

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** For the fiscal quarter ended June 30, 2025

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	
N/A	
(Former name, former address and former fiscal year, if changed since last report)	

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

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 is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of August 4, 2025, there were 86,091,454 shares of the registrant's common stock outstanding.

LIQUIDIA CORPORATION

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This Quarterly Report on Form 10-Q, includes our trademarks, trade names and service marks, such as Liquidia, the Liquidia logo, YUTREPIA and PRINT, which are protected under applicable intellectual property laws and are the property of Liquidia Technologies, Inc. This Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q contains forward-looking statements. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. We intend such forward-looking statements to be subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). 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 Quarterly Report on Form 10-Q. In some cases, you can identify forward-looking statements by terms such as “anticipates,” “believes,” “contemplates,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “might,” “plans,” “potential,” “predicts,” “projects,” “should,” “targets,” “will,” “would” 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:

- our ability to maintain regulatory approvals for our products, including YUTREPIA;
- our expectations regarding the size of the patient populations, market opportunities, market acceptance, third-party payor coverage and opportunity for those products that we commercialize, including our own products, such as YUTREPIA, and products we commercialize in collaboration with third parties, including Sandoz’s fully substitutable generic tadalafil injection;
- our plans and ability to develop and commercialize our product candidates, including YUTREPIA, and our commercialization, marketing and distribution capabilities and strategy;
- the clinical utility of our products, including YUTREPIA, and product candidates and their potential advantages compared to other treatments;
- our ability to establish and maintain arrangements for the manufacture of our products, including YUTREPIA, and product candidates and the ability and sufficiency of our current manufacturing facilities to produce development and commercial quantities of our products and product candidates;
- 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 and the U.S. District Court for the Middle District of North Carolina, our litigation with United Therapeutics that was filed in the Superior Court for Durham County, North Carolina, or any future litigation with United Therapeutics or any other third-party, including any rehearings or appeals with respect to any litigation with United Therapeutics;
- the timing and our ability to enroll our planned clinical trials for our product candidates, including planned clinical trials for YUTREPIA and L606;
- the timing and related contents of our planned regulatory filings and/or applications;
- the timing of and our ability to obtain regulatory approvals for our product candidates, including the potential for, and timing regarding, final approval by the FDA (as defined below) of and our ability to commercially launch L606, including the potential impact of regulatory review, approval, and exclusivity developments which may occur for competitors, and the scope of any such approvals and the indications for which we receive approval;
- our ability to establish and maintain collaborations, including any third-party license agreements;
- 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 ICU

Medical's CADD-MS® 3 ambulatory infusion pump ("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, ICU Medical's CADD Legacy and CADD-Solis infusion pumps used for the intravenous administration of Sandoz's generic treprostinil injection, an infusion pump that we are developing with Sandoz for the subcutaneous administration of Sandoz's generic treprostinil injection, Plastiaple's RS00 Model 8 dry powder inhaler, which we use for the administration of YUTREPIA, and any devices used for the administration of L606;

- our and our business partners' ability to develop and to obtain and maintain regulatory clearances and approvals, and the timing of any such clearances and approvals, for medical devices used to administer our products and products we commercialize, including a nebulizer for the administration of L606 and the infusion pump that we are developing with Sandoz;
- the effects on our company or our subsidiaries of future changes in law or changes in governmental agencies, including regulatory developments or legislative or executive actions, including changes in healthcare, environmental and other laws and regulations to which we are subject, changes at the FDA, tariffs that may apply to products that we purchase or sell, or judicial decisions overturning or establishing new legal precedents;
- adverse outcomes of pending or threatened litigation or governmental investigations, including our ongoing litigation involving United Therapeutics in which they are seeking remedies that include the removal of YUTREPIA from the market and any future litigation with United Therapeutics or any other third party;
- the failure to renew, or the revocation of, any license or other required permits;
- our ability to retain, attract and hire key personnel;
- our intellectual property position and the duration of our patent rights;
- prevailing economic, market and business conditions;
- changes in the industry in which we operate;
- the volatility and unpredictability of the stock market and credit market conditions;
- conditions beyond our control, such as natural and man-made disasters, global health emergencies, such as pandemics and epidemics, or geopolitical conflict, such as acts of war, terrorism and civil disorder;
- our ability to satisfy the covenants contained in the HCR Agreement (as defined below);
- the cost and availability of capital and any restrictions imposed by lenders or creditors;
- 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 the Company or our subsidiaries may be different from market expectations, 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;
- conduct of and changing circumstances related to third-party relationships on which we rely, including the level of credit worthiness of counterparties;

- fluctuations in interest rates;
- fluctuations in the trading price of our common stock;
- variations between the stated assumptions on which forward-looking statements are based and our actual experience;
- our estimates regarding future expenses, capital requirements and needs for additional financing; and
- our expectation that the use of proceeds from prior public and private equity 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 Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q. 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 Quarterly Report on Form 10-Q.

Unless the context otherwise requires, references in this Quarterly Report on Form 10-Q 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 (“Liquidia Technologies”) and Liquidia PAH, LLC (formerly known as RareGen, LLC (“RareGen”)), a Delaware limited liability company (“Liquidia PAH”).

PART I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

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

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 173,422	\$ 176,479
Accounts receivable, net	9,968	2,719
Inventory	6,444	241
Prepaid expenses and other current assets	5,749	5,666
Total current assets	195,583	185,105
Property, plant and equipment, net	9,540	8,298
Operating lease right-of-use assets, net	4,075	4,187
Indemnification asset, related party	8,284	7,460
Contract acquisition costs, net	7,049	7,286
Intangible asset, net	3,052	3,156
Goodwill	3,903	3,903
Restricted cash	3,504	—
Other assets	22,420	10,918
Total assets	\$ 257,410	\$ 230,313
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 11,346	\$ 4,689
Accrued expenses and other current liabilities	22,522	18,659
Long-term debt, current	44,140	18,016
Operating and finance lease liabilities, current	402	417
Total current liabilities	78,410	41,781
Litigation finance payable	7,970	7,300
Long-term debt, noncurrent	149,470	95,268
Operating and finance lease liabilities, noncurrent	6,371	6,586
Total liabilities	242,221	150,935
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock — 10,000,000 shares authorized, none outstanding	—	—
Common stock — \$0.001 par value, 115,000,000 shares authorized as of June 30, 2025 and December 31, 2024, respectively, 85,860,949 and 84,683,063 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	86	85
Additional paid-in capital	652,438	636,682
Accumulated deficit	(637,335)	(557,389)
Total stockholders' equity	15,189	79,378
Total liabilities and stockholders' equity	\$ 257,410	\$ 230,313

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

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues:				
Product sales, net	\$ 6,517	\$ —	\$ 6,517	\$ —
Service revenue, net	2,320	3,659	5,440	6,631
Total revenue	8,837	3,659	11,957	6,631
Costs and expenses:				
Cost of product sales	205	—	205	—
Cost of service revenue	1,292	1,493	2,809	2,960
Research and development	6,021	9,420	12,987	19,477
Selling, general and administrative	38,824	19,943	68,886	40,192
Total costs and expenses	46,342	30,856	84,887	62,629
Loss from operations	(37,505)	(27,197)	(72,930)	(55,998)
Other income (expense):				
Interest income	1,584	1,855	3,312	3,735
Interest expense	(5,658)	(3,326)	(10,328)	(6,488)
Total other expense, net	(4,074)	(1,471)	(7,016)	(2,753)
Net loss and comprehensive loss	\$ (41,579)	\$ (28,668)	\$ (79,946)	\$ (58,751)
Net loss per common share, basic and diluted	\$ (0.49)	\$ (0.38)	\$ (0.94)	\$ (0.78)
Weighted average common shares outstanding, basic and diluted	85,588,108	76,435,831	85,381,563	75,914,869

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

Liquidia Corporation
Condensed Consolidated Statements of Stockholders' Equity (unaudited)
(in thousands, except shares amounts)

	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance as of December 31, 2024	84,683,063	\$ 85	\$ 636,682	\$ (557,389)	\$ 79,378
Issuance of common stock upon exercise of stock options	84,505	—	358	—	358
Issuance of common stock upon vesting of restricted stock units	414,053	—	—	—	—
Issuance of common stock under employee stock purchase plan	117,320	—	906	—	906
Stock-based compensation	—	—	7,438	—	7,438
Net loss	—	—	—	(38,367)	(38,367)
Balance as of March 31, 2025	85,298,941	\$ 85	\$ 645,384	\$ (595,756)	\$ 49,713
Issuance of common stock upon exercise of stock options	33,378	—	125	—	125
Issuance of common stock upon vesting of restricted stock units	528,630	1	(1)	—	—
Stock-based compensation	—	—	6,930	—	6,930
Net loss	—	—	—	(41,579)	(41,579)
Balance as of June 30, 2025	<u>85,860,949</u>	<u>\$ 86</u>	<u>\$ 652,438</u>	<u>\$ (637,335)</u>	<u>\$ 15,189</u>

	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance as of December 31, 2023	68,629,575	\$ 69	\$ 476,322	\$ (429,098)	\$ 47,293
Issuance of common stock upon exercise of stock options	23,247	—	99	—	99
Issuance of common stock upon vesting of restricted stock units	383,133	—	—	—	—
Issuance of common stock under employee stock purchase plan	67,982	—	404	—	404
Issuance of common stock upon exercise of warrants	946	—	—	—	—
Sale of common stock, net	7,182,532	7	74,861	—	74,868
Stock-based compensation	—	—	4,524	—	4,524
Net loss	—	—	—	(30,083)	(30,083)
Balance as of March 31, 2024	76,287,415	\$ 76	\$ 556,210	\$ (459,181)	\$ 97,105
Issuance of common stock upon exercise of stock options	10,686	—	32	—	32
Issuance of common stock upon vesting of restricted stock units	116,447	—	—	—	—
Sale of common stock, net	—	—	—	—	—
Stock-based compensation	—	—	4,372	—	4,372
Net loss	—	—	—	(28,668)	(28,668)
Balance as of June 30, 2024	<u>76,414,548</u>	<u>\$ 76</u>	<u>\$ 560,614</u>	<u>\$ (487,849)</u>	<u>\$ 72,841</u>

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

Liquidia Corporation
Condensed Consolidated Statements of Cash Flows (unaudited)
(in thousands)

	Six Months Ended June 30,	
	2025	2024
Operating activities		
Net loss	\$ (79,946)	\$ (58,751)
Adjustments to reconcile net loss to net cash used in operating activities:		
Acquired in-process research and development	—	—
Stock-based compensation	14,368	8,896
Depreciation and amortization	732	1,069
Non-cash lease expense	112	233
Loss (gain) on disposal of property and equipment	—	3
Accretion and non-cash interest expense	10,327	6,483
Changes in operating assets and liabilities:		
Accounts receivable, net	(7,249)	812
Inventory	(5,980)	(7,212)
Prepaid expenses and other current assets	(83)	(1,548)
Other noncurrent assets	(11,502)	63
Accounts payable	5,364	3,224
Accrued expenses and other current liabilities	3,863	(300)
Operating lease liabilities	(166)	(499)
Net cash used in operating activities	(70,160)	(47,527)
Investing activities		
Purchases of property, plant and equipment	(1,387)	(1,914)
Net cash used in investing activities	(1,387)	(1,914)
Financing activities		
Proceeds from long-term debt, net of fees	74,975	24,975
Payments on long-term debt	(4,976)	(1,692)
Principal payments on finance leases	(64)	(53)
Receipts from litigation financing	670	222
Proceeds from sale of common stock, net of issuance costs	—	74,868
Proceeds from issuance of common stock under stock incentive plans	1,389	535
Net cash provided by financing activities	71,994	98,855
Net increase in cash, cash equivalents, and restricted cash	447	49,414
Cash, cash equivalents, and restricted cash, beginning of period	176,479	83,679
Cash, cash equivalents, and restricted cash, end of period	\$ 176,926	\$ 133,093
Supplemental disclosure of cash flow information		
Cash paid for operating lease liabilities	\$ 341	\$ 655
Non-cash increase in property, plant and equipment through accounts payable	\$ 469	\$ 634
Non-cash increase in indemnification asset through accounts payable	\$ 824	\$ 487

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

Liquidia Corporation
Notes to Condensed Consolidated Financial Statements (unaudited)
(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. and Liquidia PAH, LLC, formerly known as RareGen.

We currently generate revenue through the sale of YUTREPIA (treprostinil) inhalation powder (“YUTREPIA”) and pursuant to a promotion agreement with Sandoz Inc. (“Sandoz”), dated as of August 1, 2018, as amended (the “Promotion Agreement”), under which we share profit derived from the sale of Sandoz’s generic treprostinil injection (“Treprostinil Injection”) in the United States.

We employ a targeted commercial field force calling on healthcare providers 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.

YUTREPIA is an inhaled dry powder formulation of treprostinil designed with our proprietary PRINT® technology, a particle engineering platform that enables precise production of uniform drug particles, 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 currently marketed inhaled treprostinil therapies. YUTREPIA was approved by the U.S. Food and Drug Administration (“FDA”) on May 23, 2025 for the treatment of both PAH and PH-ILD, and was commercially launched on June 2, 2025.

Treprostinil Injection is a fully-substitutable generic treprostinil for parenteral administration in the United States. We have the exclusive rights to conduct commercial activities for Treprostinil Injection and work jointly with Sandoz on commercial strategy for the product. Sandoz retains all rights in and to Treprostinil Injection and holds the Abbreviated New Drug Application (“ANDA”) for Treprostinil Injection.

We also conduct research, development and manufacturing of novel products by applying our subject matter expertise in cardiopulmonary diseases. For example, we are currently developing L606, an investigational, liposomal formulation of treprostinil administered twice-daily with a short-duration next-generation nebulizer, which we licensed from Pharmosa Biopharm Inc. (“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.

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.

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: advances and trends in new technologies and industry standards; results of clinical trials; regulatory approval, market acceptance and third-party payor coverage for our products; development of sales channels; certain strategic relationships; litigation or claims against us, including claims related to intellectual property, product, regulatory, or other matters; and our ability to attract and retain employees necessary to support our growth.

The current global macro-economic environment is volatile, which may result in supply chain constraints and elevated rates of inflation. We rely on single source manufacturers and suppliers for the supply of our products and 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. Additionally, see Note 13 *Legal Proceedings* for discussion of potential adverse outcomes from pending legal proceedings that could limit our ability to continue to commercialize YUTREPIA.

Liquidity and Capital Resources

Since inception, we have incurred recurring operating losses, including a net loss of \$79.9 million for the six months ended June 30, 2025. As of June 30, 2025, we had an accumulated deficit of \$637.3 million. 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, the issuance of convertible notes and warrants, and other long-term debt.

We expect to continue to incur significant expenses as we commercialize YUTREPIA and advance our product candidates through clinical trials and seek regulatory approval of such product candidates. These efforts require significant amounts of capital, adequate personnel and infrastructure, and extensive compliance-reporting capabilities. Additionally, the revenue interest financing agreement with HealthCare Royalty Partners IV, L.P. (“HCR”) dated January 9, 2023, as amended (the “HCR Agreement”) contains fixed quarterly payments and minimum cash covenants that require us to maintain cash and cash equivalents in an amount at least equal to \$15.0 million for the remainder of the payment term, which based on amounts funded as of June 30, 2025, is expected to conclude in 2033.

We believe we will have sufficient cash and cash equivalents to meet our financial obligations and minimum cash covenants for at least the next twelve months. Included in our assessment are anticipated cash inflows from YUTREPIA product sales. We cannot guarantee our estimates regarding our ability to generate significant revenue from YUTREPIA and the resources needed to support development of L606 are accurate. We have based our estimates on assumptions that may prove to be wrong, and we could be limited in our ability to continue to commercialize YUTREPIA and/or use our available capital resources sooner than we currently expect. In the event revenues from YUTREPIA are insufficient to support our business operations and future capital needs, we expect that we would need further financing or we could be forced to delay, limit, reduce or terminate clinical studies or other ongoing activities, which could have a material adverse effect on our business, results of operations, and financial condition.

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

Basis of Presentation

The unaudited interim condensed consolidated financial statements as of June 30, 2025 and for the three and six months ended June 30, 2025 and 2024 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim financial reporting. These condensed consolidated financial statements are

unaudited and, 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”). The year-end condensed consolidated balance sheet data was derived from our audited consolidated financial statements but does not include all disclosures required by GAAP. Operating results for the three and six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2025. Certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with GAAP have been omitted in accordance with the SEC’s rules and regulations for interim reporting. Our financial position, results of operations and cash flows are presented in U.S. Dollars.

The accompanying unaudited condensed consolidated financial statements and related notes should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2024, which are included in Exhibit 99.1 to our Current Report on Form 8-K filed on May 8, 2025.

Consolidation

The accompanying condensed 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, 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.

Revision of Previously Issued Financial Statements

During the three months ended March 31, 2025, we identified immaterial errors in our accounting treatment of the fourth and fifth amendments to the HCR Agreement. While we initially concluded that the amendments constituted extinguishments under accounting standards codifications (“ASC”) 470 *Debt*, we reevaluated the accounting treatment, revised our conclusions and determined the amendments to be modifications. The identified errors impacted our previously issued 2024 annual consolidated financial statements. We have evaluated these errors and determined that the errors were not material to our consolidated financial statements taken as a whole. However, we voluntarily revised our previously issued 2024 annual consolidated financial statements to correct the immaterial errors and disclosed the impacts to our quarterly financial statements for the respective 2024 interim periods in our Current Report on Form 8-K filed on May 8, 2025. As a result of the revision, the loss on extinguishment has been eliminated and an adjustment to interest expense resulting from the modifications has been recorded, with corresponding adjustments to the long-term debt and accumulated deficit accounts.

A summary of the revisions to certain financial statement line items as of and for the six months ended June 30, 2024 in the condensed consolidated financial statements is presented below:

Condensed Consolidated Statement of Operations and Comprehensive Loss

	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	As Previously Reported	Adjustment	As Revised	As Previously Reported	Adjustment	As Revised
Interest expense	\$ (2,600)	\$ (726)	\$ (3,326)	\$ (5,124)	\$ (1,364)	\$ (6,488)
Loss on extinguishment of debt	\$ —	\$ —	\$ —	\$ (11,483)	\$ 11,483	\$ —
Total other expense, net	\$ (745)	\$ (726)	\$ (1,471)	\$ (12,872)	\$ 10,119	\$ (2,753)
Net loss and comprehensive loss	\$ (27,942)	\$ (726)	\$ (28,668)	\$ (68,870)	\$ 10,119	\$ (58,751)
Net loss per common share, basic and diluted	\$ (0.37)	\$ (0.01)	\$ (0.38)	\$ (0.91)	\$ 0.13	\$ (0.78)

The adjustments noted above had a corresponding impact on the related line items in the condensed consolidated statement of stockholders' equity lines for the six months ended June 30, 2024. There was no impact to our condensed consolidated statement of cash flows except for the presentation of net loss offset by the corresponding adjustment to reconcile net loss to net cash used in operating activities. In addition, Note 11 *Long-term Debt* has been updated to reflect the revised amounts.

Summary of Significant Accounting Policies

Our significant accounting policies are disclosed in Note 2 *Basis of Presentation, Significant Accounting Policies and Fair Value Measurements* of the consolidated financial statements for the years ended December 31, 2024 and 2023, which are included in Exhibit 99.1 to our Current Report on Form 8-K filed on May 8, 2025.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*. This guidance requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. This standard also includes certain other amendments to improve the effectiveness of income tax disclosures. The guidance is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted. Except for expanding disclosures, we do not expect the adoption of ASU 2023-09 to have a material effect on our consolidated financial statements taken as a whole.

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses (DISE)*. This guidance requires disaggregated disclosure of income statement expenses for public business entities. ASU 2024-03 does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. As revised by ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures*, the provisions of ASU 2024-03 are effective for fiscal years beginning after December 15, 2026, with early adoption permitted. Except for expanding disclosures to include more granular income statement expense categories, we do not expect the adoption of ASU 2024-03 to have a material effect on our consolidated financial statements taken as a whole.

Cash, Cash Equivalents and Restricted Cash

We consider all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. Restricted cash represents cash held at financial institutions that is pledged as collateral for a stand-by letter of credit related to one of our operating leases.

Accounts Receivable, Net

Accounts receivable, net consists of trade receivables which are amounts due from our customers related to product sales and from Sandoz related to service revenue. The Company records trade receivables net of discounts, chargebacks, and any allowances for potential credit losses. An allowance for credit losses is determined based on the financial condition and creditworthiness of customers and the Company considers economic factors and events or trends expected to affect future collections experience. Any allowance would reduce the net receivables to the amount that is expected to be collected. We have not recorded any expected credit losses related to outstanding accounts receivable.

Concentration of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist of cash, cash equivalents, and restricted cash. We are exposed to credit risk, subject to federal deposit insurance, in the event of default by the financial institutions holding our cash, cash equivalents, and restricted cash to the extent of amounts recorded on the condensed consolidated balance sheet. Our cash, cash equivalents, and restricted cash are held at 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.

We are exposed to risks associated with extending credit to customers related to product sales. We do not require collateral to secure amounts due from customers.

Gross product sales from our two largest customers accounted for 68% and 27% of total gross product sales, respectively. One customer accounted for 100% of service revenue, net.

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 conclusion, 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 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, viability of commercialization and market trends.

Inventory

We value our inventories at the lower-of-cost or net realizable value on a first-in, first-out basis. We began capitalizing YUTREPIA in late 2023, when, based on our assessment of the legal and regulatory process, we concluded that we met the criteria to capitalize expenditures for prelaunch inventory.

Inventories include the cost for materials, third party contract manufacturing and packaging services, and overhead associated with manufacturing. The Company performs an assessment of the recoverability of inventory during each reporting period and writes down any excess and obsolete inventories to their net realizable value in the period in which the impairment is first identified. If they occur, such impairment charges are recorded as a component of cost of product sales. Manufacturing cost is determined using an average cost method, which approximates actual cost. Inventory used for clinical development purposes is expensed to research and development expense when consumed.

Royalties

Royalties incurred in connection with our agreements with UNC and Chasm as further described in Note 12 *Commitments and Contingencies*, are included in cost of product sales in the same period as the related product sales is recognized.

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 products and product candidates, including any inability to maintain regulatory approval for YUTREPIA or any injunction requiring YUTREPIA to be removed from the market, 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.

As of June 30, 2025, we concluded there were no significant events or changes in circumstances which indicated that the carrying amount of goodwill was not recoverable. We completed our annual impairment test as of July 1, 2025 and concluded that no impairments had occurred.

Leases

In accordance with ASC 842, *Leases*, we determine if an arrangement is or contains a lease at inception. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the lease commencement date, we classify leases as operating or finance leases and record a right-of-use asset and a lease liability for all leases with an initial lease term of greater than 12 months based on the present value of the lease payments over the lease term using the discount rate implicit in the lease. If the rate implicit is not readily determinable, the Company utilizes an estimate of its incremental borrowing rate based upon the available information at the lease commencement date. Operating lease expense is recognized on a straight-line basis over the lease term.

Leases with an initial term of 12 months or less are not recorded in the balance sheet pursuant to the practical expedient available under ASC 842.

Long-term Debt

We recognized a liability related to amounts received pursuant to the HCR Agreement 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 amount of contractual future payments to be made pursuant to the HCR Agreement. Amendments are assessed

under ASC 470 to determine the appropriate treatment as troubled debt restructurings, extinguishments or modifications. If the timing or amounts of any future payments change, we will prospectively adjust the effective interest and the related amortization of the liability.

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.

Product Sales, Net

In the second quarter of 2025, YUTREPIA became available to patients with a prescription in the U.S. and we commenced commercial sales to customers. We sell YUTREPIA to customers, including specialty pharmacies and a specialty distributor who in turn sell YUTREPIA directly to patients, clinics, hospitals, and federal healthcare programs. We offer access programs to allow patients to obtain free prescription fills in certain circumstances. We exclude amounts related to these access programs from both gross and net revenue. The cost of product associated with such access programs is recognized as a selling, general and administrative cost in the condensed consolidated statements of operations.

We have determined that the delivery of YUTREPIA to our customers constitutes a single performance obligation. There are no other promises to deliver goods or services beyond what is specified in each accepted customer order. Product sales are recognized at the transaction price when the customer obtains control of our product, which occurs at a point in time upon delivery of the product to the customer.

Product sales, net are recorded at the transaction price, which reflects gross product sales reduced by corresponding gross-to-net ("GTN") adjustments, including estimated cash discounts, government chargebacks, government rebates, specialty distributor fees, copay assistance, and returns. These GTN adjustments represent variable consideration under ASC 606 and are estimated using the expected value method or most likely amount method and are recorded when revenue is recognized on the sale of the product. GTN adjustments are based on available information including the contractual terms with customers, historical trends, industry analogs, communications with customers, and the levels of inventory remaining in the distribution channel, as well as expectations about the market for the product and anticipated introduction of competitive products, in combination with management's informed judgments. Overall, these reserves reflect our best estimates of the amount of net cash proceeds we expect to realize from collection of current period gross sales less fees, discounts, and allowances and future estimated cash disbursements for the various GTN categories discussed below.

The amount of variable consideration which is included in the transaction price may be constrained, and is included in the net sales price, only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized under the contract will not occur in a future period. Actual amounts of consideration ultimately received may differ from our estimates. If actual results in the future vary from our original estimates, we will adjust these estimates, which would affect product sales and earnings in the period such variances become known.

GTN adjustments include:

- *Discounts for Prompt Payment:* We estimate cash discounts based on contractual terms and expectations regarding future customer payment patterns. We expect our customers will earn 100% of their prompt payment discounts. These discounts are recorded in the same period the related revenue is recognized, resulting in a reduction of product sales and accounts receivable.
- *Customer Discounts:* We have contractual arrangements to provide for agreed upon discounts. These discounts are recorded in the same period the related revenue is recognized, resulting in a reduction of product sales and accounts receivable.
- *Specialty Distributor Fees:* We pay fees to our specialty distributor for distribution services provided in connection with the sales of YUTREPIA. These specialty distributor fees are based on a contractually determined fixed percentage of sales. The adjustments are recorded in the same period the related revenue is recognized, resulting in a reduction of product sales and the establishment of a current liability which is included in accrued expenses.
- *Government Chargebacks:* Chargebacks for fees and discounts to qualified government healthcare providers represent the estimated obligations resulting from contractual commitments to sell products to qualified U.S. Department of Veterans Affairs hospitals and 340B entities at prices lower than the list prices charged to customers who directly purchase the product from us. The 340B Drug Discount Program is a U.S. federal government program created in 1992 that requires drug manufacturers to provide outpatient drugs to eligible health care organizations and covered entities at significantly reduced prices. Customers charge us for the difference between what they pay for the product and the statutory selling price to the qualified government entity. These reserves are established in the same period that the related revenue is recognized, resulting in a reduction of product revenue and accounts receivables. Chargeback amounts are generally determined at the time of resale to the qualified government healthcare provider by customers, and we generally issue credits for such amounts within a few weeks after the customer notifies us of the resale. Reserves for chargebacks consist of chargebacks that customers have claimed, but for which we have not yet issued a credit and credits that we expect to issue for product that has been recognized as revenue, but which remains in the distribution channel

inventories at the end of each reporting period. There may be significant lag time between our reported net product sales and receipt of the corresponding government chargeback claims from our customers.

