corporation and their immediate family/household members are prohibited from trading in any securities of the Corporation (other than exercises of stock options granted by the Corporation, which result in the purchase of common stock upon the exercise – see Appendix B, Method #1) during the following periods:

- Commencing with the date he/she possesses material non-public information concerning us (prior to the public announcement of material information) until the conclusion of the second business day after the day the Corporation has made a public announcement of material information, including earnings releases (if the information released is complex or not disclosed in a press release, it may be necessary to extend this period, in which case the Policy Administrator will notify you of the waiting period); and

- The Corporation may from time to time require all Corporation employees or selected Corporation employees, consultants, officers and/or directors with access to material non-public information to refrain from trading during other specified periods when significant developments or announcements are anticipated.

You will be notified by e-mail when you may not trade in the Corporation's securities as a result of a recent public announcement of material information or during periods when significant developments or announcements are anticipated. Of course, even during periods when trading is permitted, no one should trade in the Corporation's securities if in possession of material non-public information. The imposition of any special blackout period or the fact that any intended trade has been denied pre-clearance should itself be treated as confidential information, and should only be disclosed to those persons with a need to know that information.

x. **Special Procedures Applying to Members of the Board of Directors, Senior Management, Financial Team, and the Disclosure Committee.** The following members of management constitute the "Senior Management" of the Corporation: Chairman of the Board; Chief Executive Officer; President; Chief Financial Officer; Treasurer; Chief Medical Officer; Chief Operations Officer; General Counsel; Senior Vice Presidents; Vice President, Corporate Development & Strategy; Chief Accounting Officer; Controller; and Administrative Assistants to Senior Management members or other members as specified by the Legal Department from time to time. The individuals set forth on Appendix A attached hereto, as the same may be amended from time to time by the Corporation's Board of Directors, constitute the Financial Team and Disclosure Committee Members of the Corporation.

Prohibited Periods for Trading. Members of the Board of Directors, Senior Management, Financial Team, and the Disclosure Committee are prohibited from trading in Liquidia's securities during certain periods on a quarterly basis ("Quarterly Blackout Periods") and during certain other periods as determined by the Corporation (in any case, such blackout periods apply to all transactions other than exercises of stock options granted by the Corporation which result in the purchase of common stock upon exercise as described in Appendix B, Method #1) as set forth below:

- For members of the Board of Directors, Senior Management, and the Financial Team, the Quarterly Blackout Periods begin on the 15th calendar day prior to the close of each fiscal quarter and end immediately following the conclusion of the second business day after the release of the Corporation's financial results for such quarter or year end, as applicable;

- For members of the Disclosure Committee, the Quarterly Blackout Periods begin immediately upon the date and time when the first draft of the Corporation's quarterly or annual report is provided to the Disclosure Committee, and ends immediately following the conclusion of the second business day after the release of the Corporation's financial results for each quarter or year end, as applicable; and

- Any other periods as determined by the Corporation.

xi. **Pre-Clearance of Trades by Directors and Officers.** All transactions in Liquidia's securities (acquisitions, dispositions, transfers, etc.), including the execution of trading plans, by members of the Board of Directors, Senior Management, the Financial Team and the Disclosure Committee must be pre-cleared in advance by the Policy Administrator. If you contemplate a transaction, you should contact the Policy Administrator. This requirement does not apply to the exercise of options granted by the Corporation using Method #1 as described in Appendix B, but would apply to market sales of those shares. As a result, Methods #2 and #3 described in Appendix B are prohibited. Please note that such pre-clearance does not constitute legal advice and does not provide the director or officer with immunity from investigation or suit, for which it is the responsibility of the individual to comply with the federal securities and regulations.

xii. **Individual Responsibility.** Every officer, director, employee, consultant, and contractor of the Corporation has the individual responsibility to comply with this Policy against insider trading, regardless of whether the Corporation has a mandatory trading window for that Insider or any other Insiders of the Corporation. The guidelines set forth in this Policy are guidelines only, and appropriate judgment should be exercised in connection with any trade in the Corporation's securities.