- *Product Returns Allowances:* Customers are contractually permitted to return purchased products only if the product is damaged or defective upon delivery or as required under applicable law. We estimate expected product returns for its allowance based on our expected returns volume. When historical data is available, we will use historical return rates of the product. Returned product is typically destroyed, since returns are generally only permitted due to damage and cannot be resold. These allowances are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included in accrued expenses.
- *Managed Care Rebates:* We are subject to rebates in connection with our agreements with certain contracted payors. We estimate our managed care rebates based on our estimated payor mix and the applicable contractual rebate rate and estimated future claims that we expect to receive, which considers an estimate for inventory in the distribution channel. These adjustments are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included in accrued expenses.
- *Medicaid Rebates:* We are subject to discount obligations under state government-managed Medicaid programs, whereby rebates are issued to participating state governments. These rebates arise when a patient treated with YUTREPIA is covered under Medicaid, resulting in a discounted price under the applicable Medicaid program. We estimate the portion of sales attributed to Medicaid patients and record a liability for the estimated rebates to be paid to the respective state Medicaid programs. The current liability for these rebates consists of estimates of claims for the current quarter and estimated future claims that will be made for product that has been recognized as revenue, but which remains in the distribution channel inventories at the end of each reporting period. There may be a significant time lag between our reported net product sales and receipt of the corresponding rebate notices from each state (generally several months or longer). The Company's estimates are based on estimates obtained from similar products in the industry as supplemented by management's judgment. When historical data is available, the Company will use historical claim levels by the state, as supplemented by management's judgment. These adjustments are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included in accrued expenses.
- *Copay Programs:* We offer a copay assistance program, which is intended to provide financial assistance to qualified commercially insured patients with prescription drug co-payments required by payors. The calculation of the accrual for copay assistance is based on an estimate of claims and the cost per claim that we expect to receive associated with product that has been recognized as revenue but remains in the distribution channel inventories at the end of each reporting period. Estimates are based on similar products in the industry as supplemented by management's judgment. When historical data is available, the Company will use actual program participation and estimates of program redemption using data provided by the third party that administers the copay program. These adjustments are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included in accrued expenses.

Service Revenue, Net

Services revenues, net are generated from the promotional services we perform to encourage the appropriate use of Trepstinil Injection in the U.S. under our Promotion Agreement with Sandoz. In exchange for conducting these promotional services, 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 have determined that the performance of the promotional services constitutes a single performance obligation and recognize revenue as we satisfy our performance obligation. The transaction price is equal to our share of Net Profits.

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 June 30, 2025 and December 31, 2024, a \$1.0 million and \$2.0 million refund liability, respectively, is offset against accounts receivable from Sandoz related to expected refund amounts.

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.

Accrued Research and Development Expenses

As part of the process of preparing the condensed consolidated financial statements, we are required to estimate accrued 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 condensed consolidated financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of these 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. The financial terms of our agreements with CROs and CMOs 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 such 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.

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 9 *Stock-Based Compensation*.

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.

Other Fair Value Disclosures

The carrying amounts reflected in our condensed consolidated balance sheets for cash, accounts receivable, prepaid expenses and other current assets, accounts payable and accrued expenses and other current liabilities approximate their fair values due to their short-term nature.

The carrying value and fair value of long-term debt as of June 30, 2025 and December 31, 2024 is as follows:

	June 30, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including amounts due within one year	\$ 193,610	\$ 188,300	\$ 113,284	\$ 110,174

The fair value is estimated using Level 3 inputs based on a discounted cash flow model incorporating company-specific projections and a market-based discount rates of 16.1% to 17.7% as of June 30, 2025 and 15.6% to 17.5% as of December 31, 2024, based on the tenor of the expected payment, and reflective of debt with similar risk characteristics.

3. Inventory

Inventories are stated at the lower of average cost or net realizable value and consist of the following:

	June 30, 2025	December 31, 2024
Raw materials	\$ 11,318	\$ 3,737
Work in process	8,169	7,069
Finished goods	9,066	—
Total inventory	28,553	10,806
Inventory reserve	—	—
Inventory	\$ 28,553	\$ 10,806
Recognized as:		
Inventory	\$ 6,444	\$ 241
Other assets	22,109	10,565

Amounts recognized as *Other Assets* are comprised entirely of raw materials and work in process inventories not expected to be sold within one year of the date of the condensed consolidated balance sheet.

4. Property, Plant, and Equipment

Property, plant and equipment consisted of the following:

	June 30, 2025	December 31, 2024
Lab and build-to-suit equipment	\$ 7,747	\$ 6,918
Office equipment	7	7
Furniture and fixtures	497	481
Computer and other equipment	1,902	741
Leasehold improvements	13,010	12,959
Construction-in-progress	2,799	3,001
Total property, plant and equipment	25,962	24,107
Accumulated depreciation and amortization	(16,422)	(15,809)
Property, plant and equipment, net	\$ 9,540	\$ 8,298

We recorded depreciation and amortization expense related to property, plant and equipment of \$0.2 million for both the three months ended June 30, 2025 and 2024, and of \$0.4 million for both the six months ended June 30, 2025 and 2024.

5. Contract Acquisition Costs and Intangible Asset

Contract acquisition costs and intangible asset are summarized as follows:

	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Contract acquisition costs	\$ 12,980	\$ (5,931)	\$ 7,049	\$ 12,980	\$ (5,694)	\$ 7,286
Intangible asset	\$ 5,620	\$ (2,568)	\$ 3,052	\$ 5,620	\$ (2,464)	\$ 3,156

We amortize the value of the contract acquisition costs and intangible asset on a pro-rata basis based on the estimated total service 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 *Basis of Presentation, Significant Accounting Policies and Fair Value Measurements*). Amortization of contract acquisition costs is recorded as a reduction of service revenue, net, and amortization of the intangible asset is recorded as cost of service revenue.

We recorded amortization related to the contract acquisition costs of \$0.1 million and \$0.2 million for the three months ended June 30, 2025 and 2024, respectively, and of \$0.2 million and \$0.3 million for the six months ended June 30, 2025 and 2024, respectively. We recorded amortization related to the intangible asset of \$0.1 million for both the three months ended June 30, 2025 and 2024, and of \$0.1 million for both the six months ended June 30, 2025 and 2024. Annual amortization over the next five years is expected to immaterially fluctuate from the 2025 amounts, consistent with changes to net profits to be recognized pursuant to the Promotion Agreement over the period.

6. 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 7.8% of Liquidia Corporation common stock as of August 4, 2025), 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 RareGen litigation.

As of June 30, 2025 and December 31, 2024, 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 June 30, 2026.

7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	June 30, 2025	December 31, 2024
Accrued compensation	\$ 5,757	\$ 10,251
Accrued gross-to-net deductions	1,875	—
Accrued research and development expenses	853	2,495
Accrued inventory costs	4,026	1,641
Accrued other expenses	10,011	4,272
Total accrued expenses and other current liabilities	<u>\$ 22,522</u>	<u>\$ 18,659</u>

8. Stockholders' Equity

Common Stock

Issuance of Common Stock on September 11, 2024 from an Underwritten Public Offering and Private Placement

In September 2024, we sold 6,460,674 shares of our common stock in an underwritten registered public offering at an offering price of \$8.90 per share (the “2024 Offering”) for gross proceeds of approximately \$57.5 million, before deducting offering costs of approximately \$3.8 million.

A fund affiliated with Paul B. Manning, a member of our Board of Directors, participated in the 2024 Offering and purchased shares of common stock in an aggregate amount of approximately \$3.0 million at the public offering price per share and on the same terms as the other purchasers in the 2024 Offering.

Concurrently with the 2024 Offering referenced above, we entered into a common stock purchase agreement with funds managed by Caligan Partners LP (“Caligan”), our largest stockholder, for the sale by us in a private placement of an aggregate of 1,123,595 shares of our common stock at a purchase price of \$8.90 per share for gross and net proceeds of approximately \$10.0 million.

Issuance of Common Stock on January 4, 2024 from a 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.

Warrants

During the six months ended June 30, 2025 and 2024, zero and 948 warrants to purchase shares of common stock were exercised, respectively. Outstanding warrants consisted of the following as of June 30, 2025:

Number of warrants		Exercise Price	Expiration Date
250,000	\$	5.14	January 6, 2032
100,000	\$	3.05	February 26, 2031
100,000	\$	n/a ¹	February 26, 2031
56,397	\$	0.02	December 31, 2026

- 1 These warrants were issued on February 26, 2021, in connection with our previously outstanding debt with Silicon Valley Bank. These warrants only became exercisable if there was additional funding under the loan agreement, and the exercise price of these warrants was to be set upon such potential additional funding. The additional funding never occurred, and the loan agreement has since been repaid and terminated. While these warrants technically remain outstanding, they are not, and will never be, exercisable.

9. 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, 2025, the number of shares of common stock available for issuance under the 2020 Plan automatically increased by 3,387,323 shares pursuant to the Evergreen Provision. As of June 30, 2025, there were 1,553,998 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 June 30, 2025, a total of 423,414 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 June 30, 2025, a total of 27,608 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, 2025, the number of shares of common stock available for issuance under the ESPP increased by 150,000 shares. As of June 30, 2025, a total of 567,422 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 six months ended June 30, 2025 and 2024, 117,320 and 67,982 shares were issued under the ESPP, respectively.

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”) and performance stock units (“PSUs”), 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:

By Expense Category:	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of service revenue	\$ 58	\$ 57	\$ 207	\$ 121
Research and development	287	826	627	1,837
Selling, general and administrative	6,585	3,489	13,534	6,938
Total stock-based compensation expense	<u>\$ 6,930</u>	<u>\$ 4,372</u>	<u>\$ 14,368</u>	<u>\$ 8,896</u>

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 June 30, 2025	
	Unamortized Expense	Weighted Average Remaining Recognition Period (Years)
Stock options	\$ 5,096	1.0
Restricted and performance stock units	\$ 46,840	2.6

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.

There were no stock options granted during the six months ended June 30, 2025. The following table summarizes the assumptions used for estimating the fair value of stock options granted under the Black-Scholes option-pricing model during the six months ended June 30, 2024:

	Six Months Ended June 30, 2024
Expected dividend yield	—
Risk-free interest rate	3.98%
Expected volatility	90%
Expected life (years)	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:

	Six Months Ended June 30,	
	2025	2024
Expected dividend yield	—	—
Risk-free interest rate	4.31%	5.27%
Expected volatility	44%	90%
Expected life (years)	0.50	0.50

Stock Options

Options generally vest over a four-year period in multiple tranches.

The following table summarizes stock option activity during the six months ended June 30, 2025:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2024	9,009,005	\$ 4.76		
Granted	—	—		
Exercised	(117,883)	4.09		
Cancelled	(4,687)	6.10		
Outstanding as of June 30, 2025	<u>8,886,435</u>	<u>\$ 4.77</u>	<u>6.3</u>	<u>\$ 68,471</u>
Exercisable as of June 30, 2025	<u>7,672,776</u>	<u>\$ 4.61</u>	<u>6.2</u>	<u>\$ 60,373</u>
Vested and expected to vest as of June 30, 2025	<u>8,836,703</u>	<u>\$ 4.76</u>	<u>6.3</u>	<u>\$ 68,169</u>

No options were granted during the six months ended June 30, 2025. The weighted average fair value for options granted during the six months ended June 30, 2024 ended was \$9.84 per share. The aggregate intrinsic value of stock options in the table above represents the difference between the \$12.46 closing price of our common stock as of June 30, 2025 and the exercise price of outstanding, exercisable, and vested and expected to vest in-the-money stock options.

Restricted and Performance Stock Units

RSUs and PSUs represent the right to receive shares of our common stock at the end of a specified time period and/or upon the achievement of a specific milestone. RSUs and PSUs 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. RSUs granted to directors generally vest over a one-year period.

PSUs granted during 2025 and 2024 included 749,793 and 520,526, respectively, granted to our executive officers. These PSUs vest upon the later of (a) time-based vesting conditions and (b) the first commercial sale of YUTREPIA in the United States, which occurred during the second quarter of 2025. The time-based vesting condition means 25% of the PSUs vest one year after grant date and quarterly thereafter for three years, subject to the executive officer's continued service.

The tax withholding method used for most RSUs and PSUs 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 and PSUs 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 or PSUs 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 and PSU activity during the six months ended June 30, 2025:

	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested as of December 31, 2024	2,948,049	\$ 10.82
Granted	2,818,300	12.50
Vested	(942,683)	11.15
Forfeited	(33,381)	12.25
Unvested as of June 30, 2025	4,790,285	\$ 11.73

10. Leases

During June 2025, we entered into a non-cancelable operating lease for a second laboratory and office space in Morrisville, North Carolina. The lease expires on November 1, 2036, with the option to extend for two additional periods of five years each with appropriate notice. The payments under this lease are subject to escalation clauses. The lease is not expected to commence until October 2026. As the lease commencement date has not yet occurred, no right-of-use asset or lease liability has been recognized in the current period condensed consolidated financial statements. Concurrent with the execution of the lease, we provided the landlord an automatically renewable stand-by letter of credit in the amount of \$3.3 million. The stand-by letter of credit is collateralized by a high-yield savings account, which is classified as restricted cash, long-term in our condensed consolidated balance sheets.

We are also party to a non-cancelable operating lease for our laboratory and office space in Morrisville, North Carolina. The lease expires on December 31, 2031, 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 inventory, research and development, and selling, 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.

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 June 30, 2025, 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 condensed statements of operations and comprehensive loss as follows:

	Classification	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Operating lease cost:					
Fixed lease cost	Selling, general, and administrative	\$ 314	\$ 20	\$ 627	\$ 39
Fixed lease cost	Research and development	—	175	—	350
Finance lease cost:					
Amortization of lease assets	Selling, general, and administrative	—	—	22	—
Amortization of lease assets	Research and development	—	22	—	44
Interest on lease liabilities	Interest expense	—	2	1	4
Total Lease Cost		\$ 314	\$ 219	\$ 650	\$ 437

The weighted average remaining lease term and discount rates as of June 30, 2025 were as follows:

Weighted average remaining lease term (years):	
Operating leases	6.5
Weighted average discount rate:	
Operating leases	15.2 %

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.

Lease liability maturities as of June 30, 2025, were as follows:

Year ending December 31:	Total
2025 (six months remaining)	\$ 688
2026	1,442
2027	1,643
2028	1,692
2029	1,743
Thereafter	3,644
Total minimum lease payments	10,852
Less: interest	(4,079)
Present value of lease liabilities	<u>\$ 6,773</u>

The table above excludes \$36.3 million of estimated fixed payment obligations under our lease for a second laboratory and office space in Morrisville, North Carolina that has not yet commenced.

11. Long-term Debt

On January 9, 2023, we entered into the HCR Agreement, as amended, pursuant to which and subject to the terms and conditions contained therein, HCR has paid us an aggregate investment amount of \$175.0 million (the “Investment Amount”).

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 existing obligations due to Silicon Valley Bank. This repayment resulted in a loss on extinguishment during the year ended December 31, 2023 of \$2.3 million.

On June 28, 2023 and July 27, 2023, we entered into the Second Amendment to the HCR Agreement and Third Amendment to the HCR Agreement, respectively, pursuant to which HCR funded \$10.0 million from the second tranche on July 27, 2023.

On January 3, 2024, we entered into the Fourth Amendment to the HCR Agreement pursuant to which HCR funded an additional \$25.0 million from the second tranche on January 5, 2024.

On September 11, 2024 we entered into the Fifth Amendment to the HCR Agreement pursuant to which HCR funded an additional \$32.5 million from the second tranche on September 12, 2024 and eliminated the third and fourth tranches.

On March 17, 2025, we entered into the Sixth Amendment to the HCR Agreement pursuant to which HCR made an additional \$100.0 million available for funding in three tranches. On March 17, 2025 and June 23, 2025, \$25.0 million and \$50.0 million of the additional \$100.0 million was funded, respectively. HCR will fund the remaining \$25.0 million upon mutual agreement of HCR and us if we achieve aggregate net sales of YUTREPIA in excess of \$100.0 million at any time on or prior to June 30, 2026.

As consideration for the Investment Amount and pursuant to the HCR Agreement, we have agreed to pay HCR according to a fixed quarterly payment schedule. As of June 30, 2025, we were required to pay \$44.1 million within one year of the balance sheet date, which is classified as current in our condensed consolidated balance sheet.

Aggregate payments to HCR are capped at 175% of funded portion of the Investment Amount (the “Hard Cap”), plus an amount, if any, that HCR would need to receive to yield an internal rate of return of (i) 18% on the first \$67.5 million funded, (ii) 16% on the next \$57.5 million funded, (iii) 13% on the next \$50.0 million funded, and (iv) 12% on the next \$25.0 million funded (the “IRR True-Up Payment”), unless the HCR Agreement 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 HCR Agreement up to the Hard Cap, plus the IRR True-Up Payment, plus any other obligations payable under the HCR Agreement.

The HCR Agreement 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 HCR Agreement and require us to make payments to HCR equal to the lesser of (a) the Hard Cap, plus any other obligations payable under the HCR Agreement, or (b) the funded portion of the Investment Amount, minus payments received by HCR, 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.

The HCR Agreement 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 HCR Agreement contains a financial covenant that requires us to maintain cash and cash equivalents in an amount at least equal to \$15.0 million for the remainder of the payment term, which based on amounts funded as of June 30, 2025, concludes in 2033.

As of the filing date of these condensed 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 under the terms of the HCR Agreement as a liability. Cumulative fees to the lender and third parties of approximately \$1.0 million are reflected as a discount on the long-term debt and is being accreted over the term using the effective interest method. All amendments to date were treated as debt modifications in accordance with ASC 470 *Debt*. The HCR Agreement’s initial effective interest rate was 17.3%, which decreased to 17.2% following the Third Amendment. Following the Fourth Amendment the effective interest rate was 18.0% and was 16.0% following the Fifth Amendment. Following the Sixth Amendment the effective interest rate is 15.8%. Following the funding on June 23, 2025, the effective interest was 14.4%. We use the contractual payment schedule to determine the interest expense to record to accrete the liability to the amount ultimately due. Over the course of the HCR Agreement, the effective interest rate may be affected by potential changes in contractual payments.

The following table presents the changes in the HCR Agreement payable during the six months ended June 30, 2025:

Balance as of December 31, 2024	\$	113,284
Accretion		3,823
Payments		(2,122)
Funding, net of fees		24,975
Balance as of March 17, 2025	\$	139,960
Accretion		5,972
Payments		(2,854)
Funding, net of fees		50,000
Balance as of June 23, 2025	\$	193,078
Accretion		532
Balance as of June 30, 2025	\$	193,610
Less: current portion of long-term debt		(44,140)
Long-term portion of long-term debt	\$	149,470

The expected annual payments on long-term debt as of June 30, 2025 are as follows:

Year ending December 31:

2025 (six months remaining)	\$	16,114
2026		58,406
2027		47,144
2028		54,526
2029		36,867
Thereafter		81,710
Total	\$	294,767

12. Commitments and Contingencies

Pharmosa License Agreement and Device 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”). On October 2, 2024, we and Pharmosa entered into a First Amendment to the Pharmosa License Agreement (the “First Amendment”) which, among other things, expands our licensed territory beyond North America to include key markets in Europe, Japan and elsewhere.

Concurrently with the execution of the First Amendment, we and Pharmosa also entered into a Device License Agreement (the “Device License Agreement”). Pursuant to the terms of the Device License Agreement, Pharmosa will provide (i) an exclusive license to Liquidia Technologies for the right to develop, manufacture, use and commercialize Pharmosa’s next-generation smart-technology nebulizers (the “Device”) for use with L606 in most countries (subject to certain exceptions) (the “Territory”) and (ii) a non-exclusive license to Liquidia Technologies for the right to develop, manufacture and use (but not commercialize) the Device outside of the Territory.

Under the terms of the Pharmosa License Agreement, as amended, we will be responsible for development, regulatory and commercial activities of L606 in the Territory. 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 paid an additional \$3.5 million upfront license fee in October 2024 in connection with the rights granted in the First Amendment and the Device License Agreement. In addition to the upfront fees, we will pay Pharmosa potential development milestone payments tied to clinical development and approvals in PAH and/or PH-ILD of up to \$37.75 million, potential sales

milestones of up to \$185 million in North America and \$150 million outside North American and two tiers of low, double-digit royalties on all net sales of L606. Pharmosa will also receive a \$10 million milestone payment for each additional indication approved by the FDA after PAH and PH-ILD and each additional product approved by the FDA under the license, a \$2 million milestone payment for each additional indication approved by the EMA after PAH and PH-ILD, and a \$0.5 million milestone payment for each additional indication approved by the PMDA after PAH and PH-ILD. We also retain the first right to negotiate for development and commercialization of L606 in other territories should Pharmosa seek a partner, subject to satisfaction of certain conditions as set forth in the Pharmosa License Agreement.

UNC License Agreement

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 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 Agreement

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 royalties on net sales of YUTREPIA totaling no more than \$1.3 million.

Employment Agreements and Executive Severance and Change in Control Plan

We have agreements with certain employees and an Executive Severance and Change in Control Plan which covers certain other 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”) (as amended, 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, will be in effect until December 31, 2028 and may thereafter be extended upon the mutual written agreement of the parties in accordance with the terms of the CSA.

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 for YUTREPIA. The CSA provides for tiered pricing depending upon the batch size ordered.

In addition, in January 2020, we entered into a multi-year supply agreement with LGM Pharma, LLC (“LGM”) to supply 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. The agreement expires five years from the first marketing authorization approval for YUTREPIA.

As of June 30, 2025, we have non-cancelable commitments for product manufacturing and supply costs of approximately \$14.2 million.

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 13 *Legal Proceedings* 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 condensed consolidated financial statements.

13. Legal Proceedings

‘327 Patent Litigation

In connection with an amendment to the Company’s NDA filed in July 2023 to add PH-ILD as an indication for YUTREPIA, the Company provided a 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 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 “‘327 Patent Litigation”), asserting infringement by the Company of U.S. Patent No. 10,716,793, entitled “Treprostinil Administration by Inhalation” (the “‘793 Patent”). In November 2023, the U.S. Patent and Trademark Office (the “USPTO”) issued U.S. Patent No. 11,826,327, entitled “Treatment for Interstitial Lung Disease” (the “‘327 Patent”), to United Therapeutics. On November 30, 2023, United Therapeutics filed an amended complaint in the ‘327 Patent Litigation asserting infringement of the ‘327 Patent by the practice of YUTREPIA based on the amended NDA. In January 2024, the Company 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 a finding by the Patent Trial and Appeal Board (the “PTAB”) that the ‘793 Patent is unpatentable. In February 2024, United Therapeutics stipulated to the dismissal of the claims in the ‘327 Patent Litigation related to the ‘793 Patent. In February 2024, United Therapeutics also filed a motion seeking a preliminary injunction to prevent the Company from manufacturing, marketing, storing, importing, distributing, offering for sale, and/or selling YUTREPIA for the treatment of PH-ILD. Judge Andrews denied the motion for a preliminary injunction in May 2024. Trial was held in June 2025. Post-trial briefing has been completed, and the court’s decision is pending.

The trial was limited to determining whether YUTREPIA infringes any valid claims of the ‘327 patent. In the current proceedings, United Therapeutics is seeking injunctive relief that would require YUTREPIA to be removed from the market. Moreover, in the event the court determines that YUTREPIA does infringe valid claims of the ‘327 patent, United Therapeutics could pursue additional claims seeking damages based on the Company’s launch of YUTREPIA. Due to the uncertainty inherent in any litigation, we cannot guarantee that an outcome adverse to us will not result or whether an adverse outcome would require YUTREPIA to be removed from the market entirely or would require only that PH-ILD be removed from the label of YUTREPIA. Any litigation of this nature could involve substantial cost, and an adverse outcome could have a material adverse effect on the Company’s ability to continue selling YUTREPIA and result in substantial monetary damages. We currently are not able to reasonably estimate a range of potential outcomes and losses due to the number of variables that may affect the outcome of the current lawsuit, the outcome of any subsequent proceeding in which United Therapeutics seeks damages, if applicable, and any potential appeals, including the range of potential remedies, potential damages amounts sought, the strength of our defenses, the variety of potential legal and factual determinations yet to be made by the court and the inherent unpredictability of any outcome associated with these issues.

‘782 Patent Litigation

In May 2025, United Therapeutics filed a complaint for patent infringement against the Company in the U.S. District Court for the Middle District of North Carolina (Case No. 1:25CV368) (the “‘782 Patent Litigation”), asserting infringement by the Company of U.S. Patent No. 11,357,782, entitled “Treprostinil Administration By Inhalation” (the “‘782 Patent”). In May 2025, United Therapeutics also filed a motion seeking a preliminary injunction to prevent the Company from manufacturing, marketing, storing, importing, distributing, offering for sale, and/or selling YUTREPIA. Judge Schroeder denied the motion for a preliminary injunction in May 2025. In May 2025, the Company filed a motion to dismiss or, in the alternative, stay or transfer the lawsuit. Briefing on the motion to dismiss or, in the alternative, stay or transfer the lawsuit is complete and the motion remains pending.

In the ‘782 Patent Litigation, United Therapeutics is seeking injunctive relief that would require YUTREPIA to be removed from the market and monetary damages. Due to the uncertainty inherent in any litigation, we cannot guarantee that an outcome adverse to us will not result or whether an adverse outcome would require YUTREPIA to be removed from the market. Any litigation of this nature could involve substantial cost, and an adverse outcome could have a material adverse effect on the Company’s ability to continue selling YUTREPIA and result in substantial monetary damages. We currently are not able to reasonably estimate a range of potential outcomes and losses due to the number of variables that may affect the outcome of the current lawsuit and any potential appeals, including the range of potential remedies, potential damages amounts sought, the strength of our defenses, the variety of potential legal and factual determinations yet to be made by the court and the inherent unpredictability of any outcome associated with these issues.

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 (the “Former Employee”) conspired to misappropriate certain trade secrets of United Therapeutics and engaged in unfair or deceptive trade practices. In January 2024, the Former Employee filed a motion for summary judgment with respect to all claims, but the motion was denied in July 2024. In addition, in July 2024, the Company filed a motion for summary judgment with respect to all claims. The Company’s motion for summary judgment was denied in July 2025. A trial date has not yet been set.

In the trade secret litigation, United Therapeutics is seeking injunctive relief that may require YUTREPIA to be removed from the market and monetary damages. We intend to continue to vigorously defend ourselves against the claims made in this litigation. However, due to the uncertainty inherent in any litigation, we cannot guarantee that an outcome adverse to us will not result or whether an adverse outcome would require YUTREPIA to be removed from the market. Any litigation of this nature could involve substantial cost, and an adverse outcome could have a material adverse effect on the Company’s ability to continue selling YUTREPIA and result in substantial monetary damages. We currently are not able to reasonably estimate a range of potential outcomes and losses due to the number of variables that may affect the outcome of the damages trial and any potential appeals, including the range of potential remedies, potential damages amounts sought, the strength of our defenses, the variety of potential legal and factual determinations yet to be made by the court, and the inherent unpredictability of any outcome associated with these issues.

Breach of Contract Litigation

In May 2024, United Therapeutics filed a second complaint in the Superior Court in Durham County, North Carolina, against the Former Employee, alleging that he breached prior employment agreements with United Therapeutics by failing to assign to United Therapeutics his interest in patents obtained by the Company that relied upon or benefitted from certain inventions, discoveries, materials, authorship, derivatives and results developed by the Former Employee while he was employed by United Therapeutics. The Company was also named as a defendant in this new lawsuit. As part of the lawsuit, United Therapeutics alleges that the Former Employee misappropriated certain intellectual property of United Therapeutics which led to the development of YUTREPIA. The complaint also seeks declaratory judgement such that all right, title and interest in and to any patentable or unpatentable inventions, discoveries, and ideas made or conceived by the Former Employee while employed by the Company should be assigned and transferred to United Therapeutics because they involved the use of United Therapeutics’ confidential information. In July 2024, the Company

filed a motion to dismiss all claims. The motion to dismiss was denied in May 2025. The Company has filed a notice of appeal with respect to the denial of the motion to dismiss.

‘494 Patent Litigation

On April 21, 2025, the Company filed a complaint for patent infringement against United Therapeutics in the U.S. District Court for the Middle District of North Carolina (Case No. 1:25-cv-00299) (the “‘494 Patent Litigation”), asserting infringement by United Therapeutics of U.S. Patent No. 10,898,494, entitled “Dry Powder Treprostinil for the Treatment of Pulmonary Hypertension” (the “‘494 Patent”) with respect to its Tyvaso DPI product. In June 2025, United Therapeutics filed a motion to dismiss or stay the lawsuit. Briefing on the motion, which remains pending, 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 (now ICU 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 Settlement Agreement, Smiths Medical 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 cartridge that Smiths Medical developed and manufactures for use with the CADD-MS 3 infusion pump (the “CADD-MS 3 Cartridge”) and certain other information for use of the CADD-MS 3 infusion pump and the CADD-MS 3 Cartridges. In connection with the license, Liquidia PAH and Sandoz agreed, among other things, to indemnify Smiths from certain liabilities related to any cartridge they developed for use with the CADD-MS 3 infusion pumps.

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. A trial to determine the amount of damages due from United Therapeutics to Sandoz with respect to the breach of contract claim was held from late April to early May 2024. In November 2024, the Court entered a judgment in the amount of \$70.6 million. United Therapeutics, Sandoz and Liquidia PAH have all appealed the Court’s decision to the United States Court of Appeals for the Third Circuit. Briefing on the appeal is complete and the parties are awaiting the scheduling of oral argument.

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.

14. Segment Information

We operate as a single business segment focused on the development, manufacture, and commercialization of products that address unmet patient needs, with current focus directed towards rare cardiopulmonary diseases such as PAH and PH-ILD. The determination of a single business segment is consistent with the consolidated financial information regularly reviewed by our Chief Executive Officer, the chief operating decision maker (“CODM”), in assessing segment performance and deciding how to allocate resources on a consolidated basis. The accounting policies of the segment are the same as those described in the summary of significant accounting policies.

The CODM measures segment profit and loss by net loss as reported in the consolidated income statements. The CODM uses net loss to monitor budget and forecast versus actual results to assess segment performance and to allocate resources across the organization. The measure of segment assets is reported on the consolidated balance sheet as total assets.

The following table summarizes segment revenue, segment loss, and significant segment expenses regularly reported to the CODM during the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
Product sales, net	\$ 6,517	\$ —	\$ 6,517	\$ —
Service revenue, net	2,320	3,659	5,440	6,631
Total revenue	8,837	3,659	11,957	6,631
Cost of product sales	205	—	205	—
Cost of service revenue	1,292	1,493	2,809	2,960
Program expenses ⁽¹⁾				
YUTREPIA	14,661	4,392	24,419	11,022
L606	2,793	1,657	6,061	3,235
Generic Treprostinil	125	241	276	444
Total program expenses	17,579	6,290	30,756	14,701
Non-program expenses ⁽²⁾	5,835	7,735	9,605	14,085
Personnel, including stock-based compensation	21,431	15,338	41,512	30,883
Loss from operations	(37,505)	(27,197)	(72,930)	(55,998)
Other income (expense), net	(4,074)	(1,471)	(7,016)	(2,753)
Net loss	<u>\$ (41,579)</u>	<u>\$ (28,668)</u>	<u>\$ (79,946)</u>	<u>\$ (58,751)</u>

(1) Includes external research and development and selling, general and administrative expenses

(2) Includes professional service fees, facilities & infrastructure expenses, insurance, depreciation & amortization, and other corporate expenses

Item 2. 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 condensed consolidated financial statements and related notes appearing in this Quarterly Report on Form 10-Q. This discussion and other parts of this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q, 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 condensed consolidated financial statements 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 three and six months ended June 30, 2025 as compared to the three and six months ended June 30, 2024. This discussion should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (except for Part II, Item 8. "Financial Statements and Supplementary Data," which have been revised in Exhibit 99.1 to our Current Report on Form 8-K filed on May 8, 2025), which includes detailed discussions of various items impacting our business, results of operations and financial condition.

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. and Liquidia PAH, LLC, formerly known as RareGen.

We currently generate revenue through the sale YUTREPIA (treprostinil) inhalation powder ("YUTREPIA") and pursuant to a promotion agreement with Sandoz Inc. ("Sandoz"), dated as of August 1, 2018, as amended (the "Promotion Agreement"), under which we share profit derived from the sale of Sandoz's generic treprostinil injection ("Treprostinil Injection") in the United States.

We employ a targeted commercial force calling on healthcare providers 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.

YUTREPIA is an inhaled dry powder formulation of treprostinil designed with our proprietary PRINT® technology, a particle engineering platform, which enables precise production of uniform drug particles designed 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 currently marketed inhaled treprostinil therapies. YUTREPIA was approved by the U.S. Food and Drug Administration ("FDA") on May 23, 2025 for the treatment of both PAH and PH-ILD, and was commercially launched on June 2, 2025.

Treprostinil Injection is a fully-substitutable generic treprostinil for parenteral administration in the United States. We have the exclusive rights to conduct commercial activities for Treprostinil Injection and work jointly with Sandoz on commercial strategy for the product. Sandoz retains all rights in and to Treprostinil Injection and holds the Abbreviated New Drug Application ("ANDA") for Treprostinil Injection.

We also conduct research, development and manufacturing of novel products by applying our subject matter expertise in cardiopulmonary diseases. For example, we are currently developing L606, an investigational, liposomal formulation of treprostinil administered twice-daily with a short-duration next-generation nebulizer, which we licensed from Pharmosa Biopharm Inc. (“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.

Since inception, we have incurred significant operating losses. Our net loss was \$79.9 million for the six months ended June 30, 2025 and \$128.3 million and \$78.5 million for the years ended December 31, 2024 and 2023, respectively. As of June 30, 2025, we had an accumulated deficit of \$637.3 million. We expect to incur significant expenses for the foreseeable future as we initiate commercialization of YUTREPIA and advance our product candidates through clinical trials, seek regulatory approval of such product candidates and pursue commercialization of any such approved product candidates. These efforts require significant amounts of capital, adequate personnel and infrastructure, and extensive compliance-reporting capabilities. It is uncertain whether we will realize significant revenue from YUTREPIA sales and, even if our development efforts are successful with other product candidates, whether and when, if ever, we will realize significant revenue from sales of such additional product candidates. Additionally, our HCR Agreement contains fixed quarterly payments and minimum cash covenants that require us to maintain cash and cash equivalents in an amount at least equal to \$15.0 million for the remainder of the payment term, which based on amounts funded as of June 30, 2025, is expected to conclude in 2033.

Our future funding requirements will be heavily determined by whether we are able to successfully maintain FDA approval for and commercialize YUTREPIA and the resources needed to support further development of our products and product candidates. Based on current operating plans and excluding any additional external financing, we will have sufficient cash and cash equivalents to fund operating expenses and capital requirements and meet our minimum cash covenants beyond one year from the issuance of these consolidated financial statements included in this Quarterly Report on Form 10-Q. 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, which would have a material impact on our operations.

Recent Events

On May 23, 2025, YUTREPIA was approved by the FDA for the treatment of PAH and PH-ILD.

On June 23, 2025, HCR funded an additional \$50.0 million under the HCR Agreement.

Components of Consolidated Statements of Operations

Product Sales, Net

We began generating revenue from the sales of YUTREPIA in June 2025, following the FDA approval on May 23, 2025, for the treatment of PAH and PH-ILD. Revenues from product sales are recognized net of variable consideration due to rebates, chargebacks, trade discounts and allowances, sales returns, and other incentives. Provisions for estimated reductions to revenue are provided for in the same period the related sales are recorded and are based on contractual terms, actual utilization data, forecasted payor mix, total prescriptions and industry data. We expect product sales to increase if we are able to maintain FDA approval for YUTREPIA, gain market share and YUTREPIA obtains insurance coverage from third-party payors.

Service Revenue, Net

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. To administer Treprostinil Injection through subcutaneous injection, patients currently must use the CADD-MS 3 infusion pump manufactured by ICU Medical. ICU Medical no longer manufactures or supports the CADD-MS 3 infusion pump. Although we believe that the number of available CADD-MS 3 infusion pumps will be sufficient to serve patients through at least the end of 2026, it is possible that the availability of CADD-MS 3 infusion pumps could end earlier. Due to this limitation in the

availability of pumps, specialty pharmacies will limit the number of patients that they place on subcutaneous Treprostinil Injection therapy in order to ensure that patients placed on subcutaneous administration of Treprostinil Injection will not have to discontinue such treatment due to the unavailability of CADD-MS infusion pumps. Until we are able to obtain a pump to replace the CADD-MS 3 infusion pump, the number of patients that can receive subcutaneous administration of Treprostinil Injection will continue to be constrained. Revenue will continue to be impacted until alternative pumps are available.

Cost of Product Sales

Cost of product sales includes direct and indirect costs related to the manufacturing of inventory products sold, including third-party manufacturing costs, packaging services, freight, storage costs, allocation of overhead costs of employees involved with manufacturing and net sales-based royalty expense. We expect to use inventory previously expensed to research and development within the next six months, and accordingly, we expect our cost of product sales of YUTREPIA to increase as a percentage of product sales in future periods as we produce and sell inventory that reflects the full cost of manufacturing YUTREPIA.

Cost of Service Revenue

Cost of service revenue consists of (i) an allocation of the cost of our commercial field force associated with calling on healthcare providers 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 are incurred in connection with the development of our products and product candidates. We expense research and development costs as incurred. These expenses include employee-related expenses and stock-based compensation for personnel in research and development functions as well as regulatory costs, third-party costs related to conducting clinical trials, such as expenses incurred under agreements with contract research organizations and the cost of clinical trial materials. Research and development expenses also include costs of acquired product licenses and related technology rights where there is no alternative future use.

We expect our research and development expenses to increase related to planned clinical trials and development of L606, however, levels of research and development spending are inherently uncertain and highly dependent upon the progression of projects and may vary. This uncertainty is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials and the terms and timing of regulatory approvals.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily consist of salaries and related costs, including stock-based compensation, for personnel in executive, administrative, finance, legal, commercial and technical operations functions. Selling, general and administrative expenses also include corporate infrastructure and software costs, patent filing and prosecution costs and professional fees for marketing, litigation, auditing and tax services and insurance. Commercial costs include bona fide service fees related to distribution of YUTREPIA and the cost of certain patient support programs.

Other Income (Expense)

Other income (expense) is comprised of interest income and expense. Interest income consists of interest earned on our cash equivalents. Interest expense consists of non-cash interest charges on long-term debt.

Results of Operations

Three and Six Months Ended June 30, 2025 compared with the Three and Six Months Ended June 30, 2024

The following table summarizes the results of our operations for the three and six months ended June 30, 2025 and 2024, together with the changes in those items in dollars and as a percentage (in thousands, except for percentages):

	Three Months Ended June 30,		\$	%	Six Months Ended June 30,		\$	%
	2025	2024	Change	Change	2025	2024	Change	Change
Revenues:								
Product sales, net	\$ 6,517	\$ —	\$ 6,517	* %	\$ 6,517	\$ —	\$ 6,517	* %
Service revenue, net	2,320	3,659	(1,339)	(37)%	5,440	6,631	(1,191)	(18)%
Total revenue	8,837	3,659	5,178	142 %	11,957	6,631	5,326	80 %
Costs and expenses:								
Cost of product sales	205	—	205	* %	205	—	205	* %
Cost of service revenue	1,292	1,493	(201)	(13)%	2,809	2,960	(151)	(5)%
Research and development	6,021	9,420	(3,399)	(36)%	12,987	19,477	(6,490)	(33)%
Selling, general and administrative	38,824	19,943	18,881	95 %	68,886	40,192	28,694	71 %
Total costs and expenses	46,342	30,856	15,486	50 %	84,887	62,629	22,258	36 %
Loss from operations	(37,505)	(27,197)	(10,308)	38 %	(72,930)	(55,998)	(16,932)	30 %
Other income (expense):								
Interest income	1,584	1,855	(271)	(15)%	3,312	3,735	(423)	(11)%
Interest expense	(5,658)	(3,326)	(2,332)	70 %	(10,328)	(6,488)	(3,840)	59 %
Total other expense, net	(4,074)	(1,471)	(2,603)	177 %	(7,016)	(2,753)	(4,263)	155 %
Net loss and comprehensive loss	<u>\$ (41,579)</u>	<u>\$ (28,668)</u>	<u>\$ (12,911)</u>	<u>45 %</u>	<u>\$ (79,946)</u>	<u>\$ (58,751)</u>	<u>\$ (21,195)</u>	<u>36 %</u>

Product Sales, Net

Product sales, net, were \$6.5 million for the three and six months ended June 30, 2025. We began shipping YUTREPIA to our customers in the United States in June 2025, following receipt of full FDA approval for YUTREPIA on May 23, 2025. We did not recognize any revenue from product sales during the three and six months ended June 30, 2024.

Service Revenue, Net

Service revenue, net, was \$2.3 million for the three months ended June 30, 2025, compared to \$3.7 million for the three months ended June 30, 2024. Service revenue, net related primarily to the Promotion Agreement. The decrease of \$1.4 million was primarily due to the impact of unfavorable gross-to-net returns and managed care adjustments recorded in the current year.

Service revenue, net, was \$5.4 million for the six months ended June 30, 2025, compared to \$6.6 million for the six months ended June 30, 2024. Service revenue, net related primarily to the Promotion Agreement. The decrease of \$1.2 million was primarily due to lower sales volumes in the current year.

Cost of Product Sales

Cost of product sales was \$0.2 million for the three and six months ended June 30, 2025 and related to sales of YUTREPIA. We did not record any cost of product sales for three and six months ended June 30, 2024.

Cost of Service Revenue

Cost of service revenue was \$1.3 million for the three months ended June 30, 2025, compared to \$1.5 million for the three months ended June 30, 2024 and \$2.8 million for the six months ended June 30, 2025, compared to \$3.0 million for the six months ended June 30, 2024. Cost of service revenue related to the Promotion Agreement as noted above.

Research and Development Expenses

Research and development expenses were \$6.0 million for the three months ended June 30, 2025, compared to \$9.4 million for the three months ended June 30, 2024. The decrease of \$3.4 million or 36% was primarily due to a \$2.7 million decrease in personnel expenses (including stock-based compensation) due to a shift from activities related to research and development to the commercialization of YUTREPIA, a \$1.0 million decrease in expenses related to our YUTREPIA research and development activities, and a \$0.4 million decrease in facilities and infrastructure expenses. These decreases were offset by a \$1.1 million increase in clinical expenses for our L606 program, primarily related to our planned global pivotal study for the treatment of PH-ILD.

Research and development expenses were \$13.0 million for the six months ended June 30, 2025, compared to \$19.5 million for the six months ended June 30, 2024. The decrease of \$6.5 million or 33% was primarily due to a \$6.3 million decrease in personnel expenses (including stock-based compensation) due to a shift from activities related to research and development to the commercialization of YUTREPIA, a \$1.5 million decrease in expenses related to our YUTREPIA research and development activities, and a \$0.9 million decrease in facilities and infrastructure expenses. These decreases were offset by a \$2.8 million increase in clinical expenses for our L606 program, primarily related to our planned global pivotal study for the treatment of PH-ILD.

Selling, General, and Administrative Expenses

Selling, general and administrative expenses were \$38.8 million for the three months ended June 30, 2025, compared to \$19.9 million for the three months ended June 30, 2024. The increase of \$18.9 million or 95% was primarily due to a \$8.8 million increase in personnel expenses (including stock-based compensation) driven by higher headcount and a shift from activities related to research and development to the commercialization of YUTREPIA, a \$5.8 million increase in legal fees related to our ongoing YUTREPIA-related litigation, a \$2.3 million increase in commercial and consulting expenses to support the commercialization of YUTREPIA, and a \$1.3 million increase in facilities and infrastructure expenses.

Selling, general and administrative expenses were \$68.9 million for the six months ended June 30, 2025, compared to \$40.2 million for the six months ended June 30, 2024. The increase of \$28.7 million or 71% was primarily due to a \$17.0 million increase in personnel expenses (including stock-based compensation) driven by higher headcount and a shift from activities related to research and development to the commercialization of YUTREPIA, a \$6.4 million increase in legal fees related to our ongoing YUTREPIA-related litigation, a \$1.9 million increase in facilities and infrastructure expenses, a \$1.7 million increase in commercial and consulting expenses to support the commercialization of YUTREPIA.

Other Income (Expense)

Total other expense, net was \$4.1 million for the three months ended June 30, 2025, compared with \$1.5 million for the three months ended June 30, 2024. The increase of \$2.6 million was primarily attributable to the higher borrowings under the HCR Agreement.

Total other expense, net was \$7.0 million for the six months ended June 30, 2025, compared with \$2.8 million for the six months ended June 30, 2024. The increase of \$4.2 million was primarily driven attributable to the higher borrowings under the HCR Agreement.

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 other long-term debt. Our principal uses of cash have been for working capital requirements and capital expenditures. As of June 30, 2025 and December 31, 2024, we had cash and cash equivalents of \$173.4 million and \$176.5 million, respectively. As of June 30, 2025, we had stockholders' equity of \$15.2 million and an accumulated deficit of \$637.3 million.

In September 2024, we sold 6,460,674 shares of our common stock in an underwritten registered public offering at an offering price of \$8.90 per share (the "2024 Offering") for gross proceeds of approximately \$57.5 million, before deducting offering costs of approximately \$3.8 million.

A fund affiliated with Paul B. Manning, a member of our Board of Directors, participated in the 2024 Offering and purchased shares of common stock in an aggregate amount of approximately \$3.0 million at the public offering price per share and on the same terms as the other purchasers in the 2024 Offering.

Concurrently with the 2024 Offering referenced above, we entered into a common stock purchase agreement with funds managed by Caligan Partners LP ("Caligan"), our largest stockholder, for the sale by us in a private placement of an aggregate of 1,123,595 shares of our common stock at a purchase price of \$8.90 per share for gross and net proceeds of approximately \$10.0 million (the "Caligan 2024 Private Placement").

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 January 2023, we entered into the HCR Agreement, pursuant to which HCR has paid us an aggregate investment amount of \$175.0 million (the "Investment Amount"). \$25.0 million remains available for funding upon mutual agreement of HCR and us if we achieve aggregate net sales of YUTREPIA in excess of \$100.0 million at any time on or prior to June 30, 2026. See Note 11 *Long-term Debt* to the condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q for further information.

Future Funding Requirements

Until such time as we can generate significant revenues from the sale of YUTREPIA, if ever, we anticipate we will incur net operating losses and negative cash flows from operations. We plan to focus in the near-term on the 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, or if the FDA withdraws approval of any of our products that have received approval, including YUTREPIA.

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 HCR Agreement. We also expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution as we commercially launch YUTREPIA.

We believe we will have sufficient cash and cash equivalents to meet our financial obligations and minimum cash covenants for at least the next twelve months. Included in our assessment are anticipated cash inflows from YUTREPIA product sales. We cannot guarantee our estimates regarding our ability to generate significant revenue from YUTREPIA and the resources needed to support development of L606 are accurate. We have based our estimates on assumptions that

may prove to be wrong, and we could be limited in our ability to continue to commercialize YUTREPIA and/or use our available capital resources sooner than we currently expect. In the event revenues from YUTREPIA are insufficient to support our business operations and future capital needs, we expect that we would need further financing or we could be forced to delay, limit, reduce or terminate clinical studies or other ongoing activities, which could have a material adverse effect on our business, results of operations, and financial condition.

There are numerous risks and uncertainties associated with research, development and commercialization of pharmaceuticals and our future funding requirements will depend on many factors, including:

- our ability to successfully commercialize YUTREPIA;
- whether we are able to maintain FDA approval for YUTREPIA for one or both of PAH and PH-ILD and avoid injunctive relief that would limit our ability to sell YUTREPIA for one or both indications;
- 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 and our ability to maintain any such approvals;
- our ability to manufacture sufficient volumes of products to meet market demand;
- the cost of manufacturing our product candidates and any product we successfully commercialize, including costs necessary to increase our manufacturing capacity to meet demand;
- 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, cash equivalents, and restricted cash:

	Six Months Ended June 30,	
	2025	2024
Net cash provided by (used in):		
Operating activities	\$ (70,160)	\$ (47,527)
Investing activities	(1,387)	(1,914)
Financing activities	71,994	98,855
Net increase in cash, cash equivalents, and restricted cash	<u>\$ 447</u>	<u>\$ 49,414</u>

Operating Activities

Net cash used in operating activities increased \$22.7 million to \$70.2 million for the six months ended June 30, 2025 compared to \$47.5 million for the six months ended June 30, 2024. The increase was primarily due to \$12.3 million higher net loss adjusted for non-cash items and unfavorable working capital changes of \$10.3 million.

Investing Activities

Net cash used in investing activities was \$1.4 million for the six months ended June 30, 2025 compared to \$1.9 million for the six months ended June 30, 2024 and related to property, plant and equipment purchases.

Financing activities

Net cash provided by financing activities was \$72.0 million during the six months ended June 30, 2025, compared to \$98.9 million during the six months ended June 30, 2024. During the six months ended June 30, 2025, we received \$75.0 million net proceeds from the HCR Agreement and \$1.4 million from the issuance of common stock under stock incentive plans. These inflows were offset by \$5.0 million in payments under the HCR Agreement. During the six months ended June 30, 2024, we received \$74.9 million net proceeds from the 2024 Private Placement which closed on January 8, 2024, \$25.0 million net proceeds from the HCR Agreement, and \$0.5 million from the issuance of common stock under stock incentive plans. These inflows were offset by \$1.7 million in payments under the HCR Agreement.

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, as defined in the UNC License Agreement, 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 royalties on net sales of YUTREPIA totaling no more than \$1.3 million.

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 liposomal formulation of treprostinil currently being evaluated in a clinical trial for the treatment of PAH and PH-ILD. In October 2024, we and Pharmosa amended the agreement to expand our licensed territory to include key markets in Europe, Japan and elsewhere, in addition to licensing proprietary nebulizers controlled by Pharmosa and being evaluated for use in a planned global pivotal study for the treatment of PH-ILD. In consideration for these exclusive rights, we will pay Pharmosa potential development milestone payments tied to clinical development and approvals in PAH and/or PH-ILD of up to \$37.75 million, potential sales milestones of up to \$185 million in North America and \$150 million outside North American 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 by the FDA after PAH and PH-ILD and each additional product approved by the FDA under the license, a \$2 million milestone payment for each additional indication approved by the EMA after PAH and PH-ILD, and a \$0.5 million milestone payment for each additional indication approved by the PMDA after PAH and PH-ILD.

Purchase Obligations

We enter into contracts in the normal course of business with contract third-party 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, which was amended on January 7, 2025 (collectively, the “CSA”). 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 until December 31, 2028 and may thereafter be extended upon the mutual written agreement of the parties in accordance with the terms of the CSA. 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 of YUTREPIA. The CSA provides for tiered pricing depending upon the batch size ordered.

In addition, on January 10, 2020, we entered into a multi-year supply agreement with LGM to supply 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. The agreement expires five years from the first marketing authorization approval of YUTREPIA.

As of June 30, 2025, we have non-cancelable commitments for product manufacturing and supply costs of approximately \$14.2 million.

Lease Obligations

We are party to two non-cancelable operating leases for laboratory, manufacturing, and office space. These leases expire on December 31, 2031, with an option to extend for an additional period of five years with appropriate notice, and on November 1, 2036, with the option to extend for two additional periods of five years each with appropriate notice. Minimum operating lease payments under these leases are \$0.7 million in the remaining six months of 2025, \$2.0 million in 2026, \$4.8 million in 2027, \$5.0 million in 2028, \$5.1 million in 2029, and \$29.6 million thereafter.

Other Obligations and Contingencies

We from time-to-time are subject to claims and litigation in the normal course of business. See Note 13 *Legal Proceedings* for further discussion of pending legal proceedings.