An Insider may, from time to time, have to forego a proposed transaction, except for Rule 10b5-1 Transactions, in the Corporation's securities even if the Insider planned to make the transaction before learning of the material non-public information and even though the Insider believes the Insider may suffer an economic loss or forego anticipated profit by waiting.

xiii. **Exceptions:**

Trading Plans

Notwithstanding the restrictions and prohibitions on trading in Liquidia' s securities as set forth in this Policy, persons subject to this Policy are permitted to effect transactions in Corporation securities pursuant to approved trading plans established under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended ("Trading Plans"), including transactions during the prohibited periods discussed in the Policy. Rule 10b5-1 requires that these transactions be made pursuant to a plan that was established while the person was not in possession of material non-public information. Any modifications to a Trading Plan shall only be made while the person is not in possession of material non-public information. In order to comply with this Policy, (i) the Corporation must pre-approve any such Trading Plan prior to its effectiveness, and (ii) the Trading Plan must include a cooling-off period before the first trade under the Trading Plan is permitted to occur, which must be at least thirty (30) days. Any director, officer, employee or consultant or their immediate family/household members seeking to establish a Trading Plan in Liquidia's securities should contact the Policy Administrator.

Withholding of Stock to Satisfy Tax Obligations

Notwithstanding the restrictions and prohibitions on trading in Liquidia' s securities as set forth in this Policy, persons subject to this Policy are permitted to exercise a tax withholding right with respect to restricted stock pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon vesting (but this does

not include any open market sales of stock).

7. Internet Message Boards, Chat Rooms, and Discussion Groups

In an effort to prevent unauthorized disclosure of our information, you are prohibited from posting or responding to any posting on or in Internet message boards, chat rooms, discussion groups, or other publicly accessible forums, with respect to Liquidia.

8. Compliance

This Policy will be enforced by the Policy Administrator and Senior Management Team.

9. For Further Information

Any person who has any questions about specific transactions or this Policy in general may obtain additional guidance from the Policy Administrator. Remember, however, the ultimate responsibility for adhering to the Policy and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.

10. Attachments

Appendix A – Financial Team and Disclosure Committee Members of the Corporation

Appendix B – Methods of Exercising Stock Options Granted by the Corporation

Appendix A

Financial Team Members of the Corporation

Michael Kaseta	Chief Financial Officer
Dana Boyle	Controller
Brandon Knez	Accounting Manager
Sophia Kim	Senior Accountant

Disclosure Committee Members of the Corporation

Roger Jeffs	Chief Executive Officer
Michael Kaseta	Chief Financial Officer
Rob Lippe	Chief Operations Officer
Tushar Shah	Chief Medical Officer
Scott Moomaw	Senior Vice President, Commercial
Jason Adair	Vice President, Corporate Development and Strategy
Russell Schundler	General Counsel
Dana Boyle	Controller

Appendix B

Methods of Exercising Stock Options Granted by the Corporation

1. **Cash Exercise of Stock Options**

Stock options are exercised and shares of common stock are purchased with a cash payment by the holder of the stock option at the grant price of the option.

2. **Exercise and Sell of Stock Options**

Stock options are exercised and all shares of common stock are sold in the public market by the Company Broker at the behest of the option holder at the current market price. The holder of the stock option receives cash proceeds from the sale net of the cost of the stock option; the withholding taxes from the profit of the sale for which the individual is subject to; and the commission charged by the Company Broker for the sale.

3. **Cashless Exercise of Stock Options – Net Proceeds as Common Stock**

Stock options are exercised and a sufficient number of shares of common stock are sold in the public market by the Company Broker at the behest of the option holder at the current market price to cover for the cost of the stock options; the withholding taxes from the profit of the sale for which the individual is subject to (are withheld) and the commission charged by the Company Broker for the sale (is withheld). The number of shares to be sold is determined by Liquidia in consultation with the Company Broker. The holder of the stock option receives net proceeds from the exercise in the form of shares of common stock (cost basis is the grant price of the option). The holder of the stock option may also receive a residual amount in cash (less than the value of one share of common stock).