We have an Executive Severance and Change in Control Plan which covers certain employees and requires 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 *Basis of Presentation, Significant Accounting Policies and Fair Value Measurements* to the condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q, we have identified the following critical accounting estimates:

Revenue Recognition

Net product revenues from the sale of YUTRPEPIA are recorded at the transaction price, which reflects gross product sales reduced by corresponding gross-to-net (“GTN”) adjustments, including estimated discounts, government chargebacks, government rebates, specialty distributor fees, copay assistance, and returns. These GTN adjustments represent variable consideration under ASC 606 and are estimated using the expected value method or most likely amount method and are recorded when revenue is recognized on the sale of the product. GTN adjustments are based on available information including the contractual terms with customers, historical trends, industry analogs, communications with customers, and the levels of inventory remaining in the distribution channel, as well as expectations about the market for the product and anticipated introduction of competitive products, in combination with management’s informed judgments. Overall, these reserves reflect our best estimates of the amount of net cash proceeds we expect to realize from collection of current period gross sales less fees, discounts, and allowances and future estimated cash disbursements for the various GTN categories. These estimates are determined using a complex process which requires significant judgment and variances between actual and estimated amounts could have a material impact on our condensed consolidated financial statements.

Research and Development Expenses

As part of the process of preparing our condensed 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 condensed 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 Quarterly Report on Form 10-Q.

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 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. 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 June 30, 2025, 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 June 30, 2025, the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2025, we implemented new processes and internal controls to record product sales, cost of product sales, and accounts receivable as a result of the FDA approval and commercial launch of YUTREPIA. In addition, during the quarter ended June 30, 2025, we implemented new processes to capitalize inventory as a result of the launch of a new inventory management system. The implementation of these new processes and controls resulted in material changes to our internal controls over financial reporting.

Other than the changes in our internal control over financial reporting described above, there were no significant changes in our internal control over financial reporting during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION.

Item 1. Legal Proceedings.

For information on our legal proceedings, see Note 13 *Legal Proceedings* to the condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

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 Quarterly Report on Form 10-Q, 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 are primarily dependent on the success of YUTREPIA, for which we recently received FDA approval, and L606, and these products and product candidates may fail to receive or to maintain final marketing approval (in a timely manner or at all) for some or all of the indications for which we have received or are seeking approval 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 and two separate lawsuits 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 that United Therapeutics is entitled to an ownership interest in a portion of our intellectual property. In several of these proceedings, United Therapeutics is seeking injunctive relief that would require YUTREPIA to be withdrawn from the market. These lawsuits, and other lawsuits that United Therapeutics may file in the future, may result in our company being unable to maintain FDA approval for YUTREPIA in PAH and/or PH-ILD or require us to stop selling YUTREPIA for one or both such indications, result in substantial damage claims against us if we are found to infringe any patents or to have misappropriated trade secrets, or result in United Therapeutics owning an interest in a portion of our intellectual property.
- We may be unable to manufacture sufficient quantities of our products to meet commercial demand.

- We face significant competition from large pharmaceutical companies, among others, in developing and commercializing our products and product candidates, 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.
- We expect to incur significant expenses for the foreseeable future as we commercially launch YUTREPIA and advance our other product candidates through clinical trials, seek regulatory approval and pursue commercialization of any approved product candidates. The future viability of our company will depend on our ability to fund future operations and capital requirements with revenue from YUTREPIA and, if necessary, additional capital from external financing.
- We have a history of losses and our future profitability remains uncertain.
- Our preclinical studies and clinical trials, including our planned pivotal clinical trial of L606, 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.
- 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.
- Medical devices, which we do not control, are necessary for the administration of YUTREPIA, L606 and Treprostinil Injection.
- 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 ICU 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.
- In the event revenues from YUTREPIA are insufficient to support our future capital needs, we expect that we would 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, if needed, on acceptable terms and on a timely basis may require us to curtail, delay or discontinue our product commercialization and 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.
- Our financing facility with HealthCare Royalty Partners IV, L.P. (“HCR”) 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 or third-party payor coverage.
- L606 is based on 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 operations are concentrated in Morrisville, North Carolina and interruptions affecting us or our suppliers due to natural or man-made disasters or other unforeseen events could materially and adversely affect our operations and result in losses that may not be covered by insurance
- We may not be able to build or maintain 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 may incur operating losses for the foreseeable future as we commercially launch YUTREPIA and advance our other product candidates through clinical trials, seek regulatory approval and pursue commercialization of any approved product candidates. The future viability of our company will depend on our ability to fund future operations and capital requirements with revenue from YUTREPIA and, if necessary, additional capital from external financing.

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 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 commercially launch YUTREPIA and advance our other product candidates through clinical trials, seek regulatory approval and pursue commercialization of any approved product candidates. We do not expect to generate significant revenue unless we are able to maintain FDA approval for and successfully commercialize YUTREPIA or obtain marketing approval for and successfully commercialize one or more of our other product candidates. United Therapeutics is seeking injunctive relief that would require us to remove YUTREPIA from the market or remove one or both of PAH and PH-ILD from its label, which would limit our ability to commercialize YUTREPIA, if we are able to do so at all. Even with marketing approval for YUTREPIA and any of our other 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. It is uncertain when, if ever, we will realize significant revenue from product sales. The future viability of our company will depend on our ability to fund future operations and capital requirements with revenue from YUTREPIA and, if necessary, additional capital from external financing. We may seek additional funding through public or private financings, debt financing or collaboration. Our inability to obtain funding, if and 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 \$79.9 million during the six months ended June 30, 2025, and \$128.3 million and \$78.5 million during the years ended December 31, 2024 and 2023, respectively. We also had negative operating cash flows for each of these periods. As of June 30, 2025, we had an accumulated deficit of \$637.3 million.

Since our incorporation, we have invested heavily in the development of our products and product candidates and technologies, as well as in recruiting management and scientific personnel. We have only recently started commercialization of YUTREPIA and most of our revenue to date 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 YUTREPIA and Treprostinil Injection may continue to be, insufficient to match our operating expenses, particularly if United Therapeutics is successful in seeking injunctive relief that would limit our ability to commercialize YUTREPIA, if we are able to do so at all. We expect to continue to devote substantial financial and other resources to the commercialization of YUTREPIA and clinical development of our product candidates and, as a result, must generate significant revenue to achieve and maintain profitability. We may continue to incur losses and negative cash flow and may never transition to profitability or positive cash flow. We may require additional funding to continue our operations and maintain compliance with debt covenants, and could be required to delay, reduce, or eliminate research and development programs, product portfolio expansion, or commercialization efforts, which could adversely affect our business prospects, or potentially force us to cease operations.

In the event revenues from YUTREPIA are insufficient to support our future capital needs, we expect that we would 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, if needed, on acceptable terms and on a timely basis may require us to curtail, delay or discontinue our product commercialization and 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 commercial launch of YUTREPIA and continued research, development and commercialization of our product candidates and technology. Our future funding requirements will be heavily determined by the success of commercialization of YUTREPIA and the resources needed to support development of our product candidates. United Therapeutics is seeking injunctive relief that would require us to remove YUTREPIA from the market or remove one or both of PAH and PH-ILD from its label, which would limit our ability to commercialize YUTREPIA, if we are able to do so at all. 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 it on terms that are favorable to us, we may 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 YUTREPIA or any other approved product. Furthermore, if we 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 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.

Under the terms of the HCR Agreement, 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 to maintain at all times a minimum cash

balance of \$15.0 million. Our obligations under the HCR Agreement are collateralized by all of our assets and property, subject to limited exceptions.

If we breach certain of our covenants in the HCR Agreement and are unable to cure such breach within the prescribed period or are not granted waivers in relation to such breach or if we experience a material adverse event, it may constitute an event of default under the HCR Agreement, 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 September 2024 public equity offering, the September 2024 Private Placement, the January 2024 Private Placement and prior public and private equity offerings to support the development and commercialization of YUTREPIA, including the commercial launch of YUTREPIA, 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 products and product candidates. Pending their use, we may invest such proceeds in short-term, investment-grade, interest-bearing securities, which may not yield favorable returns.

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, we may not be able to successfully implement the tasks necessary to further develop and commercialize our products and product candidates and, accordingly, our business and prospects may be materially and adversely affected.

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 “IRC”), 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. Given our many financings and other equity issuances, including our September 2024 public equity offering, our September 2024 Private Placement, our January 2024 Private Placement, our December 2023 public equity offering, our December 2023 private placement, 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 such “ownership changes” 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. There is uncertainty regarding future legislative and regulatory changes and policies related to matters such as taxation and importation, and any such proposed or enacted regulations by the current or a future U.S. administration, Congress, or taxing authorities in other jurisdictions could materially affect our tax obligations and operating results.

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. The One Big Beautiful Bill Act (“OBBBA”) reinstates the option to deduct domestic research and development expenditures in the year incurred, commencing with tax years beginning after December 31, 2024. Foreign research and development expenditures remain subject to the 15-year capitalization and amortization requirement. The OBBBA also includes other significant provisions, including tax cut extensions and modifications to the international tax framework. While we continue to evaluate the impact of these legislative changes as additional guidance becomes available, uncertainty remains regarding the timing and interpretation by tax authorities in affected jurisdictions. In addition, the Inflation Reduction Act (“IRA”), among other things, included a new 15% alternative minimum tax on the adjusted financial statement income of certain large corporations for tax years beginning in 2023. 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 only one approved product that was only recently approved by the FDA, which may make it difficult for you to evaluate our business, financial condition and prospects.

We are a late-stage clinical biopharmaceutical company with only one approved product, which was approved by the FDA in May 2025 and launched in June 2025. Accordingly, we have no history of commercial operations upon which you can evaluate our prospects other than the initial launch activities we have undertaken with respect to YUTREPIA and the activities we have undertaken with respect to the Promotion Agreement with Sandoz. Drug product development and commercialization involves a substantial degree of uncertainty. Until June 2025, our operations had 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. Having only recently obtained final marketing approval for YUTREPIA, our first approved product, we 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 and commercialization. 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 in connection with the development of our products and product candidates and commercialization of YUTREPIA.

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.

Sandoz holds the ANDA for Treprostinil Injection and is responsible among other things for the compliant manufacture, distribution, labeling, and advertising of Treprostinil Injection. As a result, we are dependent on Sandoz to manufacture and supply Treprostinil Injection, and are 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. 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 and the medical devices used for administration of Treprostinil Injection, including the ICU 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.

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;

- any requirements by third-party payors to use generic treprostinil for parenteral administration in place of Remodulin;
- our ability to maintain availability of medical devices used to administer Treprostinil Injection and preferences of the target patient population and health care providers regarding the medical devices used to administer Treprostinil Injection versus medical devices used to administer 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 YUTREPIA, L606 and Treprostinil Injection.

In order for YUTREPIA, L606 or Treprostinil Injection to be administered to patients, patients must use certain other medical equipment, including dry powder inhalers (in the case of YUTREPIA), nebulizers (in the case of L606), and pumps, cartridges and infusion sets (in the case of Treprostinil Injection). We do not manufacture or control such medical equipment, which is manufactured by third parties. In addition, while we will distribute the necessary medical devices used for YUTREPIA and L606 in kits with our product, the medical devices for Treprostinil Injection are owned and dispensed by specialty pharmacies, hospitals or other third parties. Our ability to serve patients is dependent upon our ability and 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 we or specialty pharmacies are unable to obtain or maintain sufficient inventories of such medical equipment, our sales may be adversely impacted. If any manufacturers of such medical devices experience any quality problems, recalls or other adverse events, our ability to provide our products to patients will be limited.

We are still evaluating nebulizers for use with L606, and the nebulizers we are evaluating are currently undergoing testing and review. If those tests or reviews are delayed or do not yield satisfactory results, the nebulizers may require design changes and/or additional testing or we may need to identify and develop a different nebulizer for use with L606, all of which may delay the commencement of our planned pivotal trial for L606.

In addition, to administer Treprostinil Injection through subcutaneous injection, patients currently must use the CADD-MS 3 infusion pump manufactured by ICU Medical. ICU Medical no longer manufactures or supports the CADD-MS 3 infusion pump. Although we believe that the number of available CADD-MS 3 infusion pumps will be sufficient to serve patients through at least the end of 2026, it is possible that the availability of CADD-MS 3 infusion pumps could end earlier. Due to this limitation in the availability of pumps, specialty pharmacies will limit the number of patients that they place on subcutaneous Treprostinil Injection therapy in order to ensure that patients placed on subcutaneous administration of Treprostinil Injection will not have to discontinue such treatment due to the unavailability of CADD-MS3 infusion pumps. Until we are able to obtain a pump to replace the CADD-MS 3 infusion pump, 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. 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. For example, we have still not submitted a 510(k) clearance application for a pump under our agreement with Sandoz and are currently uncertain when, if ever, such a 510(k) clearance application will be submitted. If we are unable to identify, develop and obtain any required FDA clearance for new pumps for the subcutaneous administration of Treprostinil Injection prior to the unavailability of the CADD-MS 3 infusion pump, 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 financial institutions that may exceed the Federal Deposit Insurance Corporation insurance limits. If such financial institutions were to fail, we could lose all or a portion of those amounts held in excess of such insurance limitations. If financial institutions with whom we hold accounts enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets or otherwise, our ability to access our existing cash may be threatened and could have a material adverse effect on our business, financial condition and results of operations. 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, cash equivalents, and restricted cash 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 Products, Product Candidates and Generic Treprostinil Injection

United Therapeutics has initiated multiple lawsuits against us in which it has claimed that YUTREPIA is infringing its patents and two separate lawsuits 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 that United Therapeutics is entitled to an ownership interest in a portion of our intellectual property. These lawsuits, and other lawsuits that United Therapeutics may file in the future, may result in our company being unable to maintain FDA approval for YUTREPIA in PAH and/or PH-ILD, result in substantial damage claims against us if we are found to infringe any patents or to have misappropriated trade secrets, or result in United Therapeutics owning an interest in a portion of our intellectual property.

We developed 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.

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 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 "327 Patent Litigation"). In the '327 Patent Litigation, United Therapeutics is asserting that the Company infringes U.S. Patent No. 11,826,327 (the "327 Patent"), entitled "Treatment for Interstitial Lung Disease," and is seeking injunctive relief that would require YUTREPIA to be removed from the market and monetary damages. Trial was held in June 2025. The outcome of the trial is uncertain, which creates risk regarding our ability to continue commercializing YUTREPIA, because an adverse decision could result in immediate injunctive or other relief, which could materially disrupt our business. In the event United Therapeutics prevails, the Court may order that the FDA withdraw its approval for YUTREPIA or that the PH-ILD indication be removed from YUTREPIA's label.

If the court issues an injunction or the FDA is required to withdraw approval for YUTREPIA due to the inclusion of PH-ILD on the label, we may be unable to market YUTREPIA for either indication until the label is successfully amended and reapproved. There is no assurance that the FDA will approve such an amendment in a timely manner, or at all, which could result in a prolonged interruption of YUTREPIA sales.

In addition, in May 2025, United Therapeutics filed a complaint for patent infringement against the Company in the U.S. District Court for the Middle District of North Carolina (Case No. 1:25CV368) (the “’782 Patent Litigation”), asserting infringement by the Company of U.S. Patent No. 11,357,782, entitled “Treprostinil By Inhalation” (the “’782 Patent”). In February 2024, United Therapeutics also filed a motion seeking a preliminary injunction to prevent the Company from manufacturing, marketing, storing, importing, distributing, offering for sale, and/or selling YUTREPIA for the treatment of PH-ILD. Judge Schroeder denied the motion for a preliminary injunction in May 2025. In the event United Therapeutics ultimately prevails in the ‘782 Patent Litigation, Liquidia could be enjoined from commercializing YUTREPIA in one or more indications or could be liable for damages. If an injunction is granted, we may be required to immediately cease all commercial activities related to YUTREPIA, which would have a material adverse effect on our business. Such risk is heightened by the current status of the product label for YUTREPIA, which covers both PAH and PH-ILD indications.

United Therapeutics may in the future seek to assert additional or newly issued patents against us, including U.S. Patent Number 11,723,887, and may seek to enjoin us from selling YUTREPIA for one or more indications through one or more additional legal proceedings.

If United Therapeutics is successful in any of its claims that it has brought to date or any claims it may bring in the future, we may be unable to commercialize YUTREPIA for the treatment of one or more indications or at all until the expiration of the applicable United Therapeutics patents, which could materially harm our business. For example, in the event United Therapeutics prevails with respect to its claims regarding the ‘327 Patent, it is possible that an injunction could be issued, forcing the FDA to withdraw the approval for YUTREPIA, at least until PH-ILD has been removed from the label, or restricting our ability to market and sell YUTREPIA for one or both indications for which it has been approved. In such event, we could be prevented from commercializing YUTREPIA for one or more indications 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 (the “Former Employee”) conspired to misappropriate certain trade secrets of United Therapeutics and engaged in unfair or deceptive trade practices. Both we and the Former Employee filed motions for summary judgment on all claims, but the motions were denied. In the event United Therapeutics prevails with respect to its trade secret claims, it could seek injunctive relief and substantial monetary damages.

In May 2024, United Therapeutics filed a second complaint in the Superior Court in Durham County, North Carolina, against the Former Employee, alleging that he breached prior employment agreements with United Therapeutics by failing to assign to United Therapeutics his interest in patents obtained by us that relied upon or benefitted from certain inventions, discoveries, materials, authorship, derivatives and results developed by the Former Employee while he was employed by United Therapeutics. We were also named as a defendant in this new lawsuit. As part of the lawsuit, United Therapeutics alleges that the Former Employee misappropriated certain intellectual property of United Therapeutics which led to the development of YUTREPIA. The complaint also seeks declaratory judgement such that all right, title and interest in and to any patentable or unpatentable inventions, discoveries, and ideas made or conceived by the Former Employee while employed by us should be assigned and transferred to United Therapeutics because they involved the use of United Therapeutics’ confidential information. In July 2024, we filed a motion to dismiss all claims. The motion was denied in May 2025. The Company is appealing the denial of the motion to dismiss. If United Therapeutics prevails with respect to its breach of contract claims, we could be required to assign an interest in certain of our intellectual property, including our ‘494 patent, to United Therapeutics, in which case we would not be able to prevent United Therapeutics from practicing our proprietary methods.

Success in a lawsuit, including in any such lawsuit 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 in one proceeding, including with respect to a given patent, patent claim or trade secret, does not mean we will be similarly successful with respect to that same or a similar patent, patent claim or trade secret in another proceeding.

If we are found to infringe, misappropriate or otherwise violate any of 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 refrain from promoting YUTREPIA for one or more indications, or altogether, until the applicable patent(s) expire.

We face significant competition from large pharmaceutical companies, among others, in developing and commercializing our products and product candidates, 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.

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. YUTREPIA faces, and our product candidates if approved will face, competition from drug products that are already on the market, as well as those in our competitors' development pipelines. We expect that 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.
- TPIP, a dry-powder formulation of a treprostinil prodrug being developed by Insmid. Insmid 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. Based on Phase 2 trial results shared in 2024 and 2025, Insmo has stated that it intends to pursue discussions with global regulatory authorities on the design of pivotal trials to support indications in PAH and PH-ILD. Insmo has stated that it intends to initiate Phase 3 studies in 2025 for PH-ILD and 2026 for 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), 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 specialty pharmacies, Teva Pharmaceutical Industries Ltd. launched a generic treprostinil for parenteral administration in October 2019 that is sold primarily through specialty pharmacies 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 and/or PH-ILD include the following:

- ***IP-agonists to treat PAH***, such as selexipag, marketed by Actelion, and ralinepeg, licensed from Arena Pharmaceuticals, Inc. by United Therapeutics, which is currently in Phase 3 clinical development with initial results expected in 2025.
- ***Endothelin receptor antagonists to treat PAH***, 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 to treat PAH***, such as tadalafil, marketed by United Therapeutics, and sildenafil, marketed by Pfizer Inc. Generic versions of both tadalafil and sildenafil are currently available.
- ***sGC stimulators***, such as oral riociguat marketed by Bayer for PAH, and inhaled mosliciguat being developed by Pulmovant for PH-ILD.
- ***Activin signaling inhibitor to treat PAH***, such as sotatercept marketed by Merck & Co.

Merck & Co's injectable sotatercept, with a brand name of Winrevair, was approved by the FDA in March 2024 and is a first-in-class molecule that targets the proliferation of cells in the pulmonary arterial wall. Its clinical use is developing, and 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.

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 Gossamer Bio, Inc., Cereno Scientific, Novartis AG, Inhibikase, and Forsee Pharmaceuticals among others.

There are a number of competitors seeking marketing approval and/or regulatory exclusivity with respect to products that are or would be competitive to L606. 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 L606. 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).

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 promote 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 patents or regulatory exclusivities, preventing YUTREPIA from obtaining approval for the same indications or conditions of use. For instance, if FDA withdraws its approval for YUTREPIA, at least until PH-ILD is removed from its label, in connection with the patent litigation related to the '327 patent, Tyvaso and Tyvaso DPI would have broader labels than YUTREPIA. In addition, 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, 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.

Also, if we are unable to provide continuous access to YUTREPIA to patients, our reputation and ability to compete with our competitors may be impaired. For example, if United Therapeutics prevails in the '327 Patent Litigation and we are required to withdraw YUTREPIA from the market, at least until PH-ILD is removed from the label, YUTREPIA may be unavailable until the FDA has approved a change to its label. In addition, if we are unable to manufacture sufficient quantities of YUTREPIA to meet market demand, YUTREPIA may be unavailable until we are able to increase our capacity. Any such unavailability of YUTREPIA, even if for a brief time period, could have a material adverse effect on our business.

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.

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 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 expiration 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.

Our products may not achieve market acceptance or adequate third-party payor coverage.

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 or third-party payor coverage, we may not be able to generate sufficient revenue to become profitable. The degree of market acceptance and third-party payor coverage of our drug products, including YUTREPIA, 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 or sufficient third-party payor coverage, 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 or maintain 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, including YUTREPIA, we will be required to build and maintain our marketing and sales capabilities with respect to such products. With the acquisition of Liquidia PAH, we acquired a commercial field force to market generic tadalafil in accordance with the Promotion Agreement. In addition, during 2023, we significantly increased the size of our commercial field force in anticipation of a launch of YUTREPIA. However, we may be unable to retain our commercial field force through and beyond the commercial launch of YUTREPIA. Moreover, 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 our commercial operation with respect to YUTREPIA, 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 commercial field force is expensive and time-consuming.

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;
- 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, commercialization 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 products and 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. Our inability to obtain sufficient product liability insurance at an acceptable cost and/or scope of coverage to protect against potential product liability claims could prevent or inhibit the commercialization of products we develop, alone or with our collaborators. The market for insurance coverage is increasingly expensive, and the costs of insurance coverage will increase as our clinical programs and commercialization efforts increase in size. 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.

Any claims against us, regardless of their merit, could severely harm our financial condition, strain our management and other resources, adversely affect or eliminate the prospects for commercialization or sales of a product that is the subject of any such claim, and could have a material adverse effect on our business, financial condition, results of operations, and growth prospects.

Our business and operations may be adversely affected by the effects of public health emergencies, including pandemics and epidemics.

Our business and operations could be adversely affected by public health emergencies, including pandemics and epidemics, in regions where we have offices, manufacturing facilities, 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.

The extent to which such public health emergencies impact 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 Quarterly Report on Form 10-Q, such as the severity and duration of outbreaks, the duration and effect of business disruptions and the administration, availability and efficacy of vaccination programs or other treatments and the effects of any travel restrictions, quarantines, social distancing requirements and business closures in the United States and other countries to contain and treat any such public health emergencies. These impacts could adversely affect our business, financial condition, results of operations and growth prospects.

In addition, to the extent any public health emergencies adversely affect 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 global economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability. Changes and instability in global economic conditions and geopolitical matters could have a material adverse effect on our business, financial condition and results of operations.

The United States and global markets are experiencing and may in the future experience volatility and disruption, including diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, high inflation and interest rates, increases in unemployment rates and uncertainty about economic stability. The financial markets and the global economy may also be adversely affected by the current or anticipated impact of geopolitical conflicts, including in Russia and Ukraine, the Middle East and other areas, terrorism or other events. Sanctions and enhanced export controls imposed by the United States and other countries focusing on national security-related technologies, including biotechnology, may also adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability.

Changes in regulations and policies in the United States and the resulting political and economic uncertainty in the United States may also impact us, the financial markets and the global economy. The U.S. has imposed increased tariffs on certain countries, focusing on those with which it has the largest trade deficits. Other countries have responded, and may continue to respond, by announcing retaliatory tariffs on U.S. imports. The tariff have disrupted, and may continue to, disrupt the global markets and escalate tensions between the U.S. and other countries. We procure APIs, medical devices and other raw materials from suppliers in South Korea, Taiwan, China, Italy and elsewhere. In addition, Sandoz currently procures treprostinil from a production facility in Canada. Tariffs imposed on or by one or more of these jurisdictions may increase our costs. The extent of the impact that such tariffs, trade policies, or new legislation or regulations will have on our business specifically, or on the U.S. market and global economy generally, are uncertain and in the long term, unpredictable, and could adversely affect our business, financial condition, and results of operations. In addition, the increased tariffs could impact our ability to commercialize future drug candidates for the U.S. market, which is relevant to our ability to generate future revenues from these activities. As a result, the continued impact of these tariffs may impair our plans for further drug development in the U.S. market as well as our ability to generate revenues.

The United States may also enact other regulations or policies that affect trade or otherwise impact the pharmaceutical industry by restricting U.S. pharmaceutical companies from contracting with certain countries for the development, research or manufacturing of pharmaceutical products. In April 2025, the U.S. Department of Commerce initiated national security investigations into the importation of pharmaceuticals and pharmaceutical ingredients pursuant to Section 232 of the Trade Expansion Act of 1962, which could result in the imposition of new tariffs on imports within the pharmaceutical industry. Further, executive orders were signed to implement Most Favored Nation drug pricing policies designed to align certain prescription drug prices in the U.S. to lower prices available in other countries. Investigations are being conducted to examine price differentials and consider policy approaches for implementation, including through administrative action. If such Most Favored Nation policies are implemented, changes to drug pricing are expected to affect the profitability of pharmaceutical and biotech companies in the U.S. as well as in other countries, as a price referencing policy to the U.S. market could make it commercially unviable to commercialize a drug product in a price constrained market. The details of the proposed policies are unclear and the final terms and impact remain

uncertain, and may pose long-term risks to our business and our future commercialization plans of YUTREPIA and our other drug candidates.