CERTIFICATE OF COMPLIANCE

The undersigned hereby certifies that he/she has read and understands, and agrees to comply with, the Liquidia Corporation Insider Trading Policy, a copy of which was distributed with this certification.

Printed Name: _____

Department: _____

Signature: _____

Date: _____

EXHIBIT B

LIQUIDIA CORPORATION WHISTLEBLOWER POLICY

Section 301 of the Sarbanes-Oxley Act of 2002, requires the Audit Committee (the "Audit Committee") of the Board of Directors of Liquidia Corporation ("Liquidia" or "Company") to establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the submission by employees, officers, directors and others acting on behalf of the Company ("Covered Persons") and others, on a confidential and anonymous basis, of good faith concerns regarding questionable accounting or auditing matters. It is the policy of Liquidia to comply with all applicable legal and regulatory requirements relating to accounting, internal accounting controls and auditing matters and to require its Covered Persons to do likewise.

This policy is intended to encourage and enable employees to raise good faith concerns about questionable or illicit conduct to designated Company personnel prior to providing any notification outside the Company. However, nothing in this policy is intended to prevent an employee from reporting information to the appropriate governmental agency (such as the U.S. Securities and Exchange Commission or the U.S. Department of Justice) when the employee has reasonable cause to believe that a violation of law has occurred.

Reporting Alleged Accounting, Internal Accounting Controls and Auditing Violations or Concerns

The procedures in this policy are intended for serious and sensitive issues. If an employee has reason to believe that there exists questionable or illicit conduct, including conduct related to accounting methods, auditing conduct or financial reporting practices, or as otherwise identified herein, the employee should immediately report those facts to:

- The employee's supervisor (if appropriate);
- The Chief Financial Officer
- Human Resources Department;
- The Liquidia Legal Department;
- The Chairman of the Liquidia Board of Directors' Audit Committee, via the Liquidia Red Flag Reporting Hotline; or
- The Liquidia Red Flag Reporting Hotline, which is maintained by an independent third party by (i) visiting www.redflagreporting.com and clicking on "File a Report", using client code 9193284400, or (ii) calling 1-877-647-3335, using client code 9193284400. Anonymized reports are forwarded to Liquidia's Human Resources Department, Chief Financial Officer and the Liquidia Legal Department. Whether you call or report on- line, you will have the option of being completely anonymous.

If any person believes that the Company or any Covered Person has, or might have, violated any accounting rules, internal accounting controls procedures or auditing rules, then such person should report the alleged violation or complaint (such report, the "Statement") as set forth above.

Statements must be sufficiently detailed and inclusive to ensure a clear understanding by the Audit Committee of the issues raised. Statements (except for Statements received from persons other than a Covered Person) may be submitted anonymously. Statements should be candid and set forth all of the information that a Covered Person knows regarding the allegation or concern. The Company may not commence an investigation if a Statement contains only unspecified

wrongdoing or broad allegations without appropriate informational support. Any Covered Person wishing to discuss a Statement or further communicate regarding a Statement should leave their personal contact information when reporting the Statement.

Investigation of Alleged Accounting, Internal Accounting Controls and Auditing Violations or Concerns

All complaints under this policy will be promptly and thoroughly investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct, conclude, and, if appropriate, prosecute the investigation.

All employees and members of management have a duty to promptly cooperate and provide accurate information in connection with any investigation of reports of questionable conduct, or of discrimination, retaliation or harassment resulting from the reporting or investigation of such matters.