Any executive order, legislative action or potential sanctions on certain countries could materially impact our current manufacturing partners. See *Risk Factors—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 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.* In addition, natural and man-made disasters and global health emergencies, including pandemics and epidemics, may also adversely affect the financial markets and the global economy and result in significant business disruption. See *Risk Factors—Risks Related to the Manufacturing of our Products and Product Candidates—Our operations are concentrated in Morrisville, North Carolina and interruptions affecting us or our suppliers due to natural or man-made disasters or other unforeseen events could materially and adversely affect our operations and result in losses that may not be covered by insurance.*

The volatile business environment or continued unpredictable and unstable market conditions may result in further deterioration of the equity and credit markets, significant volatility in commodity prices, as well as supply chain interruptions and result in an economic downturn, which would make any equity or debt financing more difficult, costly and dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay, limit, reduce, or terminate our product development or future commercialization efforts.

Although our business has not been materially impacted by the tariffs adopted to date or adverse effects of geopolitical events, natural or man-made disasters or other business disruptions to date, such matters may affect our business in the future 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 such adverse geopolitical events, natural or man-made disasters or other business disruptions and actual or perceived political or economic instability 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.

The political and economic environment in the United States could materially impact our business operations and financial performance, and uncertainty surrounding the potential legal, regulatory and policy changes by the United States may directly affect us and the global economy.

The political and economic environment in the United States and elsewhere has resulted in and will continue to result in some uncertainty. Changing regulatory policies because of the changing political environment could impact our regulatory and compliance costs and future revenues, all of which could materially and adversely affect our business, financial condition and operating results. For example, significant layoffs or turnover at FDA could affect the FDA's ability to respond to regulatory filings in a timely manner, which could result in delays in our obtaining necessary approvals, including approvals related to changes in our manufacturing processes that may be necessary for us to continue to manufacture and supply YUTREPIA. See *Risk Factors—Risks Related to the Development and Regulatory Approval of our Product Candidates—Disruptions at the FDA, the SEC and other government agencies caused by funding shortages, government shutdowns, layoffs or global health emergencies or their inability to hire, retain or deploy key leadership and other personnel, could prevent new or modified products from being developed, approved or commercialized in a timely manner or at all or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our operations.* Failure to adapt to or comply with evolving regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, ability to do business with certain partners, access to capital and our stock price.

Further, the political environment in the United States may result in increased regulatory and economic uncertainty. Changes in federal policy by the executive branch and regulatory agencies may occur over time through the administration's and/or Congress's policy and personnel changes, which could lead to changes involving the level of oversight and focus on the pharmaceutical industry; however, the nature, timing and economic and political effects of such potential changes remain highly uncertain. Any future changes in federal and state laws and regulations, as well as

the interpretation and implementation of such laws and regulations, could affect us in substantial and unpredictable ways. At this time, it is unclear what laws, regulations and policies may change and whether future changes or uncertainty surrounding future changes will adversely affect our operating environment and therefore our business, financial condition and results of operations.

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

We are primarily dependent on the success of YUTREPIA, for which we recently received FDA approval, and L606, and these products and product candidates may fail to receive or to maintain marketing approval (in a timely manner or at all) for some or all of the indications for which we have received or are seeking approval or may not be commercialized successfully.

Our ability to generate revenue from sales of our own products, such as YUTREPIA, and achieve profitability depends on our ability, alone or with strategic collaboration partners, to successfully complete the development of, and obtain and maintain the regulatory and marketing approvals necessary to commercialize, our product, YUTREPIA, and 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, L606, a nebulized, liposomal formulation of treprostinil for treatment of PAH and PH-ILD.

We received final FDA approval of our NDA for YUTREPIA for the treatment of PAH and PH-ILD in May 2025.

United Therapeutics invested considerable time and resources to delay the approval and launch of YUTREPIA, and our ability to maintain regulatory approval for YUTREPIA for one or more indications is impacted by ongoing litigation following lawsuits filed by United Therapeutics. For instance, in connection with an amendment to our NDA filed in July 2023 to add PH-ILD as an indication for YUTREPIA, United Therapeutics filed the '327 Patent Litigation, in which United Therapeutics is seeking an injunction to require that YUTREPIA be withdrawn from the market and to prevent us from manufacturing, marketing, storing, importing, distributing, offering for sale, and/or selling YUTREPIA for the treatment of PH-ILD. In addition, in May 2025, United Therapeutics filed the '782 Patent Litigation, in which United Therapeutics is seeking to enjoin us from commercializing YUTREPIA and monetary damages. If United Therapeutics is successful in either the '327 Patent Litigation or the '782 Patent Litigation, we may be unable to maintain approval for, or to successfully commercialize, YUTREPIA.

Expectations for YUTREPIA and/or L606 also may be impacted by competing products, including Tyvaso® DPI. See *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 be able to maintain marketing approval for YUTREPIA or that we will receive marketing approval for L606. Even if we do maintain marketing approval for YUTREPIA or receive final marketing approval for L606, we cannot provide assurance regarding the indications for which they will be approved. For YUTREPIA, the FDA may be required by the Court in the '327 Patent Litigation to withdraw approval for YUTREPIA, at least until PH-ILD is removed from its label. In addition, the FDA may delay, limit or deny approval for changes to the manufacturing process or other changes to YUTREPIA that may be necessary in order for us to continue to supply YUTREPIA, including any requirement to remove PH-ILD from the label for YUTREPIA. In the event of an adverse court ruling or regulatory action, we may be required to make changes to the YUTREPIA product label in order to comply with legal or regulatory requirements. The FDA may delay, limit, or deny approval of any such changes, including amendments to separate indications, and any delay or failure to obtain timely FDA approval for required changes could prevent us from resuming or continuing the commercialization of YUTREPIA, resulting in a material adverse impact on our business. With respect to L606, 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, both before and after approval, and there may be turnover and/or vacancies at the FDA, which may delay review of our NDAs or any changes. In addition, uncertainties can be presented by the ability of FDA personnel,

including any new FDA personnel who have not previously reviewed our NDA, to exercise judgment and discretion during the review process. During the course of review prior to approval, the FDA may request or require additional preclinical, clinical, CMC or other data and information or conduct additional inspections. If any additional issues were identified in such information requests or inspections or if FDA determines that we failed to include required CMC information in the NDA or other submissions for our products, including YUTREPIA, we may be delayed in obtaining approval for such NDA or submission. 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. Products and 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. Moreover, the applicable requirements for approval may differ from country to country. Additionally, if the court in either the New Hatch-Waxman Litigation or the '782 Litigation enjoins Liquidia from commercializing YUTREPIA in one or more indication, such ruling could prevent or delay our ability to commercialize YUTREPIA.

We cannot assure you that YUTREPIA or, if approved, L606 will be commercialized in a timely manner or successfully. For example, such products may not achieve a sufficient level of market acceptance or third-party payor coverage, 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. 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, including our planned pivotal clinical trial of L606, 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. L606 has, to date, been tested only in a relatively small study population and, accordingly, the results from our ongoing clinical trial may be less reliable than results achieved in larger clinical trials. 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 prepare for and 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 obtaining suitable medical devices for the conduct of a clinical trial;
- delays in reaching agreement on acceptable terms with prospective contract research organizations (“CROs”) and clinical trial sites;
- delays in obtaining approvals from IRBs, DSMBs, and ECs 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;
- delays in regulatory authorities’ review and approval of products caused by government funding shortages, government shutdowns, government personnel shortages and layoffs, global health emergencies or other disruptions; 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 product candidates, including 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 IRBs, DSMBs, or ECs 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 our product candidates, including 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, that the drug CMC data or device biocompatibility data for our product candidates otherwise do not support approval or that additional CMC data or information for our product candidates must be submitted for review;
- 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 a variety of factors, including, 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 natural and man-made disasters and global health emergencies, such as pandemics and epidemics.

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 and PH-ILD 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 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 L606, which is delivered by a next generation nebulizer, to be drug-device combination products, with the primary mode of action determined to be a drug. Accordingly, the medical devices used to administer the product 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 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 pursued this pathway for our first approved product, 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 citizen petitions or other correspondence with the FDA or lawsuits against the FDA to contest approval of our NDA or any amendments or supplements to our NDA, which may delay or even prevent the FDA from approving any NDA that we submit under the 505(b)(2) regulatory pathway or require the FDA to withdraw approval of our NDA. For instance, United Therapeutics filed lawsuits against us and the FDA and filed a citizen petition in an attempt to prevent or delay the approval for YUTREPIA, which was approved in May 2025. 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 or for certain indications for our product candidates. Even if we are able to utilize the 505(b)(2) regulatory pathway, the approval of a drug developed under the 505(b)(2) regulatory pathway may be delayed by one or more regulatory exclusivities. For example, Tyvaso DPI was granted New Clinical Investigation exclusivity, which delayed final approval for YUTREPIA until May 2025. Also, 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 or any amendments or supplements to such NDAs, which may further delay or prevent the approval of our product candidates or require withdrawal of approval of our products. 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 or supplements 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, or withdrawal of approval of the product at issue if it has previously been approved, 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. Also, 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 '327 Patent Litigation in which United Therapeutics is seeking injunctive relief and other remedies. If successful, United Therapeutics may be able to require the FDA to withdraw final marketing approval for YUTREPIA, at least with respect to PH-ILD.

In addition, United Therapeutics may seek to assert other issued patents against us, including U.S. Patent Number 11,723,887, and may seek to enjoin the continued commercialization of 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.

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 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.

Disruptions at the FDA, the SEC and other government agencies caused by funding shortages, government shutdowns, layoffs or global health emergencies or their inability to hire, retain or deploy key leadership and other personnel, could prevent new or modified products from being developed, approved or commercialized in a timely manner or at all or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our operations.

The ability of the FDA and other government agencies to review and approve new or modified products or other regulatory filings can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory and policy changes, layoffs, a government agency's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the government agency's ability to perform routine functions. Average review times at the FDA and other government agencies have fluctuated in recent years as a result. For example, in April 2025, layoffs were conducted at several U.S. health agencies, including the FDA, the Department of Health and Human Services (the "HHS"), the Centers for Disease Control and Prevention and the National Institutes of Health, which is expected to impact the FDA's ability to review and approve new medicines and conduct necessary inspections. The HHS has also proposed a potential major reorganization of the FDA by consolidating product centers for drugs, biologics, devices, tobacco and veterinary medicine, which regulates different product types under distinct rules and regulations and operates under different review processes and timelines for product approval. Over the last several years, the U.S. government has also shut down several times and certain regulatory agencies, such as the FDA and SEC, have had to furlough critical employees and stop critical activities. In addition, government funding of agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable. Such disruptions at the FDA and other agencies may also increase the time necessary for new drugs or modifications to approved drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. If prolonged government shutdowns, inadequate funding, loss of employees (including those employees who were previously involved in the review of the NDA for YUTREPIA), changes in regulations or policies or other disruptions were to occur at the FDA, FDA decisions on our submissions to update our manufacturing process could be delayed, which could result in our inability to supply sufficient quantities of YUTREPIA to meet market demand.

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, we plan to conduct our Phase 3 pivotal clinical trial for L606 in multiple sites around the world and we plan to use such data to support our NDA in the United States for the approval of L606. In order for the FDA to accept data from a foreign clinical trial, the study must have been conducted in accordance with 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.

Even with regulatory approval for YUTREPIA, our products and business remain subject to ongoing regulatory obligations and review.

YUTREPIA and any of our other product candidates that are approved are 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. YUTREPIA and any other regulatory approvals that we may receive for our product candidates will also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval and surveillance to

monitor the safety and efficacy of the product candidate. The FDA may also require potentially costly post-marketing testing, including Phase 4 clinical trials, or 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. For example, we have submitted a supplement to the NDA for YUTREPIA to seek approval for certain changes in our 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. For instance, we are required to conduct a post-marketing clinical study for YUTREPIA in pediatric patients. 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 products; 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 products. 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.

Even with approval of YUTREPIA in the United States and even if we obtain marketing approval for our other product candidates in the United States, we or our collaborators may not obtain marketing approval for YUTREPIA or our other product candidates elsewhere.

We may enter into strategic collaboration arrangements with third parties to commercialize YUTREPIA or our other product candidates outside of the United States. In order to market any product 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 products approved for sale in any non-U.S. jurisdiction, 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.

Risks Related to Government 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 have or 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 and security 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 laws and regulations related to transparency, privacy and security and reimbursement.

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

- The federal Anti-Kickback Statute (“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. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers and formulary managers on the other. Although there are several statutory exceptions and regulatory safe harbors protecting certain common activities from prosecution, they are drawn narrowly, and practices that involve remuneration intended to induce prescribing, purchasing or recommending or arranging for the prescription or purchase of any drug product may be subject to scrutiny if they do not qualify for an exception or safe harbor. This law applies to our marketing practices, educational programs, pricing policies and relationships with healthcare providers. We continue to evaluate what effect, if any, these rules will have on our business.
- 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 (“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 or the FDCA constitute a false or fraudulent claim for purposes of the FCA. Promotion that is deemed to be “off label” can also be the basis of FCA exposure.

- Federal law includes provisions established under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (“HITECH”) and its implementing regulations 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. A violation of these statutes is a felony and may result in fines, imprisonment or exclusion from governmental programs. Similar to the federal AKS, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.
- 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 and other states have adopted consumer privacy laws and regulations, including those specific to health information. HIPAA, as amended by HITECH and its implementing regulations, also imposes obligations on certain covered entity healthcare providers, health plans, and healthcare clearinghouses as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information. HITECH created new tiers of civil monetary penalties, made civil and criminal penalties directly applicable to business associates, and gave state attorneys authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA laws and seek attorneys’ fees and costs. While we are not currently a covered entity or a business associate under HIPAA, our future operations could subject us to HIPAA as a business associate or covered entity, depending on the scope of such operations.
- 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 (“CMS”) information related to certain payments or other transfers of value made or distributed to physicians, certain non-physician practitioners and teaching hospitals, as well as ownership and investment interests held by such healthcare provider and their immediate family members.
- For both investigational and commercialized products, interactions with or communications directed to healthcare provider, 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, 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.

It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. A government investigation, regardless of its outcome, could impact our business practices, harm our reputation, divert attention of management, increase our expenses and reduce availability of assistance to patients. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government-funded healthcare programs, such as Medicare and Medicaid, integrity oversight and reporting obligations, contractual damages, reputational harm, diminished profits and future earnings and the curtailment or restructuring of our operations. Defending against any such actions can be costly and time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. Further, if any of the physicians or other healthcare providers or entities with whom we expect to do business are found not to be in compliance with applicable laws or regulations, they may be subject to significant criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs.

Ensuring that our business arrangements with third parties comply with applicable healthcare laws and regulations involves substantial costs. The compliance and enforcement landscape, and related risk, is informed by government enforcement precedent and settlement history, Office of Inspector General advisory opinions, and special fraud alerts. Our approach to compliance may evolve over time in light of these types of developments. Additionally, the potential safe harbors available under the federal AKS are subject to change through legislative and regulatory action, and we may decide to adjust our business practices or be subject to heightened scrutiny as a result. If our operations, including activities to be conducted by our sales team, were to be found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid, qui tam actions brought by individual whistleblowers in the name of the government, and the curtailment or restructuring of our operations.

Recently enacted and future legislation and other developments 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 set the price and profitably sell products for which we have or will obtain marketing approval.

In the United States, the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Affordability Reconciliation Act (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 products and 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, now reformed as a result of the IRA;
- expansion of manufacturers' Medicaid rebate liability; and
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. The OBBBA has enacted, among others, changes to eligibility requirements for premium tax credits, which is expected to result in less coverage in the ACA's health insurance marketplace ("Marketplace") over the next few years. The ACA premium tax credits will expire at the end of 2025, which is expected to result in an additional loss of coverage for approximately 24 million people currently enrolled in insurance plans obtained through the Marketplace. In addition, the OBBBA has made other changes to the enrollment and eligibility requirements for Medicaid, which is expected to result in the loss of coverage for certain individuals currently enrolled in Medicaid programs.

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, removing the 100% cap that was established in the ACA. In addition, on September 20, 2024, the Centers for Medicare & Medicaid Services issued a final rule titled "Medicaid Program; Misclassification of Drugs, Program Integrity Updates Under the Medicaid Drug Rebate Program" which may impact our reimbursement and rebate strategy. The ACA expanded the 340B drug discount program to additional facilities for outpatient drugs. These facilities may purchase drugs at the discounted price provided to Medicaid and dispense drugs to people with commercial insurance coverage. This program has greatly expanded over time with qualifying facilities establishing relationships with contract pharmacies, which has continued to exert downward pressure on price and profitability of outpatient medicines. Any changes to Medicaid required rebates could also affect our 340B pricing. Other aspects of the 340B program are subject to ongoing litigation, the resolution of which could impact the scope of the 340B program. 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 additional downward pressure on the price that we receive for YUTREPIA or any other approved products. 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 through state Pharmacy Drug Review Boards 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. Further, executive orders were signed to implement Most Favored Nation drug pricing policies designed to align certain prescription drug prices in the U.S. to lower prices available in other countries. The details of the proposed policies are unclear and the final terms and impact remain uncertain, and may pose long-term risks to our business and our future commercialization plans of YUTREPIA and our other drug candidates.

The IRA, among other things, requires manufacturers of certain drugs to engage in the drug price negotiation program with Medicare (beginning in 2026) or face steep penalties if they don't agree to provide their drug at the government-set price subject to a cap; imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (beginning in 2022); establishes an out-of-pocket maximum for beneficiaries in Part D; and replaces

the Part D coverage gap discount program with a new discounting program (the last two both beginning in 2025). The IRA permits the Secretary of the 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. To date, CMS has selected ten Medicare Part D drugs with prices to go into effect on January 1, 2026 and another 15 Part D drugs with prices to go into effect on January 1, 2027. Another 15 drugs from Medicare Part B or Medicare Part D will be selected by February 1, 2026, for the maximum price to be set and in effect by January 1, 2028. If any of our approved products are subject to price negotiations, it could, among other things, lead to lower revenues prior to the expiry of intellectual property protections. The Medicare drug price negotiation program is currently subject to legal challenges and therefore, its outcome remains uncertain. We continue to evaluate the impact of the IRA on our business, operations and financial condition.

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.

There is also a great degree of uncertainty regarding how the recent U.S. Supreme Court decisions, including *Loper Bright Enterprises v. Raimondo* and *Corner Post, Inc. v. Board of Governors of the Federal Reserve System*, will impact enforcement and decision-making authority of regulatory agencies, including those of the FDA. *Loper Bright* explicitly overturned *Chevron* deference, which previously gave judicial deference to administrative action by agencies in the executive branch. Further, the Supreme Court's decision in *Corner Post* may result in challenges to FDA decisions by new litigants long into the future, resulting in greater uncertainty about our continued operations. In February 2025, an executive order was signed asserting greater authority over all federal agencies, including those established by Congress as independent from direct presidential control. The executive order may lead to delays, if not cancellations, of pending and proposed regulations at federal agencies and introduces uncertainty as it subjects all significant regulatory actions by the agencies to presidential supervision and control. We cannot predict the impact that such executive order, any future executive orders or legislation implementing executive orders may have on our business or our results of operations.

We and the third parties with whom we work are subject to stringent and evolving U.S. and foreign laws, regulations and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Any actual or perceived failure to comply with such obligations could lead to government enforcement actions (which could include civil or criminal penalties), private litigation (including class claims), negative publicity or other adverse consequences that could negatively affect our operating results and business.

In the ordinary course of business, we and our partners process sensitive data, including personal data. As a result, we and our partners may be subject to numerous data privacy and security obligations, such as various federal, state and foreign laws and regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements and other obligations relating to data privacy and security. In the United States, numerous federal, state and local governments have enacted laws and regulations, including state data breach notification laws, state health information privacy laws, federal and state consumer protection laws and other similar regulations that govern the processing of sensitive data, including health-related information. For example, HIPAA, as amended by HITECH, imposes specific requirements relating to the privacy, security and transmission of individually identifiable protected health information. There are additional federal and state privacy and security-related laws that may be more restrictive than HIPAA and could impose additional penalties. For example, even when HIPAA does not apply, failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or

affecting commerce in violation of the Federal Tort Claims Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities.

In addition, several U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including, without limitation, providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling and automated decision-making. Failure to comply with these laws, where applicable, can result in significant statutory fines. For example, the California Consumer Privacy Act, as amended by the California Privacy Rights Act of 2020, or CPRA, collectively the CCPA, applies to personal data of consumers, business representatives and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA and other comprehensive U.S. state privacy laws provide exceptions for some data processed in the context of clinical trials, but these developments may further complicate compliance efforts and increase legal risk and compliance costs for us and the third parties with whom we work. The existence of comprehensive privacy laws in different states in the country would make our compliance obligations more complex and costly and may increase the likelihood that we may be subject to enforcement actions or otherwise incur liability for noncompliance.

Outside the United States, an increasing number of laws and regulations, including the General Data Protection Regulation in the EU and UK (collectively, the "GDPR") may also apply to our processing of sensitive data, including health-related and other personal data. The GDPR imposes strict obligations and restrictions on the ability to collect, analyze and transfer personal data, including health data from clinical trials and adverse event reporting. In particular, these obligations and restrictions concern, when required, the consent of the individuals to whom the personal data relates, the information provided to the individuals, the transfer of personal data out of the EU or the United Kingdom, security breach notifications, security and confidentiality of the personal data and imposition of substantial potential fines for breaches of the data protection obligations. In addition, the EU and other jurisdictions have enacted laws restricting the transfer of personal data from the EU and other jurisdictions to the United States due to data localization requirements or limitations on cross-border data flows. Although there are currently various mechanisms that may be used to transfer personal data from the EU and United Kingdom to the United States in compliance with law, these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States.

Obligations related to data privacy and security (and consumers' data privacy expectations) are rapidly evolving, becoming increasingly stringent and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with U.S. and foreign data privacy and security laws, rules and regulations could require us to take on more onerous obligations in our contracts, require us to engage in costly compliance exercises, restrict our ability to collect, use and disclose sensitive data, or, in some cases, impact our or our partners' or suppliers' ability to operate in certain jurisdictions. Any actual or perceived failure to comply with U.S. and foreign data protection laws and regulations could result in government investigations and enforcement actions (which could include civil or criminal penalties), fines, private litigation or adverse publicity and could negatively affect our operating results and business. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Moreover, patients about whom we or our partners obtain information, as well as the providers who share this information with us, may contractually limit our ability to use and disclose the information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws or breached our contractual obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

We, directly or through our third-party service providers, may adopt, use or incorporate artificial intelligence (“AI”) technology and capabilities into the information technology systems or software that we use in our business and operations. Defects in such AI technology or related security breaches, loss of data and other disruptions as well as changes in implementation standards and enforcement practices under a rapidly evolving regulatory framework for AI technology may adversely affect our business and operations and potentially expose us to increasing liability.

We, directly or through our third-party service providers, may adopt, use or incorporate AI technology and capabilities into information technology systems or software to help us operate our business more efficiently than existing industry tools. The regulatory framework for AI technologies is rapidly evolving as many federal, state and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations. In addition, existing laws and regulations may be interpreted in ways that would affect the use of AI in our business. As a result, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or market perception of such requirements may have on our business and may not always be able to anticipate how to respond to these laws or regulations.

Several governmental agencies in the U.S. and non-U.S. jurisdictions have proposed or enacted laws regulating AI technologies by setting out principles intended to guide AI design and deployment for the public and private sectors and signaling the increase in governmental involvement and regulation over AI technologies. While there is currently no comprehensive federal legislation in the U.S. that regulates the development or use of AI, the significant increase in companies that have incorporated the use of AI in their businesses has heightened review by several government agencies, including the SEC’s focus on AI-washing as a key enforcement priority. In May 2024, the European Union legislators approved the EU Artificial Intelligence Act (the “EU AI Act”), which establishes a comprehensive, risk-based governance framework for AI in the EU market. In July 2025, the EU published a voluntary AI Code of Practice, which is intended to guide developers of AI systems in complying with the EU AI Act and avoid potential penalties. The EU AI Act, and developing interpretation and application of the GDPR in respect of automated decision making, together with developing guidance and/or decisions in the impact of AI technology on data privacy, may affect our use of AI technologies and our ability to provide, improve or commercialize our business, require additional compliance measures and changes to our operations and processes, and result in increased compliance costs and potential increases in civil claims against us, and could adversely affect our business, operations and financial condition.

Further, interpretation and implementation of intellectual property protection in the field of AI are rapidly evolving and there is uncertainty and ongoing litigation in different jurisdictions as to the degree and extent of protection warranted for AI and relevant system inputs and outputs. If we fail to obtain protection for intellectual property rights for any of our intellectual property that may incorporate or be developed using AI technologies, or later have our intellectual property rights invalidated or otherwise diminished, our competitors may be able to take advantage of our research and development efforts to develop competing products that could adversely affect our business, reputation and financial condition. Further, other parties may have, or in the future may obtain, patents or other proprietary rights that would prevent, limit or interfere with our ability to use any AI technologies that we may develop or use in our business.

It is possible that further new laws and regulations will be adopted in the United States and in other non-U.S. jurisdictions, or that existing laws and regulations, including competition and antitrust laws, may be interpreted in ways that would limit our ability to use AI technologies for our business, or require us to change the way we use AI technologies in a manner that negatively affects the performance of our system and business and the way in which we use AI technologies. We may need to expend resources to adjust our system in certain jurisdictions if the laws, regulations, or decisions are not consistent across jurisdictions. Further, the cost to comply with such laws, regulations or decisions and/or guidance interpreting existing laws, could be significant and would increase our operating expenses. Such an increase in operating expenses, as well as any actual or perceived failure to comply with such laws and regulations, could materially and adversely affect our business, financial condition, results of operations, and prospects.

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

Compliance with environmental, social and governance (collectively, “ESG”) regulations and policies may 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. Recent changes in regulations and policies have scaled back or halted proposed or enacted ESG-related regulations, which has impacted the requirements and preferences of various government agencies and external stakeholders. To the extent ESG-related regulations and policies remain in place, 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 and man-made disasters and extreme weather events such as hurricanes, flooding, typhoons, tornados, wildfires and fires, drought, extreme heat, earthquakes, water shortages, blizzards and other extreme weather conditions. 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, power outages, telecommunications, transportation or other infrastructure failure, cybersecurity incidents and other business interruption caused by such natural and man-made 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 our 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.

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.

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 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 located in Tampa, Florida 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 Plastiap, 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 YUTREPIA may be adversely affected.