The Chairman of the Audit Committee will determine who should lead any investigation, and whether to use an independent third party. The investigator will prepare a report of findings and recommendations based on the results of the investigation. Copies of the report will be provided to the Audit Committee, the Chief Executive Officer of the Company (the "Chief Executive Officer"), the Chief Financial Officer of the Company (the "Chief Financial Officer") and the General Counsel of the Company (the "General Counsel"). If the findings indicate that the complaint has validity, the Audit Committee will determine the action required, which could include disciplining the responsible person(s), and/or establishing new processes to prevent further violations. The Chairman will discuss the findings with the Chief Executive Officer, the Chief Financial Officer and the General Counsel to determine whether public disclosure or disclosure to outside agencies and/or reporting to the full Board of Directors, is necessary or appropriate.

No Retaliation for Submitting Statements of Alleged Violations or Concerns

The Company will not retaliate, and will not knowingly permit any Covered Person to retaliate, against (i) any Covered Person who submits a Statement or (ii) any person that participates in the investigation of a Statement, pursuant to this policy even if after investigation the Company determines that no violation has occurred. Open communication of issues without fear or retribution or retaliation is vital to the continued success of our business. Unless appropriate members of management learn of a problem, we cannot deal with the problem and delay in addressing such a problem may compound the problem and increase the harm to the Company and its stockholders.

Corrective Action

It is the responsibility of the Company and each Covered Person, with the oversight of the Audit Committee, to prevent or correct noncompliance of the legal and regulatory requirements relating to accounting, internal accounting controls and auditing matters. This is the Company's legal obligation. A violation can subject the Company and Covered Persons to legal liability, regulatory investigation and adverse publicity, which can damage the Company's reputation and business. The persons responsible for the misconduct, or those failing to cooperate or who provide false

information during an investigation, will be subject to disciplinary action, up to and including termination.

Retention of Statements by Employees

Any Statement submitted by a Covered Person will remain confidential to the fullest extent possible, consistent with the need to conduct an adequate review of such Statement, except as required by law or upon the advice of the Company's legal counsel. In addition, all written Statements, along with the results of any investigations relating thereto, will be retained by the Company pursuant to Liquidia Corporation's Document Retention Policy.

Violation of this Policy

All Covered Persons should follow the procedures outlined herein before any Covered Person reports possible violations or concerns to any news medium, government agency or similar body. The Company considers it important that it have the opportunity to investigate and remedy any possible violations or concerns reported by a Covered Person and accordingly is relying on each Covered Person to ensure that the Company has an opportunity to undertake such an investigation.

EXHIBIT 21.1

Liquidia Technologies, Inc.

Jurisdiction of incorporation:	Delaware
Name under which business conducted:	Liquidia Technologies, Inc.

Liquidia PAH, LLC

Jurisdiction of organization:	Delaware
Name under which business conducted:	Liquidia PAH, LLC

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-259265, 333-251394, 333-276244) and Form S-8 (Nos. 333-270697, 333-263665, 333-251904, 333-263662, 333-252647, 333-250179, 333-270698, 333-263664) of Liquidia Corporation of our report dated March 13, 2024 relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Raleigh, North Carolina
March 13, 2024

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Roger A. Jeffs, Ph.D., certify that:

1. I have reviewed this Annual Report on Form 10-K of Liquidia Corporation;

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 periods presented in this report;

4. The registrant's other certifying officer 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 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.

Date: March 13, 2024

By: /s/ Roger A. Jeffs, Ph.D.
Name: Roger A. Jeffs, Ph.D.
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Kaseta, certify that:

1. I have reviewed this Annual Report on Form 10-K of Liquidia Corporation;

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 periods presented in this report;

4. The registrant's other certifying officer 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 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.

Date: March 13, 2024

By: /s/ Michael Kaseta
Name: Michael Kaseta
Title: Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Liquidia Corporation, a Delaware corporation (the "Company"), on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roger A. Jeffs, Ph.D., Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 13, 2024

By: /s/ Roger A. Jeffs, Ph.D.
Name: Roger A. Jeffs, Ph.D.
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Liquidia Corporation, a Delaware corporation (the "Company"), on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Kaseta, Chief Financial Officer and Chief Operating Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 13, 2024

By: /s/ Michael Kaseta
Name: Michael Kaseta
Title: Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)