We have relied upon ICU Medical for servicing and support of CADD MS-3 infusion pumps that patients currently use to administer Treprostinil Injection through subcutaneous injection. ICU Medical no longer manufactures or supports the CADD MS-3 infusion pumps. Although we believe that the number of available CADD-MS 3 infusion pumps will be sufficient to continue serving patients through at least the end of 2026, we are working to develop new pumps for the subcutaneous administration of Treprostinil Injection to replace the CADD MS-3 infusion pumps. Prior to using any such new pumps, we or our development partners will be required to obtain FDA clearance. To date, we have not submitted a 510(k) clearance application for any such new pumps, and we are currently uncertain when, if ever, such a 510(k) clearance application will be submitted. If the existing supply of CADD MS-3 infusion pumps become unavailable before the new pumps are cleared by the FDA, sales of Treprostinil Injection may be adversely affected.

We also rely upon manufacturers with operations or suppliers in China and Taiwan. Chengdu, which manufactures and supplies RG Cartridges for the subcutaneous administration of Treprostinil Injection, has facilities and suppliers located in China. For L606, we rely upon single sources of supply for the active pharmaceutical ingredient, the device, manufacture of bulk drug product and packaging, some of which are located in Taiwan. The operations of our current manufacturing partners and those of its suppliers may be materially disrupted by changes in regulations or policies, including increased tariffs or restrictions on trade, development, research or manufacturing of pharmaceutical products with certain countries. See *Risk Factors—Risks Related to the Commercialization of our Products, Product Candidates and Generic Treprostinil Injection—We are currently operating in a period of global economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability. Changes and instability in global economic conditions and geopolitical matters could have a material adverse effect on our business, financial condition and results of operations.* Any such executive orders, legislative action or potential sanctions on certain countries could result in trade wars, supply chain disruptions and heighten geopolitical tensions and instability and we may be unable to secure an adequate supply of RG Cartridges or L606 at a reasonable cost or in a timely manner, if at all. In addition, we are currently working to establish a secondary supply chain outside of Taiwan and evaluate 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 any of our limited source suppliers are adversely affected by geopolitical events, natural or man-made disasters, public health emergencies or other events that disrupt or adversely affect their operations or their ability to supply us, our business may be adversely affected.

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 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 '327 Patent Litigation, in which it is seeking injunctive relief. Although the current litigation concerns the PH-ILD indication, the YUTREPIA product label presently includes indications for both PAH and PH-ILD. As a result, there is a material risk of an adverse ruling by the Court in the '327 Patent Litigation, which could result in an injunction that affects the entire product, thereby preventing us from commercializing YUTREPIA at all or at least until PH-ILD is removed from the label for YUTREPIA.

In addition, United Therapeutics may bring lawsuits alleging that we infringe patents even outside of the Hatch-Waxman context. For example, United Therapeutics filed a lawsuit alleging that we infringe the '782 patent in which it is seeking injunctive relief and monetary damages. United Therapeutics may also seek to assert other patents against us, including

U.S. Patent Number 11,723,887, or newly issued patents that do not currently exist, and may seek to require the FDA to withdraw final approval for YUTREPIA for one or more indications or other monetary or equitable relief.

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, limit the label of our products to fewer indications than intended, 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 matter 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 expiration 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.

For example, we recently instituted a lawsuit against United Therapeutics for infringement of the '494 Patent in the U.S. District Court for the Middle District of North Carolina. As part of that lawsuit, United Therapeutics has asserted that it has an ownership interest in the '494 Patent, and that we cannot assert the '494 Patent against them, as a result of a former employee's breach of a contractual obligation to United Therapeutics. In addition, United Therapeutics may argue that one or more claims of the '494 Patent are invalid or that the scope of the '494 Patent is limited such that they do not infringe the '494 Patent. If they are successful in establishing an ownership interest in the '494 Patent, invalidating one or more claims of the '494 Patent or having the scope of the claims limited, we may be unable to prevent United Therapeutics or third parties from promoting and commercializing products that fall within the full scope

of the '494 Patent. In addition, any invalidation or limitation of the scope of the '494 Patent could create a precedent that may increase the likelihood that other of our patents are invalidated or subject to similar scope limitations.

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.

Questions may also arise as to the ownership of our patents. For instance, in May 2024, United Therapeutics filed a complaint in the Superior Court in Durham County, North Carolina, in which it is seeking declaratory judgement such that all right, title and interest in and to any patentable or unpatentable inventions, discoveries, and ideas made or conceived by the Former Employee while employed by the Company should be assigned and transferred to United Therapeutics because they involved the use of United Therapeutics' confidential information. If successful, United Therapeutics could obtain an ownership interest in our patents, which may either limit our ability to prevent United Therapeutics from using out patented inventions or even allow United Therapeutics to prevent us from using our own patented inventions.

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.

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 addition, if we apply any such extension to a patent that is subsequently invalidated, we may lose the benefit of any such extension. 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.

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 payment, 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 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.

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. For example, we recently instituted a lawsuit against United Therapeutics for infringement of the '494 Patent in the U.S. District Court for the Middle District of North Carolina. 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.

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 products and 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 Products and Product Candidates

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.

We will need to expand our manufacturing capabilities to effectively commercialize YUTREPIA and meet market 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 will need to file supplements to our NDA for YUTREPIA to describe any changes in our manufacturing process. In addition, if demand for our products exceeds our expectations, we will need to build additional manufacturing capacity. If the FDA does not approve such supplements in a timely manner or at all or if we are unable to increase our manufacturing capacity in time to meet demand, we may be unable 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 third-party payors, time and expense spent investigating the cause of any failure of supply and, depending on the cause, similar losses with respect to other batches. With respect to our commercial manufacturing, if manufacturing 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.

L606 is based on 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.

To our knowledge, no regulatory authority has granted final approval to market or commercialize drugs made using Pharmosa's proprietary liposomal technology. We may never receive final approval to market and commercialize any product candidate that uses Pharmosa's liposomal technology. In addition, we may experience unexpected challenges as

we ramp up our manufacturing capacity for L606 to supply sufficient quantities for clinical requirements. If we are unable to successfully develop and obtain final approval for L606, our business will be adversely affected.

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 products and product candidates are manufactured may be subject to inspections by the FDA before we can obtain final marketing approval and remain subject to periodic inspection even after our products and 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 products or product candidates or in the manufacturing facilities in which our products and 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.

Our operations are concentrated in Morrisville, North Carolina and interruptions affecting us or our suppliers due to natural or man-made disasters or other unforeseen events could materially and adversely affect our operations and result in losses that may not be covered by insurance.

Most of our current operations are concentrated in Morrisville, North Carolina. In addition, our inventory and certain equipment necessary for the manufacturing of our raw materials and for encapsulating and packaging our products is held in a limited number of locations. Our, and our suppliers' operations could be subject to the impact of natural or man-made disasters and other business disruptions, which include, but are not limited to, hurricanes, flooding, typhoons, tornados, wildfires and fires, drought, extreme heat, earthquakes, water shortages, blizzards and other extreme weather conditions, as well as power outages, telecommunications, transportation or other infrastructure failure, cybersecurity incidents or physical security breaches, public health emergencies, such as pandemics and epidemics, and geopolitical conflicts, including acts of terrorism, war and civil disorder or unforeseen events, resulting in significant damage to our facilities, to our inventory or to equipment which is necessary for our operations, which 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 or equipment 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. The cost of insurance has increased significantly, including as a result of the impact of climate change and inflation, and we may not be able to obtain sufficient coverage at a reasonable cost to protect us against losses from such disasters or unforeseen events. 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.

We are subject to information technology systems failures, security breaches, loss or leakage of data, technological malfunctions or other disruptions, which could result in, among other things, material disruption of our operations, financial losses, the inability to process transactions, the unauthorized release of confidential information and reputational risk, restrictions on accessing critical information and potential exposure to liability, all of which would negatively impact our business, financial condition or results of operations.

Our use of technology, infrastructure and data is critical to our continued operations. We are susceptible to operational, financial and information security risks resulting from security breaches, loss or leakage of data, technological malfunctions or other disruptions. Successful security breaches or technological malfunctions affecting us, our CROs, CMOs, suppliers or other third-party service providers can result in, among other things, material disruption of our operations, including our product development programs, financial losses, the inability to process transactions, the unauthorized release of confidential information, proprietary or other business information (including personal data), reputational risk, restrictions on accessing critical information and potential exposure to liability.

Cyber-attacks include, but are not limited to, deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of our and our service providers' systems and the information on such systems. Cyber-attacks can also include phishing attempts or e-mail fraud to cause unauthorized payments or information to be transmitted to an unintended recipient, or to permit unauthorized access to systems. 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.

Any security breach or other incident, whether actual or perceived, could impact our reputation and/or operations, cause us to incur significant costs, including legal expenses, harm customer confidence, hurt our expansion into new markets, cause us to incur remediation costs, or cause us to lose existing customers. For example, the loss of clinical trial data from clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach affects our systems (or those of our third-party service providers) or were to result in a loss of or accidental, unlawful or unauthorized access, use, release or other processing of personally identifiable information, confidential or proprietary information or damage to our data or applications, our product development programs could be materially disrupted and we could incur liability and become subject to significant fines, penalties or liabilities for any noncompliance to certain privacy and security laws.

We have also outsourced elements of our information technology infrastructure, and as a result, a number of third-party vendors have access to our confidential information. If the information technology systems of our third-party vendors become subject to disruptions or security breaches that compromise our confidential, proprietary or other business information (including personal data), we may incur liability and reputational damage but have insufficient recourse against such third parties. We will also have to expend significant resources to mitigate the impact of such an event and develop and implement protections to prevent future events of this nature from occurring.

Further, despite the implementation of security measures, our information technology systems and those of our third-party service providers are vulnerable to cybersecurity attacks, breakdowns or other damages or disruptions from service interruptions, system malfunction, unauthorized access or use, natural and man-made disasters, geopolitical conflicts and telecommunications, power outages or other infrastructure failures. Although we currently hold cybersecurity insurance, the costs related to significant security breaches or disruptions could be material and cause us to incur significant expenses.

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 August 4, 2025, 86,091,454 shares of our common stock were outstanding, of which 77,884,218 shares of common stock, or 90.5% of our outstanding shares as of August 4, 2025, are freely tradable without restriction or further registration under the Securities Act, provided however, some of these shares are held by persons deemed to be “affiliates” under the Securities Act, including our officers and directors, as well as our principal stockholders, and may not be sold except: (i) in compliance with Rule 144 under the Securities Act or (ii) pursuant to any other applicable exemption under the Securities Act. The remaining 8,207,236 shares held by our stockholders as of August 4, 2025 have not been registered under the Securities Act and may be only be sold (i) pursuant to an effective registration statement under the Securities Act covering the sale of those shares, (ii) in compliance with Rule 144 under the Securities Act or (iii) pursuant to any other applicable exemption under the Securities Act.

Shares issued upon purchase under the employee stock purchase plan or upon the exercise of stock options or vesting of restricted stock units 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. We have 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.

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:

- the results of our efforts to commercialize YUTREPIA and any other product candidate we may develop, including L606, in the event we receive final approval from the FDA for such product candidate;
- results and timing of commencement or completion of any clinical trials of any product or product candidate we may develop, including YUTREPIA and L606, or those of our competitors;
- the success of Sandoz’s Treprostinil Injection to which we have commercial rights pursuant to the Promotion Agreement;
- the market acceptance of the RG Cartridge for the subcutaneous administration of Treprostinil Injection;
- whether we and Sandoz are 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;
- our ability to obtain and maintain approvals of our products, including YUTREPIA, and any product candidate we may develop, including L606, for marketing by the FDA or equivalent foreign regulatory authorities (and, if approved, the scope of the indications for which such product candidates are approved) or any failure to obtain such approvals;
- our involvement in significant lawsuits, such as stockholder litigation, litigation involving the FDA, or litigation related to intellectual property, including inter partes review proceedings, patent litigation with third parties which may hold intellectual property they assert against us, including the ongoing litigation in connection with the patents, trade secrets and confidential information that United Therapeutics has asserted

against us, and patent litigation we assert against others, including the ongoing litigation that we have asserted against United Therapeutics;

- regulatory or legal developments in the United States and other countries;
- 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 34.1% of our common stock as of August 4, 2025. 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. Our current controls and any new controls that we develop may become inadequate because of changes in accounting principles or in our business conditions. For example, during the quarter ended June 30, 2025, we implemented new processes and internal controls to record product revenues, cost of product sales, and accounts receivable, as a result of the FDA approval and the commercial launch of YUTREPIA and to capitalize inventory as a result of the launch of a new inventory management system.

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, which could subject us to litigation or investigations requiring management resources and costly remediations.

Any material weaknesses identified in the future or retroactive changes to our consolidated financial statements may impact management’s assessment of the effectiveness of our internal controls over financial reporting such that those reports should no longer be relied upon. There can be no assurances that our current internal controls over financial reporting are sufficient to prevent or avoid any potential future material weaknesses.

For as long as we are a “smaller reporting company,” we may take advantage of certain scaled disclosures available to us, resulting in holders of our securities receiving less Company information than they would receive from a public company that is not a smaller reporting company. Beginning with our Annual Report on Form 10-K for the fiscal year ending December 31, 2025, we will no longer qualify as a smaller reporting company and we will no longer be eligible to rely on reduced disclosure and reporting requirements applicable to smaller reporting companies.

We are currently considered a “smaller reporting company” as defined under Rule 12b-2 of the Exchange Act. As a smaller reporting company, we are permitted to comply with scaled-back disclosure obligations in our SEC filings compared to other issuers, including with respect to disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We have elected to take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as (i) our common stock held by non-affiliates is less than \$250 million measured on the last business day of our second fiscal quarter, or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and our common stock held by non-affiliates is less than \$700 million measured on the last business day of our second fiscal quarter.

Based on the closing price of our common stock on June 30, 2025, the last business day of our second fiscal quarter, our common stock held by non-affiliates exceeded \$700 million. Beginning with our Annual Report on Form 10-K for the fiscal year ending December 31, 2025, we will no longer qualify as a smaller reporting company and will be a “large accelerated filer,” which requires us to comply with accelerated reporting deadlines and associated attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, in addition to the requirement 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. Due to this upcoming transition, we expect to devote significant time and effort to implement and comply with the additional standards, rules and regulations that will apply to us upon becoming a large accelerated filer. Compliance with the additional requirements of being a large accelerated filer will also increase our legal, accounting and financial compliance costs.

Until we cease to qualify as a smaller reporting company beginning with our Annual Report on Form 10-K for the fiscal year ending December 31, 2025, the scaled-back disclosure in our SEC filings will result in less information about our company and it may make it harder for investors to analyze the Company’s results of operations and financial prospectus in comparison with other public companies. If investors consider our common stock less attractive as a result of our election to use the scaled-back disclosure permitted for smaller reporting companies, there may be a less active trading market for our common stock and our share price may be more volatile.

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 HCR Agreement 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 our business, including our ability to maintain regulatory approval for and successfully commercialize YUTREPIA, global market and economic conditions, earnings growth and expected cash flows. Impairments may be caused by factors outside our 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 products and 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.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the three months ended June 30, 2025, 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, modified, or terminated by our directors and/or executive officers (as defined in Section 16 of the Exchange Act):

Name	Title	Date of Adoption or Modification of Rule 10b5-1 Trading Arrangement⁽¹⁾	Scheduled Expiration Date of Rule 10b5-1 Trading Arrangement	Aggregate Number of Securities to Be Sold
Jason Adair	Chief Business Officer	5/29/2025 ⁽²⁾	8/31/2026	61,713
Scott Moomaw	Chief Commercial Officer	5/29/2025 ⁽²⁾	7/1/2026	105,000
Rajeev Saggarr	Chief Medical Officer	5/29/2025 ⁽²⁾	9/30/2026	35,000

(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.

During the three months ended June 30, 2025, the Company did not adopt, modify, or terminate a Rule 10b5-1 trading arrangement (as defined in Item 408(a)(1)(i) of Regulation S-K) for the purchase or sale of securities of the Company, whether or not intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act.

Item 6. Exhibits

The exhibits listed on the Exhibit Index hereto are filed or furnished (as stated therein) as part of this Quarterly Report on Form 10-Q.

Exhibit No.	Document
10.1*++	Indenture of Lease, dated as of June 16, 2025, by and between Liquidia Technologies, Inc. and King Combs LLC.
31.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes- Oxley Act.
31.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes- Oxley Act.
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.
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.
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
101.PRE*	Inline XBRL Taxonomy Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

++ 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.

SIGNATURES

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

DATE: August 12, 2025

LIQUIDIA CORPORATION

By: /s/ Roger A. Jeffs, Ph.D.

Roger A. Jeffs, Ph.D.

Chief Executive Officer

Principal Executive Officer

By: /s/ Michael Kaseta

Michael Kaseta

Chief Operating Officer and Chief Financial Officer

Principal Financial Officer

By: /s/ Dana Boyle

Dana Boyle

Chief Accounting Officer

Principal Accounting Officer

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.**

PATHWAY TRIANGLE
1000 SCIENCE DRIVE
MORRISVILLE, NORTH CAROLINA

LEASE SUMMARY SHEET

Execution Date: June 16, 2025

Tenant: Liquidia Technologies, Inc., a Delaware corporation

Tenant's Mailing Address: 419 Davis Drive, Suite 100
Morrisville, North Carolina 27560
Attn:

Landlord: **KING COMBS LLC**,
a Delaware limited liability company

Building: The biomanufacturing building located at 1000 Science Drive, Morrisville, North Carolina (the "**Land**", being more particularly described on Exhibit 2 attached hereto and made a part hereof). The Building, commonly known as the "Building 1", consists of two (2) stories, containing approximately 174,538 rentable square feet.

Premises: Approximately 70,131 rentable square feet of space in the Building comprising a portion of the first floor and a portion of the mezzanine, as more particularly shown on the Lease Plan attached hereto as Exhibit 1A (the "**Lease Plan**"). Landlord and Tenant stipulate and agree that the Rentable Square Footage of the Building and the Rentable Square Footage of the Premises are correct and shall not be remeasured.

Property: The Building, the Land, and other improvements located on, and to be constructed on, the Land.

Campus: The development known as Pathway Triangle, comprising the Property and those certain properties currently known and numbered as 500 Science Drive, 2000 Science Drive (the "**2000 Science Drive Property**"), 1800 Strand Street, and 0 Airport, together with improvements located on, and to be constructed on, said properties,

including an approximately 201,899 square foot biomanufacturing building approximately known and numbered as 2000 Science Drive (“**Building 2**”), an approximately 126,000 square foot building research and development building (“**Building 3**”), an approximately 160,000 square foot biomanufacturing building (“**Building 4**”), an approximately 200,000 square foot biomanufacturing building (“**Building 5**”), and an approximately 140,000 square foot building research and development building (“**Building 6**”), all as shown on the Site Plan (the “**Site Plan**”) attached hereto as Exhibit 1B.

Parking Areas: The surface parking and, if applicable, parking structures, located, or to be located, on the Campus that Landlord provides for parking by all tenants of space on the Campus, subject to Section 1.3(a). Without limiting the generality of the foregoing, the parties acknowledge and agree that portions of the Parking Areas of the Campus not located on the Land will be constructed in phases subsequent to the Term Commencement Date.

Term Commencement Date: May 1, 2026.

Expiration Date: The date which is one hundred twenty-six (126) months after the Term Commencement Date, except that if the Term Commencement Date does not occur on the first day of a calendar month, then the Expiration Date shall be the last day of the one hundred twenty-sixth (126th) full calendar month after the Term Commencement Date.

Extension Term(s): Subject to Section 1.2 below, two (2) extension term(s) of five (5) year(s) each.

Landlord’s Contribution: Up to [***] Dollars (\$[***]) (i.e., equal to \$[***] per rentable square foot of the Premises), all subject to Article 3 below and Exhibit 4 attached hereto.

Permitted Uses: Subject to Legal Requirements and all applicable provisions of this Lease, including, without limitation, Article 11, principally and primarily biomanufacturing, as well as any ancillary uses related thereto, including office, clean warehousing, research, development, vivarium and laboratory use, and other ancillary uses related to the foregoing.

Base Rent:	<u>RENT YEAR</u>	<u>ANNUAL BASE RENT</u>	<u>MONTHLY PAYMENT</u>
	1	\$3,120,829.50*	\$260,069.13

2	\$[***]	\$[***]
3	\$[***]	\$[***]
4	\$[***]	\$[***]
5	\$[***]	\$[***]
6	\$[***]	\$[***]
7	\$[***]	\$[***]
8	\$[***]	\$[***]
9	\$[***]	\$[***]
10	\$[***]	\$[***]
11	\$[***]*	\$[***]

*Annualized.

Notwithstanding the foregoing, Tenant shall have no obligation to pay Base Rent with respect to the period of time commencing on the Term Commencement Date and expiring on the date immediately preceding the date which is six (6) months after the Term Commencement Date (the “**Rent Abatement Period**”). During the Rent Abatement Period, only Base Rent shall be abated, and all Additional Rent and other costs and charges specified in the Lease shall remain as due and payable pursuant to the provisions of the Lease.

Rent Year:

Rent Year 1 shall be the twelve (12) month period commencing as of the Term Commencement Date, except that if the Term Commencement Date occurs on any day other than the first day of a calendar month, then Rent Year 1 shall commence as of the Term Commencement Date and shall end on the last day of the calendar month in which the first anniversary of the Term Commencement Date occurs. Each Rent Year after Rent Year 1 shall be the twelve (12) month period immediately following the preceding Rent Year, except that the final Rent Year shall end on the Expiration Date.

Operating Costs and Taxes:

See Sections 5.2 and 5.3.

Tenant’s Share:

A fraction, the numerator of which is the number of rentable square feet in the Premises and the denominator of which is the number of rentable square feet in the Building. As of the Execution Date, Tenant’s Share with respect to the Premises is 40.18%.



Letter of Credit: \$[***], all subject to Article 7 below.

Guarantor: Liquidia Corporation, a Delaware corporation

EXHIBIT 1A	LEASE PLAN - PREMISES
EXHIBIT 1B	SITE PLAN - CAMPUS
EXHIBIT 1C	PLAN OF ROOFTOP PREMISES
EXHIBIT 1D	PLAN OF PAD SITES
EXHIBIT 1E	PLAN OF TENANT'S PARKING AREAS
EXHIBIT 2	LEGAL DESCRIPTION – LAND
EXHIBIT 3	BASE BUILDING CAPACITIES
EXHIBIT 4	WORK LETTER
EXHIBIT 4-1	SCOPE OF LANDLORD'S WORK
EXHIBIT 4-2	TEST-FIT PLAN
EXHIBIT 4-3	SIGNAGE OPTIONS
EXHIBIT 5	FORM OF GUARANTY
EXHIBIT 6	FORM OF LETTER OF CREDIT
EXHIBIT 7	LANDLORD'S SERVICES
EXHIBIT 8	TENANT'S HAZARDOUS MATERIALS
EXHIBIT 9	RULES AND REGULATIONS
EXHIBIT 9-1	BUILDING RULES AND REGULATIONS
EXHIBIT 9-2	CONSTRUCTION RULES AND REGULATIONS
EXHIBIT 10	TENANT'S WORK INSURANCE SCHEDULE
EXHIBIT 11	FORM OF LIEN WAIVER
EXHIBIT 12	TENANT'S FORM OF CONFIDENTIALITY AGREEMENT

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THIS INDENTURE OF LEASE (this “**Lease**”) is hereby made and entered into on the Execution Date by and between Landlord and Tenant.

Each reference in this Lease to any of the terms contained in any Exhibit attached to this Lease shall be deemed and construed to incorporate the data stated under that term in such Exhibit. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them as set forth in the Lease Summary Sheet which is attached hereto and incorporated herein by reference.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. LEASE GRANT; TERM; APPURTENANT RIGHTS; EXCLUSIONS

1.1 Lease Grant. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises upon and subject to terms and conditions of this Lease, for a term of years commencing on the Execution Date and, unless earlier terminated or extended pursuant to the terms hereof, ending on the Expiration Date (the “**Initial Term**”; the Initial Term and any duly exercised Extension Terms are hereinafter collectively referred to as the “**Term**”).

1.2 Extension Term(s).

(a) Provided that the following conditions, which may be waived by Landlord in its sole discretion, are satisfied (i) Tenant, an Affiliated Entity (hereinafter defined) and/or a Successor (hereinafter defined) is/are then occupying at least eighty percent (80%) of the Premises; (ii) (1) no Event of Default nor an event which, with the passage of time and/or the giving of notice would constitute an Event of Default then exists as of the date of the Extension Notice (hereinafter defined), and (2) no monetary Event of Default then exists as of the commencement of the applicable Extension Term (hereinafter defined); and (iii) Guarantor executes a written agreement in form and substance reasonably acceptable to Landlord whereby Guarantor agrees that the obligations of Guarantor under the Guaranty shall extend and apply during such Extension Term, Tenant shall have the option to extend the Term for two (2) additional term(s) of five (5) year(s) each (each, an “**Extension Term**”), commencing as of the expiration of the Initial Term, or the prior Extension Term, as the case may be. Tenant must exercise such option to extend, if at all, by giving Landlord written notice (the “**Extension Notice**”) on or before the date that is twelve (12) months but in no event earlier than eighteen (18) months prior to the expiration of the then-current Term of this Lease, *time being of the essence*. Upon the timely giving of such notice, the Term shall be deemed extended upon all of the terms and conditions of this Lease, except that Base Rent during each Extension Term shall be calculated in accordance with this Section 1.2, Landlord shall have no obligation to construct or renovate the Premises and Tenant shall have one (1) fewer option to extend the Term. If Tenant fails to give timely notice, as aforesaid, Tenant shall have no further right to extend the Term. Notwithstanding the fact that Tenant’s proper and timely exercise of such option to extend the Term shall be self-executing, the parties shall promptly execute a lease amendment reflecting such Extension Term after Tenant exercises such option. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant’s exercise of its rights under this Section 1.2.

(b) The Base Rent during each Extension Term (the “**Extension Term Base Rent**”) shall be determined in accordance with the process described hereafter. Extension Term Base Rent shall be the fair market rental value of the Premises then demised to Tenant as of the commencement of the applicable Extension Term as determined in accordance with the process described below, for renewals of comparable suburban biomanufacturing and GMP buildings in the RTP/I-40 submarket in the Raleigh-Durham metropolitan area (the “**Market Area**”) of equivalent quality, size, utility and location, with the length of the Extension Term and all other relevant factors to be taken into account. Within thirty (30) days after receipt of the Extension Notice, Landlord shall deliver to Tenant written notice of its determination of the Extension Term Base Rent for the applicable Extension Term. Tenant shall, within thirty (30) days after receipt of such notice, notify Landlord in writing whether Tenant accepts or rejects Landlord’s determination of the Extension Term Base Rent (“**Tenant’s Response Notice**”). If Tenant fails timely to deliver Tenant’s Response Notice, Landlord’s determination of the Extension Term Base Rent shall be binding on Tenant.

(c) If and only if Tenant’s Response Notice is timely delivered to Landlord and indicates both that Tenant rejects Landlord’s determination of the Extension Term Base Rent and desires to submit the matter to arbitration, then the Extension Term Base Rent shall be determined in accordance with the procedure set forth in this Section 1.2(c). In such event, within ten (10) days after receipt by Landlord of Tenant’s Response Notice indicating Tenant’s desire to submit the determination of the Extension Term Base Rent to arbitration, Tenant and Landlord shall each notify the other, in writing, of their respective selections of an appraiser (respectively, “**Landlord’s Appraiser**” and “**Tenant’s Appraiser**”). Landlord’s Appraiser and Tenant’s Appraiser shall then jointly select a third appraiser (the “**Third Appraiser**”) within ten (10) business days of their appointment. All of the appraisers selected shall be individuals with at least five (5) consecutive years’ commercial appraisal experience for biomanufacturing and related research and development, office and laboratory space in the area in which the Premises are located, shall be members of the Appraisal Institute (M.A.I.) or a licensed real estate broker, and, in the case of the Third Appraiser, shall not have acted in any capacity for either Landlord or Tenant within five (5) years of his or her selection. The three appraisers shall determine the Extension Term Base Rent in accordance with the requirements and criteria set forth in Section 1.2(b) above, employing the method commonly known as Baseball Arbitration, whereby Landlord’s Appraiser and Tenant’s Appraiser each sets forth its determination of the Extension Term Base Rent as defined above, and the Third Appraiser must select one or the other (it being understood that the Third Appraiser shall be expressly prohibited from selecting a compromise figure). Landlord’s Appraiser and Tenant’s Appraiser shall deliver their determinations of the Extension Term Base Rent to the Third Appraiser within five (5) business days of the appointment of the Third Appraiser and the Third Appraiser shall render his or her decision within ten (10) business days after receipt of both of the other two determinations of the Extension Term Base Rent. The Third Appraiser’s decision shall be binding on both Landlord and Tenant. Each party shall bear the cost of its own appraiser and the cost of the Third Appraiser shall be split equally between Landlord and Tenant.

1.3 Appurtenant Rights.

(a) Common Areas. Subject to the terms of this Lease and the Rules and Regulations, Tenant shall have, as appurtenant to the Premises, rights to use in common with others

entitled thereto, the following areas (such areas are hereinafter referred to as the “**Common Areas**”): (i) common walkways and driveways necessary for access to the Building, (ii) the Parking Areas, (iii) those certain shared riser/water, electrical, and tel/data rooms located on the first floor of the Building, and (iv) other areas and facilities located in the Building, on the Land, or elsewhere on the Campus designated by Landlord from time to time for the common use of tenants of the Campus and other entitled thereto; and no other appurtenant rights or easements.

(b) Parking. During the Term, Landlord shall, subject to the terms hereof, make available up to one hundred forty (140) parking spaces (i.e., 2.0 spaces per 1,000 rentable square feet of the Premises) for Tenant’s use free of charge (except that the costs of maintenance and repair of the Parking Areas shall, subject to the provisions of Section 5.2, be included in Operating Costs) in the Parking Areas located on the Property and the 2000 Science Drive Property, which Parking Areas are more particularly shown on **Exhibit 1E** attached hereto and made a part hereof.

The number of parking spaces in the Parking Areas reserved for Tenant, as modified pursuant to this Lease (including, without limitation, Section 1.3(e) below) or as otherwise permitted by Landlord, are hereinafter referred to as the “**Parking Spaces**.” Tenant shall have no right to hypothecate or encumber the Parking Spaces, and shall not sublet, assign, or otherwise transfer the Parking Spaces other than to employees of Tenant occupying the Premises or to a Successor (hereinafter defined), an Affiliated Entity (hereinafter defined), or a transferee pursuant to an approved Transfer under Article 13 of this Lease. Subject to Landlord’s right to reserve parking for other tenants of the Campus, said Parking Spaces will be on an unassigned, non-reserved basis, and shall be subject to such reasonable rules and regulations, as may be in effect for the use of the Parking Areas from time to time; provided, however, that with respect to the row of parking spaces that is immediately in front of the Building, in no event shall Landlord grant other tenants of the Campus reserved or assigned parking spaces within the portion of such row that is immediately in front of the Premises. If Landlord provides reserved parking to any other tenant of the Building, Landlord shall provide Tenant with a reasonable number of reserves parking spaces in a mutually agreeable location. Reserved and handicap parking spaces must be honored. Notwithstanding anything to the contrary contained herein, Landlord shall have the right during any period of time that Landlord is performing construction or maintenance work on the Campus, upon at least thirty (30) days’ prior written notice to Tenant, to temporarily relocate all or any portion of the Parking Spaces in to other portions of the Property and/or Parking Areas owned, controlled or leased by Landlord. If Landlord elects to relocate Tenant’s Parking Spaces, Landlord (at its sole cost and expense) shall provide, for the duration of such temporary relocation, shuttle service to and from such temporary parking location. In addition, Landlord may, at its election, implement valet or managed parking in order to accommodate the parking needs of the Campus from time to time, provided Tenant shall have the right to opt out of any such valet or other parking services unless required pursuant to applicable Legal Requirements.

(c) Amenities Building. In the event that Landlord elects to construct an amenities building within the Campus for the purpose of providing amenities for the use and benefit of the tenants of the Campus and their employees, guests and visitors, which may include, without limitation, food and beverage retail sales to occupants of the Campus and the general public, in Landlord’s sole discretion (an “**Amenities Building**”), the initial construction of such building and related improvements shall be at Landlord’s sole cost and expense (and excluded from Operating Costs), with costs incurred by Landlord in the ownership, operation, management,

maintenance and repair of the Amenities Building included in Operating Costs, as and to the extent more particularly set forth in Section 5.2 of this Lease.

(d) Rooftop Premises. During the Term, Tenant shall have the right to use a portion of the rooftop of the Building designated by Landlord (the “**Rooftop Premises**”), as more particularly shown on the plan attached hereto as Exhibit 1C, for the installation of certain equipment (i.e. telecommunications, HVAC, solar, lab exhaust, etc.) approved by Landlord and purchased and installed by Tenant in accordance with the terms of this Lease (any equipment installed within the Rooftop Premises, as the same may be modified, altered or replaced during the Term, is collectively referred to herein as “**Tenant’s Rooftop Equipment**”). Landlord’s approval of such equipment shall be subject to Article 11; provided that, notwithstanding anything in Article 11 to the contrary, such approval shall not be unreasonably withheld, conditioned or delayed provided Tenant demonstrates to Landlord’s reasonable satisfaction that the proposed equipment (i) does not interfere with any base building equipment operated by Landlord on the roof; (ii) will not affect the structural integrity of the Building or impact the roof or the roof membrane in any manner; (iii) shall be adequately screened so as to minimize the visibility of such equipment; and (iv) shall be adequately sound-proofed to meet all requirements of Legal Requirements and reasonable specified maximum decibel levels for equipment operations. Tenant shall not install or operate Tenant’s Rooftop Equipment until Tenant has obtained and submitted to Landlord copies of all required governmental permits, licenses, and authorizations necessary for the installation and operation thereof. In addition, Tenant shall comply with all reasonable construction rules and regulations promulgated by Landlord in connection with the installation, maintenance and operation of Tenant’s Rooftop Equipment. Landlord shall have no obligation to provide any services including, without limitation, electric current or gas service, to the Rooftop Premises or to Tenant’s Rooftop Equipment. At Landlord’s election, which may be made in Landlord’s sole discretion, the Tenant’s Rooftop Equipment shall be removed by Tenant at Tenant’s own expense at the expiration or earlier termination of the Lease (and in the event that Landlord does not so elect for Tenant to remove the Tenant’s Rooftop Equipment at the expiration or earlier termination of the Lease, the Tenant’s Rooftop Equipment shall remain at the Premises and shall become the property of Landlord upon the expiration or earlier termination of the Lease). Tenant shall be responsible for the cost of repairing and maintaining Tenant’s Rooftop Equipment and the cost of repairing any damage to the Building, or the cost of any necessary improvements to the Building, caused by or as a result of the installation, replacement and/or removal of Tenant’s Rooftop Equipment. Landlord makes no warranties or representations to Tenant as to the suitability of the Rooftop Premises for the installation and operation of Tenant’s Rooftop Equipment. In the event that at any time during the Term, Landlord determines, in its reasonable business judgment, that the operation and/or periodic testing of Tenant’s Rooftop Equipment interferes with the operation of the Building or the business operations of any of the occupants of the Building, then Tenant shall, upon notice from Landlord, cause all further testing of Tenant’s Rooftop Equipment to occur after normal business hours (hereinafter defined).

(e) Pad Rights; Tanks.

(i) As part of the Tenant’s Work, Tenant shall install and Tenant shall have the exclusive right to use outdoor pads immediately adjacent to the Building in the specific locations designated as “Proposed Generator Location” and “Pad Site” on **Exhibit 1D**, attached hereto and made a part hereof (collectively, the “**Pad Sites**”), for the purposes of supporting

Tenant's operations in the Premises. Subject to applicable Legal Requirements and the applicable provisions of this Lease, Tenant shall have the right to install on the Pad Sites for exclusive use of the Permitted Uses, (i) one or more nitrogen and other compressed gas storage tanks and other chemical storage tanks ("**Tanks**"), and (ii) one or more supplemental HVAC units, chillers, supplemental electrical transformers, and other mechanical and electrical equipment, including, without limitation, an emergency generator (collectively, with the Tanks, the "**Pad Site Equipment**"), all in accordance with the provisions of this Lease. Notwithstanding the foregoing, the Pad Sites shall not be used for an acid neutralization tank or any receptacles for the storage of hazardous or medical waste or trash or recycling. Subject to the foregoing, Tenant shall have the right, throughout the Term of the Lease, as the same may be extended, to use the Pad Sites and Pad Site Equipment in accordance with Legal Requirements. Tenant shall obtain, and maintain, all governmental permits and approvals necessary for the operation and maintenance of Tenant's Pad Site Equipment. Tenant acknowledges and agrees that the construction of the Pad Sites as shown on Exhibit 1D will cause the number of existing parking spaces located on the Land to be reduced, and that, accordingly, the maximum number of Parking Spaces available to Tenant pursuant to Section 1.3(b) above shall be reduced on a one-for-one basis relative to any existing parking spaces that are eliminated as a result of the construction of the Pad Sites.

(ii) Any alterations or modifications to the Pad Sites after their initial construction (and the initial installation thereon of the any Pad Site Equipment) shall be subject to Landlord's prior approval and otherwise subject to Article 11 of this Lease in all respects. Landlord's approval of alterations to the Pad Sites shall not be unreasonably withheld, conditioned or delayed provided Tenant demonstrates to Landlord's reasonable satisfaction that the proposed equipment to be contained thereon (i) shall be adequately screened so as to minimize the visibility of such equipment and to meet all Legal Requirements; and (ii) shall be adequately sound-proofed to meet all Legal Requirements. Tenant shall not construct or install or operate any Pad Site Equipment until Tenant has obtained and submitted to Landlord copies of all required governmental permits, licenses, and authorizations necessary for the installation and operation thereof, and Tenant shall comply with all applicable Legal Requirements in the use and operation of the Pad Sites and Pad Site Equipment. In addition, Tenant shall comply with all reasonable construction rules and regulations promulgated by Landlord in connection with the construction, installation, maintenance and operation of the Pad Sites and Pad Site Equipment. Landlord shall have no obligation to provide any services including, without limitation, electric current or gas service, to the Pad Sites or Pad Site Equipment. Notwithstanding anything in this **Section 1.3(e)** to the contrary, in no event shall Tenant make any subsurface alterations or modifications to the Pad Sites; provided, however, that if and to the extent Tenant reasonably requires subsurface alterations or modifications to be made in connection with Tenant's installation, use and operation of the Pad Sites or Pad Site Equipment in accordance herewith (including, without limitation, for the installation of underground piping, conduits and wiring between the Building and the Pad Sites in order to connect the Pad Site Equipment to the Premises), Landlord agrees to perform or cause to be performed such subsurface alterations or modifications, at Tenant's sole cost and expense (provided that Tenant has (1) prepared all plans and drawings required in connection with such subsurface work and delivered such plans and drawings to Landlord for Landlord's review, (2) Landlord has consented to such subsurface work, and (3) such subsurface work complies with the applicable Legal Requirements). Any such subsurface work performed by Landlord on Tenant's behalf shall be subject to the Landlord's Warranty (as defined in **Exhibit 4**) in the same manner as the Landlord's Work (provided that the Warranty Expiration Date with respect to any such

subsurface work shall be the date occurring eleven (11) months and two (2) weeks following the substantial completion of such subsurface work). In such event, Tenant shall reimburse Landlord upon demand for Landlord's out-of-pocket costs of performing such subsurface work, as mutually agreed upon by Landlord and Tenant prior to the commencement of any such work.

(iii) Tenant shall be responsible for all costs, charges and expenses incurred from time to time in connection with or arising out of the operation, use, maintenance, repair or refurbishment of the Pad Site and Pad Site Equipment, including all clean-up costs related thereto and the cost of repairing any damage to the Building or the Common Areas, or the cost of any necessary improvements to the Building or the Common Areas, caused by or as a result of the construction, installation, replacement and/or removal of the Pad Sites and/or Pad Site Equipment.

Landlord makes no warranties or representations to Tenant as to the suitability of the Pad Sites for the installation and operation of the Pad Site Equipment. At Landlord's election, which may be made in Landlord's sole discretion, the Pad Site Equipment shall be removed by Tenant at Tenant's own expense at the expiration or earlier termination of the Lease (and in the event that Landlord does not so elect for Tenant to remove the Pad Site Equipment at the expiration or earlier termination of the Lease, the Pad Site Equipment shall remain at the Premises and shall become the property of Landlord upon the expiration or earlier termination of the Lease). Tenant shall repair any damage caused by such removal. Except (subject to **Section 14.5**) with respect to Claims to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Parties, or by any violation of any Legal Requirements by Landlord or breach of this Lease by Landlord, Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Parties, as hereinafter defined, harmless from and against any and all Claims (as hereinafter defined) relating to the Pad Sites or Pad Site Equipment, including, without limitation, diminution in value of the Premises or any portion thereof and sums paid in settlement of Claims, that arise during or after the Term as a result of Tenant's use of the Pad Sites or Pad Site Equipment. This indemnification by Tenant includes, without limitation, costs actually incurred by Landlord: (1) in connection with any investigation required by any Governmental Authority of site conditions in connection with Tenant's use of the Pad Sites and/or Pad Site Equipment, (2) in connection with any investigation required by Landlord pursuant to which it is determined that Tenant has breach its obligations with respect to the Pad Sites and/or Pad Site Equipment, and (3) any clean-up, remediation, and/or removal of any Hazardous Materials and/or restoration of the Property required by any Governmental Authority caused by Tenant's improper use of the Pad Sites and/or Pad Site Equipment, except, in each case, to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Parties.

1.4 Tenant's Access. From and after the Term Commencement Date and until the end of the Term, Tenant shall have access to the Premises and the Rooftop Premises twenty-four (24) hours a day, seven (7) days a week. Further, subject to all applicable terms and conditions of this Lease, including, without limitation, the provisions of Exhibit 4, Tenant shall have the right to access the Premises, at Tenant's sole risk, during the period commencing on the delivery of possession of the Premises by Landlord to Tenant through the day immediately prior to the Term Commencement Date (the "**Initial Period**") for the purposes of performing the Tenant's Work as more particularly set forth in Exhibit 4. Tenant shall, prior to the first entry to the Premises pursuant to this Section 1.4(b), provide Landlord with certificates of insurance evidencing that the insurance required in Section 14 hereof is in full force and effect and covering any person or entity entering the Building. Tenant's performance of its obligations pursuant to this Lease during the Initial

Period, including those set forth in Exhibit 4, is a material inducement to Landlord for Landlord to undertake and perform its obligations pursuant to this Lease, including those set forth in Exhibit 4. If Tenant shall default beyond applicable notice and cure in performing its obligations during the Initial Period, then, without limiting any of Landlord's rights and remedies under this lease, Landlord may, at Landlord's option, toll and suspend Landlord's obligation to perform Landlord's Work described in Exhibit 4 hereto.

1.5 No Recording. Neither party shall record this Lease. Tenant shall not record a memorandum of this Lease and/or a notice of this Lease. Notwithstanding the foregoing, at Tenant's request, Landlord agrees to join in the execution, in recordable form, of a statutory notice of lease and/or written declaration in which shall be stated the Term Commencement Date, the Rent Commencement Date, the number and length of the Extension Term(s) and the Expiration Date, which notice of lease may be recorded by Tenant with the Wake County Register of Deeds (the "**Registry**") at Tenant's sole cost and expense. If a notice of lease was previously recorded with the Registry, upon the expiration or earlier termination of this Lease, Landlord shall deliver to Tenant a notice of termination of lease and Tenant shall promptly execute, acknowledge, and deliver the same (together with any other instrument(s) that may be necessary in order to record and/or file same with the Registry) to Landlord for Landlord's execution and recordation with the Registry, which obligation shall survive the expiration or earlier termination of the Lease.

1.6 Exclusions. The following are expressly excluded from the Premises and reserved to Landlord: all the perimeter walls of the Premises (except the inner surfaces thereof), the Common Areas, and any space in or adjacent to the Premises used for shafts, stacks, pipes, conduits, wires and appurtenant fixtures, fan rooms, ducts, electric or other utilities, sinks or other Building facilities not located within and exclusively serving the Premises, and the use of all of the foregoing, except as expressly permitted pursuant to Section 1.3(a) above.

2. RIGHTS RESERVED TO LANDLORD

2.1 Additions and Alterations. Landlord and Tenant acknowledge and agree that Landlord and/or its affiliates intend to construct future buildings, subsequent phases of the Parking Areas and associated improvements on other portions of the Campus, which may include properties adjacent to the Property (the "**Future Improvements**"). Landlord reserves the right, at any time and from time to time, to make such changes, alterations, additions, improvements, repairs or replacements in or to the Campus or Property (including the Premises but, with respect to the Premises, only for purposes of repairs, maintenance, replacements and the exercise of any other rights expressly reserved to Landlord herein) and the fixtures and equipment therein, as well as in or to the street entrances and/or Common Areas, or add or deduct any land to or from the Campus and/or Property, including by establishing a condominium with respect to all or portions of the Campus and/or Property (in which event this Lease shall be subject and subordinate, in all respects, to the master deed and declaration of trust and the other documents establishing any such condominium, and Tenant shall, at Landlord's request, execute a reasonable recordable instrument confirming such subordination of the Lease to any such condominium documents), as it may deem necessary or desirable, including in connection with the Future Improvements, provided, however, that there be no material obstruction of permanent access to, or material interference with the use and enjoyment of, the Premises by Tenant. Notwithstanding any of the foregoing to the contrary, Tenant expressly acknowledges and agrees that impacts associated with the construction of

buildings and improvements of a comparable design to those contemplated as part of the Future Improvements (including, without limitation, noise, vibration and odors arising from the construction of the Future Improvements) shall not constitute material interference with Tenant's use and enjoyment of the Premises, provided that Landlord agrees to take all commercially reasonable measures to mitigate any such construction-related impacts. Subject to the foregoing and upon reasonable advance notice to Tenant, Landlord expressly reserves the right to temporarily close all, or any portion, of the Common Areas for the purpose of making repairs or changes thereto, provided that such closure shall not materially interfere with Tenant's access to the Premises. In case any excavation shall be made for building or improvements or for any other purpose upon the land adjacent to or near the Premises, Tenant will afford without charge to Landlord, or the person or persons, firms or corporations causing or making such excavation, license to enter upon the Premises for the purpose of doing such work as Landlord or such person or persons, firms or corporation shall deem to be necessary to preserve the walls or structures of the Building from injury, and to protect the Building by proper securing of foundations.

2.2 REA. Landlord and Tenant each hereby acknowledges and agrees that, in connection with any Future Improvements, (i) Landlord shall have the right to enter into, and subject the Property to the terms and conditions of, a commercially reasonable reciprocal easement agreement with any one or more of the neighboring property owners in order to create a commercial park-like setting ("**REA**"); (ii) upon Landlord's request in connection with the recording of the REA, Tenant shall execute a commercially reasonable instrument in recordable form making this Lease subject and subordinate to the REA (at no additional cost to Tenant) and provided that there shall be no material increase in Tenant's obligations or material interference with Tenant's rights under this Lease and no material adverse effect on Tenant's operations in the Premises, or any reduction in parking spaces in connection with the exercise of the foregoing reserved rights; (iii) Landlord shall have the right to subdivide the Property so long as Tenant continues to have all of the rights and obligations contained in this Lease (e.g., the appurtenant right to use all Common Areas); and (iv) Tenant shall execute such reasonable documents (which may be in recordable form) evidencing the foregoing promptly upon Landlord's request and at no additional cost to Tenant.

2.3 Name and Address of Building. Landlord reserves the right at any time and from time to time to change the name or address of the Building and/or the Property, provided Landlord gives Tenant at least sixty (60) days' prior written notice thereof. Landlord shall reimburse Tenant for Tenant's reasonable, out-of-pocket costs incurred with such name or address change.

2.4 Landlord's Access. Subject to the terms hereof, Tenant shall (a) upon not less than forty-eight (48) hours' written notice, which may be by email to Tenant's designated representatives (except that no notice shall be required in emergency situations), permit Landlord and any holder of a Mortgage (hereinafter defined) (each such holder, a "**Mortgagee**"), and the agents, representatives, employees and contractors of each of them, to have reasonable access to the Premises at all reasonable hours for the purposes of inspection, making repairs, replacements or improvements in or to the Premises or the Building or equipment therein (including, without limitation, sanitary, electrical, heating, air conditioning or other systems), complying with all applicable laws, ordinances, rules, regulations, statutes, by-laws, court decisions and orders and requirements of all public authorities (collectively, "**Legal Requirements**"), or exercising any right reserved to Landlord under this Lease (including without limitation the right to take upon or

through the Premises all necessary materials, tools and equipment); (b) permit Landlord and its agents and employees, at reasonable times, upon not less than forty-eight (48) hours' written notice, which may be by email to Tenant's designated representatives, to show the Premises during normal business hours to any prospective Mortgagee or purchaser of the Building and/or the Property or of the interest of Landlord therein, and, during the last twelve (12) months of the Term or at any time after the occurrence of an Event of Default, prospective tenants; and (c) upon not less than forty-eight (48) hours' written notice, which may be by email to Tenant's designated representatives (except that no notice shall be required in emergency situations), permit Landlord and its agents, at Landlord's sole cost and expense, to perform environmental audits, environmental site investigations and environmental site assessments ("**Site Assessments**") in, on, under and at the Premises and the Land, it being understood that Landlord shall repair any damage arising as a result of the Site Assessments, and such Site Assessments may include both above and below the ground testing and such other tests as may be necessary or appropriate to conduct the Site Assessments. In addition, to the extent that it is necessary to enter the Premises in order to access any area that serves any portion of the Building outside the Premises, then Tenant shall, upon as much advance notice as is practical under the circumstances, and in any event at least twenty-four (24) hours' prior written notice, which may be by email to Tenant's designated representatives (except that no notice shall be required in emergency situations), permit contractors engaged by other occupants of the Building to pass through the Premises in order to access such areas but only if accompanied by a representative of Landlord. Access by any individual permitted under this Section shall be accompanied by a representative of Tenant, provided that Tenant shall make available said representative upon reasonable advance notice from Landlord, and shall be subject to Tenant's confidentiality and security requirements, including, without limitation, any such requirements utilized by Tenant with respect to its GMP manufacturing space or otherwise under Legal Requirements applicable to Tenant's operations.

2.5 Pipes, Ducts and Conduits. Tenant shall permit Landlord to erect, use, maintain and relocate pipes, ducts and conduits in and through the Premises, provided the same do not materially reduce the floor area or adversely affect the use or appearance thereof.

2.6 Minimize Interference. Except in the event of an emergency, Landlord (i) shall use commercially reasonable efforts to minimize any interference with Tenant's business operations and use and occupancy of the Premises in connection with the exercise any of the foregoing rights under this Section 2 and (ii) agrees to enter into a confidentiality agreement in the form attached hereto as Exhibit 12 in connection with any entry into the Premises in accordance with this Section 2.

3. CONDITION OF PREMISES; CONSTRUCTION.

3.1 Condition of Premises. Tenant acknowledges and agrees that Tenant is leasing the Premises in their "**AS IS**," "**WHERE IS**" condition and with all faults on the Execution Date, without representations or warranties, express or implied, in fact or by law, of any kind, and without recourse to Landlord, except that Landlord shall perform Landlord's Work in accordance with the provisions of this Section 3 and Exhibit 4.

3.2 Landlord's Work.

(a) Subject to Force Majeure, as defined in Section 25.16 and any Tenant Delay, as hereinafter defined, Landlord shall perform Landlord's Work in order to prepare the Premises for Tenant's use and occupancy in accordance with Exhibit 4 attached hereto. Landlord shall commence its performance of the Landlord's Work promptly following Tenant's completion of the Tenant's Floor Slab Work (as hereinafter defined) in accordance with this Lease, and Landlord shall thereafter use diligent efforts to substantially complete Landlord's Work. Except as otherwise expressly set forth in this Lease: (i) Tenant shall have no claim or rights against Landlord, and Landlord shall have no liability or obligation to Tenant in the event of delay in Landlord's Work, and (ii) no delay in Landlord's Work shall have any effect on the parties rights or obligations under this Lease.

(b) Definitions.

(i) "**Tenant Delay**" shall mean any act or omission by Tenant and/or Tenant's agents, employees or contractors (collectively with Tenant, the "**Tenant Parties**") which causes an actual delay in the performance of Landlord's Work. Notwithstanding the foregoing, except where a Tenant Delay arises from Tenant's failure timely to act within on or before a date or time period expressly set forth in the Lease (in which event no Tenant Delay Notice shall be required): (x) in no event shall any act or omission be deemed to be a Tenant Delay until and unless Landlord has given Tenant written notice (the "**Tenant Delay Notice**") advising Tenant (a) that a Tenant Delay is occurring, and (b) of the basis on which Landlord has determined that a Tenant Delay is occurring, and (y) no period of time prior to the time that Tenant receives a Tenant Delay Notice shall be included in the period of time charged to Tenant pursuant to such Tenant Delay Notice.

(ii) "**Substantially Complete**" or "**Substantial Completion**," when referring to Landlord's Work shall mean that: (1) Landlord's Work is completed, other than minor work which does not materially affect Tenant's use of, or access to, the Premises, (2) the Premises and those portions of the Common Areas of the Building which affect Tenant's occupancy are in conformance with all applicable building codes, permits, laws and regulations, including without limitation, ADA, (3) all structural elements and subsystems of the Building, including but not limited to HVAC, mechanical, electrical, lighting, plumbing, and life safety systems, will be in good working condition and repair, and (4) Landlord has delivered to Tenant a certificate of substantial completion from Landlord's architect stating that Landlord's Work is substantially complete. No costs incurred by Landlord in satisfying the definition of Substantial Completion shall be included in Operating Costs. Notwithstanding anything to the contrary herein contained, in the event that Landlord's Work is delayed by reason of any Tenant Delay, then Landlord shall be deemed to have achieved Substantial Completion of Landlord's Work on the date that Landlord would have achieved Substantial Completion of Landlord's Work, but for such Tenant Delay.

(iii) Punchlist. Promptly following Substantial Completion of Landlord's Work, Landlord shall provide Tenant with a punchlist prepared by Landlord's architect (the "**Punchlist**") incorporating those items jointly identified by Landlord and Tenant during their joint inspection of Landlord's Work, of outstanding items (the "**Punchlist Items**"). Promptly after Substantial Completion of Landlord's Work, Landlord and Tenant shall jointly inspect the Premises. Subject to Landlord's Force Majeure and Tenant Delays, Landlord shall complete all Punchlist Items within thirty (30) days of the date of the Punchlist (other than seasonal items, such

as landscaping, requiring a longer period), provided that Tenant reasonably cooperates in connection with the completion of such Punchlist Items.

4. USE OF PREMISES

4.1 Permitted Uses. During the Term, Tenant shall use the Premises only for the Permitted Uses and for no other purposes. Service and utility areas (whether or not a part of the Premises) shall be used only for the particular purpose for which they are designed. Tenant shall keep the Premises equipped with appropriate safety appliances to the extent required by applicable laws or insurance requirements.

4.2 Prohibited Uses.

(a) Notwithstanding any other provision of this Lease, Tenant shall not use the Premises or the Building, or any part thereof, or suffer or permit the use or occupancy of the Premises or the Building or any part thereof by any of the Tenant Parties (i) in a manner which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease or otherwise applicable to or binding upon the Premises; (ii) for any unlawful purposes or in any unlawful manner; (iii) which, in the reasonable judgment of Landlord (taking into account the use of the Building as a combination GMP/biomanufacturing, research and development and office building and the Permitted Uses) shall (a) impair the appearance or reputation of the Building; (b) impair, interfere with or otherwise diminish the quality of any of the Building services or the proper and economic heating, cleaning, ventilating, air conditioning or other servicing of the Building or Premises, or the use or occupancy of any of the Common Areas; (c) cause discomfort, inconvenience or annoyance in any material respect (and Tenant shall not install or use any electrical or other equipment of any kind (including, without limitation, Tenant's Rooftop Equipment) which, in the reasonable judgment of Landlord, will cause any such impairment, interference, discomfort, inconvenience, annoyance or injury), or cause any injury or damage to any occupants of the Premises or other tenants or occupants of the Building or their property; or (d) cause harmful air emissions, laboratory odors or noises or any unusual or other objectionable odors, noises or emissions to emanate from the Premises; (iv) in a manner which is inconsistent with the operation and/or maintenance of the Building as a first-class combination GMP/biomanufacturing, research and development, and office facility; (v) for any fermentation processes whatsoever; or (vi) in a manner which shall increase such insurance rates on the Building or on property located therein over that applicable when Tenant first took occupancy of the Premises hereunder.

(b) With respect to the use and occupancy of the Premises and the Common Areas, Tenant will not: (i) place or maintain any signage (except as set forth in Section 12.2 below), trash, refuse or other articles in any vestibule or entry of the Premises, on the footwalks or corridors adjacent thereto or elsewhere on the exterior of the Premises, nor obstruct any driveway, corridor, footwalk, Parking Area or any other Common Areas; (ii) permit undue accumulations of or burn garbage, trash, rubbish or other refuse within or without the Premises; (iii) permit the parking of vehicles so as to interfere with (x) the ability of others, entitled thereto, to park in the common parking areas, or (y) the use of any driveway, corridor, footwalk, Parking Area, or other Common Areas; (iv) receive or ship articles of any kind outside of those areas reasonably designated by Landlord; (v) conduct or permit to be conducted any auction, going out of business

sale, bankruptcy sale (unless directed by court order), or other similar type sale in or connected with the Premises; (vi) use the name of Landlord, or any of Landlord's affiliates in any publicity, promotion, trailer, press release, advertising, printed, or display materials without Landlord's prior written consent; or (vii) except in connection with Alterations (hereinafter defined) approved by Landlord, cause or permit any hole to be drilled or made in any part of the Building.

4.3 NPDES Permit. Tenant shall establish and maintain with respect to its use of wastewater facilities exclusively serving the Premises, a National Pollutant Discharge Elimination System ("NPDES") waste water discharge program administered by a licensed, qualified individual (which individual may be (i) a third party contractor/consultant approved by Landlord, which approval shall not be unreasonably withheld, or (ii) an employee of Tenant or Tenant's affiliate) in accordance with the requirements of the North Carolina Department of Environmental Quality ("NCDEQ") and any other applicable governmental authority. Tenant shall be solely responsible for all costs incurred in connection with such NPDES waste water discharge, and Tenant shall provide Landlord with such documentation as Landlord may reasonably require evidencing Tenant's compliance with the requirements of (a) the NCDEQ and any other applicable governmental authority with respect to such chemical safety program and (b) this Section. Tenant shall obtain and maintain during the Term any permit required by the NCDEQ ("NCDEQ Permit").

5. RENT; ADDITIONAL RENT

5.1 Base Rent. Commencing as of the Term Commencement Date and continuing thereafter throughout the remainder of the Term, Tenant shall pay Base Rent to Landlord in equal monthly installments, in advance and without demand on the first day of each month for and with respect to such month. Unless otherwise expressly provided herein, the payment of Base Rent, Additional Rent and other charges reserved and covenanted to be paid under this Lease with respect to the Premises (collectively, "**Rent**") shall commence on the Term Commencement Date, and shall be prorated for any partial months. Rent shall be payable to Landlord or, if Landlord shall so direct in writing, to Landlord's agent or nominee, in lawful money of the United States which shall be legal tender for payment of all debts and dues, public and private, at the time of payment.

5.2 Operating Costs.

(a) "**Operating Costs**" shall mean all costs incurred and expenditures of whatever nature made by Landlord in the operation, management, repair, replacement, maintenance and insurance (including, without limitation, environmental liability insurance and property insurance on Landlord-supplied leasehold improvements for tenants, but not property insurance on tenants' equipment) of the Property or allocated to the Property in accordance with this Section 5.2(a), including without limitation all costs of labor (wages, salaries, fringe benefits, etc.) up to and including the Director of Property Management, any costs for utilities supplied to exterior areas and the Common Areas, and any costs for repair and replacements, cleaning and maintenance of exterior areas and the Common Areas, related equipment, facilities and appurtenances and HVAC equipment, security services, a management fee in the amount of four percent (4%) of gross Campus rental revenues (increased, if applicable, in accordance with Section 5.2(g)), the costs, including, without limitation, a commercially reasonable rental factor, of

Landlord's management office for the Campus, which management office may be located outside the Campus and which may serve other properties in addition to the Campus (in which event such costs shall be equitably allocated among the properties served by such office), the cost of operating the Amenities Building and/or any other amenities in the Campus available to all tenants of the Campus and any subsidy provided by Landlord for or with respect to any such amenity, and the Annual Charge-Off (as hereinafter defined) with respect to a Permitted Capital Expenditure (as hereinafter defined). In the event that an Operating Cost is incurred solely with respect to the Premises, then notwithstanding anything to contrary contained herein, Tenant shall be responsible for 100% of such Operating Cost. In the event that an Operating Cost is incurred in connection with the operation, management, repair, replacement, maintenance and insurance of the Campus as a whole, including Common Areas of the Campus and the cost of operating the Amenities Building net of any other revenues collected by Landlord on account of the Amenities Building (collectively, the "**Campus-Wide Costs**"), Landlord shall make a reasonable and equitable allocation thereof between the buildings comprising the Campus, based on the then-existing rentable square feet of each respective building of the Campus in which space has been initially leased and delivered at the time of such allocation, and Tenant shall be responsible for the Tenant's Share of the Property's allocation of the Campus-Wide Costs as so determined by Landlord. Without limiting the generality of the foregoing, if Landlord determines that certain buildings or properties of the Campus require Landlord to provide different types or levels of services included as part of the Campus-Wide Costs than are required to be provided by Landlord to other buildings or properties of the Campus, Landlord shall have the right to establish different cost pools for the equitable allocation of such Campus-Wide Costs, including, without limitation, making such allocation on a property-by-property basis, and Landlord agrees to act in a commercially reasonable manner to establish and allocate such Campus-Wide Costs among such cost pools. Notwithstanding anything in this Section 5.2 to the contrary, in no event shall any of the foregoing result in Landlord collecting as part of Operating Expenses more than 100% of Landlord's actual costs and expenses incurred by Landlord in the operation, management, repair, replacement, maintenance and insurance of the Property (taking into account the Property's allocation of Campus-Wide Costs), or of the Campus. Operating Costs shall not include Excluded Costs (hereinafter defined).

(b) **Capital Expenditures.** Permitted Capital Expenditures (as hereinafter defined) shall only be included in Operating Costs for each fiscal year during the Term to the extent of the Annual Charge-Off, as hereinafter defined, for such fiscal year with respect to such capital expenditure. Operating Costs shall not include any Annual Charge-Off with respect to Excluded Costs, as hereinafter defined. For the purposes hereof:

(i) "**Annual Charge-Off**" means the annual amount of principal and interest payments which would be required to repay a loan in equal monthly installments over the Useful Life, as defined below, of the capital item in question on a direct reduction basis at an annual interest rate equal to the Capital Interest Rate, as defined below, where (A) the initial principal balance is the cost of the capital item in question, and (B) the loan is deemed to have been made on the date that the Permitted Capital Expenditures are incurred.

(ii) "**Useful Life**" shall be reasonably determined by Landlord in accordance with generally accepted accounting principles and practices in effect at the time of acquisition of the capital item.

(iii) **“Capital Interest Rate”** shall be defined as an annual rate of either one percentage point over the AA bond rate (Standard & Poor’s corporate composite or, if unavailable, its equivalent) as reported in the financial press at the time the capital expenditure is made or, if the capital item is acquired through third-party financing, then the actual (including fluctuating) rate paid by Landlord in financing the acquisition of such capital item.

(c) **“Excluded Costs”** shall be defined as (i) any fixed or percentage ground rent payable to any ground lessor, or any mortgage charges (including interest, principal, points and fees); (ii) brokerage commissions; (iii) salaries of executives and owners not directly employed in the management/operation of the Campus; (iv) the cost of work done by Landlord for a particular tenant; (v) the cost of items which, by generally accepted accounting principles, would be capitalized on the books of Landlord or are otherwise not properly chargeable against income, except to the extent such capital item is (A) required by any Legal Requirements, (B) reasonably projected to reduce Operating Costs, or (C) reasonably expected to improve the management and/or operation of the Building or Common Areas (collectively, **“Permitted Capital Expenditure”**); (vi) the costs of Landlord’s Work and any contributions made by Landlord to any tenant of the Campus in connection with the build-out of its premises; (vii) franchise or income taxes imposed on Landlord; (viii) costs paid directly by individual tenants to suppliers, including tenant electricity, telephone and other utility costs; (ix) depreciation of the Building; (x) costs relating to maintaining Landlord’s existence as a corporation, partnership or other entity; (xi) advertising and other fees and costs incurred in procuring tenants; (xii) the cost of any items for which Landlord is reimbursed by insurance, condemnation awards, refund, rebate or otherwise, and any expenses for repairs or maintenance to the extent covered by warranties, guaranties and service contracts; and (xiii) costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Building management, or between Landlord and other tenants or occupants; (xiv) any interest or penalties that are paid by Landlord relative to any late or delinquent payment made for expenses incurred in connection with the ownership, operation, maintenance and management of the Building or Common Areas; (xv) costs to remediate any Hazardous Materials not solely caused by Tenant and (xvi) Taxes.

(d) **Payment of Operating Costs.** Commencing as of the Term Commencement Date and continuing thereafter throughout the remainder of the Term of the Lease, Tenant shall pay to Landlord, as Additional Rent, Tenant’s Share of Operating Costs. Landlord shall make a good faith estimate of Tenant’s Share of Operating Costs for any fiscal year or part thereof during the Term, and shall use reasonable efforts to do so at least thirty (30) days prior to the commencement of each fiscal year, and Tenant shall pay to Landlord, on the Term Commencement Date and on the first (1st) day of each calendar month thereafter, an amount equal to Tenant’s Share of Operating Costs for such fiscal year and/or part thereof divided by the number of months therein (provided that if Landlord’s estimate is delivered to Tenant fewer than thirty (30) days prior to the commencement of a fiscal year, any adjustment in the monthly installment of Tenant’s Share of Operating Costs shall not take effect until the first calendar month to begin after the thirtieth (30th) day from the delivery of Landlord’s estimate). Landlord may re-estimate Tenant’s Share of Operating Costs and deliver a copy of the re-estimate to Tenant. Any such re-estimate shall be provided to Tenant not less than thirty (30) days prior to taking effect, after which time the monthly installments of Tenant’s Share of Operating Costs shall be appropriately adjusted in accordance with the estimations so that, by the end of the fiscal year in question, Tenant shall have paid all of Tenant’s Share of Operating Costs as re-estimated by Landlord. Any amounts

paid based on such an estimate shall be subject to adjustment as herein provided when actual Operating Costs are available for each fiscal year. As of the Execution Date, the Campus's fiscal year is January 1 – December 31.

(e) **Annual Reconciliation.** Landlord shall, within one hundred twenty (120) days after the end of each fiscal year, deliver to Tenant a reasonably detailed statement of the actual amount of Operating Costs for such fiscal year ("**Year End Statement**"). Failure of Landlord to provide the Year End Statement within the time prescribed shall not relieve Tenant from its obligations hereunder unless such Year End Statement is not delivered within six (6) months after the end of the applicable fiscal year. If the total of such monthly remittances on account of any fiscal year is greater than Tenant's Share of Operating Costs actually incurred for such fiscal year, then, provided no Event of Default has occurred nor any event which, with the passage of time and/or the giving of notice would constitute an Event of Default, Tenant may credit the difference against the next installment of Additional Rent on account of Operating Costs due hereunder, except that if such difference is determined after the end of the Term, Landlord shall refund such difference to Tenant within thirty (30) days after such determination to the extent that such difference exceeds any amounts then due from Tenant to Landlord (it being understood and agreed that if Tenant cures any default(s) within the applicable cure period(s) provided in Article 20 below, then Tenant shall thereafter be entitled to take such credit, and such overpayment shall be otherwise applied to Landlord's damages in the event such default is not cured within the applicable cure period). If the total of such remittances is less than Tenant's Share of Operating Costs actually incurred for such fiscal year, Tenant shall pay the difference to Landlord, as Additional Rent hereunder, within thirty (30) days of Tenant's receipt of an invoice therefor. Landlord's estimate of Operating Costs for the next fiscal year shall be based upon the Operating Costs actually incurred for the prior fiscal year as reflected in the Year-End Statement plus a reasonable adjustment based upon estimated increases in Operating Costs. The provisions of this Section 5.2(e) shall survive the expiration or earlier termination of this Lease.

(f) **Part Years.** If the Term Commencement Date or the Expiration Date occurs in the middle of a calendar year, Tenant shall be liable for only that portion of the Operating Costs with respect to such calendar year within the Term.

(g) **Gross-Up.** If, during any fiscal year, less than 100% of the Building or Campus, as applicable, is occupied by tenants or if Landlord was not supplying all tenants with the services being supplied to Tenant hereunder, actual Operating Costs incurred shall be reasonably extrapolated by Landlord on an item-by-item basis to the reasonable Operating Costs that would have been incurred if the Building or Campus, as applicable, was 100% occupied and such services were being supplied to all tenants, and such extrapolated Operating Costs shall, for all purposes hereof, be deemed to be the Operating Costs for such fiscal year. This "gross up" treatment shall be applied only with respect to variable Operating Costs arising from services provided to Common Areas or to space in the Building or Campus, as applicable, being occupied by tenants (which services are not provided to vacant space or may be provided only to some tenants) in order to allocate equitably such variable Operating Costs to the tenants receiving the benefits thereof.

(h) **Audit Right.** Provided there is no Event of Default nor any event which, with the passage of time and/or the giving of notice would constitute an Event of Default, Tenant

may, upon at least sixty (60) days' prior written notice, inspect or audit Landlord's records relating only to Operating Costs for any periods of time within the immediately previous fiscal year before the audit or inspection. However, no audit or inspection shall extend to periods of time before the Term Commencement Date. If Tenant fails to object to the calculation of Tenant's Share of Operating Costs on the Year-End Statement within one hundred fifty (150) days after such statement has been delivered to Tenant and/or fails to complete any such audit or inspection within one hundred twenty (120) days after receipt of the Year End Statement, then Tenant shall be deemed to have waived its right to object to the calculation of Tenant's Share of Operating Costs for the year in question and the calculation thereof as set forth on such statement shall be final.

Tenant's audit or inspection shall be conducted only at Landlord's offices or the offices of Landlord's property manager during normal business hours. Tenant shall pay the cost of such audit or inspection. Notwithstanding the foregoing, if, following Tenant's audit of Landlord's records, it is finally determined that there occurred an error in Landlord's computation of the amount owed by Tenant which resulted in an overpayment of the reconciliation by Tenant for any relevant year of an amount which is greater than five percent (5%) of the amount which Tenant is determined to have actually owed, Landlord shall promptly reimburse Tenant for the reasonable out-of-pocket costs expended by Tenant in performing such audit. Tenant may not conduct an inspection or have an audit performed more than once during any fiscal year. If such inspection or audit reveals an underpayment by Tenant, then Tenant shall pay to Landlord, as Additional Rent hereunder, any underpayment of any such costs, as the case may be, within thirty (30) days after receipt of an invoice therefor. If such inspection or audit reveals an overpayment by Tenant, then Landlord shall credit such overpayment against the next installment(s) of Base Rent thereafter payable by Tenant, except that if such overpayment is determined after the termination or expiration of the Term, Landlord shall promptly refund to Tenant the amount of such overpayment less any amounts then due from Tenant to Landlord. In the event the Landlord disagrees in good faith with the results of the audit, Landlord shall notify Tenant within fifteen (15) days of the audit, and Landlord and Tenant shall mutually select a neutral third party to evaluate the charges for Tenant's Share of Operating Costs, and the results of such third party's evaluation shall bind Landlord and Tenant and shall be final. Costs charged by any such third party shall be shared equally by Landlord and Tenant, unless such third party does not find any material differences from the initial results of the audit, in which instance, Landlord shall pay for such costs. Tenant shall maintain the results of any such audit or inspection confidential and shall not be permitted to use any third party to perform such audit or inspection, other than an independent firm of certified public accountants (A) reasonably acceptable to Landlord, (B) which is not compensated on a contingency fee basis or in any other manner which is dependent upon the results of such audit or inspection, and (C) which executes Landlord's standard confidentiality agreement whereby it shall agree to maintain the results of such audit or inspection confidential. The provisions of this Section 5.2(h) shall survive the expiration or earlier termination of this Lease.

5.3 Taxes.

(a) **"Taxes"** shall mean the real estate taxes and other taxes, levies and assessments imposed upon the Building and the Land and upon any personal property of Landlord used in the operation thereof, or on Landlord's interest therein or such personal property; charges, fees and assessments for transit, housing, police, fire or other services or purported benefits to the Building and the Land (including without limitation any community preservation assessments); service or user payments in lieu of taxes; and any and all other taxes, levies, betterments,

assessments and charges arising from the ownership, leasing, operation, use or occupancy of the Building and the Land or based upon rentals derived therefrom, which are or shall be imposed by federal, state, county, municipal or other governmental authorities. The foregoing notwithstanding, Taxes shall not include any inheritance, estate, succession, gift, franchise, rental, income or profit tax, capital stock tax, capital levy or excise, or any income taxes arising out of or related to the ownership and operation of the Building and the Land. "Taxes" shall also include reasonable expenses (including without limitation legal and consultant fees) of tax abatement or other proceedings contesting assessments or levies.

Landlord shall allocate Taxes which are incurred with respect to the Common Areas of the Campus on a reasonable basis. From and after substantial completion of any occupiable improvements constructed as part of a Future Improvements, if such improvements are not separately assessed, Landlord shall reasonably allocate Taxes between the Building and such improvements and the land area associated with the same.

(b) **"Tax Period"** shall be any fiscal/tax period in respect of which Taxes are due and payable to the appropriate governmental taxing authority (i.e., as mandated by the governmental taxing authority), any portion of which period occurs during the Term of this Lease.

(c) **Payment of Taxes.** Commencing as of the Term Commencement Date and continuing thereafter throughout the remainder of the Term of the Lease, Tenant shall pay to Landlord, as Additional Rent, Tenant's Share of Taxes. Landlord shall make a good faith estimate of the Taxes to be due by Tenant for any Tax Period or part thereof during the Term, and shall use reasonable efforts to do so at least thirty (30) days prior to the commencement of each fiscal year, and Tenant shall pay to Landlord, on the Term Commencement Date and on the first (1st) day of each calendar month thereafter, an amount equal to Tenant's Share of Taxes for such Tax Period or part thereof divided by the number of months therein (provided that if Landlord's estimate of the Taxes to be due by Tenant is delivered to Tenant fewer than thirty (30) days prior to the commencement of a fiscal year, any adjustment in the monthly installment of Tenant's Share of Taxes shall not take effect until the first calendar month to begin after the thirtieth (30th) day from the delivery of Landlord's estimate). Landlord may re-estimate Tenant's Share of Taxes and deliver a copy of the re-estimate to Tenant. Any such re-estimate shall be provided to Tenant not less than thirty (30) days prior to taking effect, after which time the monthly installments of Tenant's Share of Taxes shall be appropriately adjusted in accordance with the estimations so that, by the end of the Tax Period in question, Tenant shall have paid all of Tenant's Share of Taxes as estimated by Landlord. Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when actual Taxes are available for each Tax Period. If the total of such monthly remittances is greater than Tenant's Share of Taxes actually due for such Tax Period, then, provided no Event of Default has occurred nor any event which, with the passage of time and/or the giving of notice would constitute an Event of Default, Tenant may credit the difference against the next installment of Additional Rent on account of Taxes due hereunder, except that if such difference is determined after the end of the Term, Landlord shall refund such difference to Tenant within thirty (30) days after such determination to the extent that such difference exceeds any amounts then due from Tenant to Landlord (it being understood and agreed that if Tenant cures any default(s) within the applicable cure period(s) provided in Article 20 below, then Tenant shall thereafter be entitled to take such credit, and such overpayment shall be otherwise applied to Landlord's damages in the event such default is not cured within the applicable cure period). If

the total of such remittances is less than Tenant's Share of Taxes actually due for such Tax Period, Tenant shall pay the difference to Landlord, as Additional Rent hereunder, within thirty (30) days of Tenant's receipt of an invoice therefor. Landlord's estimate for the next Tax Period shall be based upon actual Taxes for the prior Tax Period plus a reasonable adjustment based upon estimated increases in Taxes. The provisions of this Section 5.3(c) shall survive the expiration or earlier termination of this Lease.

(d) **Effect of Abatements.** Appropriate credit against Taxes shall be given for any refund obtained by reason of a reduction in any Taxes by the assessors or the administrative, judicial or other governmental agency responsible therefor after deduction of Landlord's expenditures for reasonable legal fees and for other reasonable expenses incurred in obtaining the Tax refund.

(e) **Partial Years.** If the Term Commencement Date or the Expiration Date occurs in the middle of a Tax Period, Tenant shall be liable for only that portion of the Taxes, as the case may be, with respect to such Tax Period within the Term.

5.4 Late Payments.

(a) Any payment of Rent due hereunder not paid when due shall bear interest for each month or fraction thereof from the due date until paid in full at the annual rate of twelve percent (12%), or at any applicable lesser maximum legally permissible rate for debts of this nature (the "**Default Rate**").

(b) Additionally, if Tenant fails to make any payment within five (5) days after the due date therefor, Landlord may charge Tenant a fee, which shall constitute liquidated damages, equal to three percent (3%) of any such late payment. Landlord shall not charge such fee with respect to the first late payment in any twelve (12) month period so long as received by Landlord within five (5) business days after notice thereof.

(c) For each Tenant payment check to Landlord that is returned by a bank for any reason, Tenant shall pay a returned check charge equal to the amount as shall be customarily charged by Landlord's bank at the time.

(d) Money paid by Tenant to Landlord shall be applied to Tenant's account in the following order: first, to any unpaid Additional Rent, including without limitation late charges, returned check charges, legal fees and/or court costs chargeable to Tenant hereunder; and then to unpaid Base Rent.

(e) The parties agree that the late charge referenced in Section 5.4(b) represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any late payment by Tenant, and the payment of late charges and interest are distinct and separate in that the payment of interest is to compensate Landlord for the use of Landlord's money by Tenant, while the payment of late charges is to compensate Landlord for Landlord's processing, administrative and other costs incurred by Landlord as a result of Tenant's delinquent payments. Acceptance of a late charge or interest shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord under this Lease or at law or in equity now or hereafter in effect.

5.5 No Offset; Independent Covenants; Waiver. Rent shall be paid without notice or demand, and without setoff, counterclaim, defense, abatement, suspension, deferment, reduction or deduction, except as expressly provided herein. **TENANT WAIVES ALL RIGHTS (I) TO ANY ABATEMENT, SUSPENSION, DEFERMENT, REDUCTION OR DEDUCTION OF OR FROM RENT, AND (II) TO QUIT, TERMINATE OR SURRENDER THIS LEASE OR THE PREMISES OR ANY PART THEREOF, EXCEPT IN EITHER CASE AS EXPRESSLY PROVIDED HEREIN. TENANT HEREBY ACKNOWLEDGES AND AGREES THAT THE OBLIGATIONS OF TENANT HEREUNDER SHALL BE SEPARATE AND INDEPENDENT COVENANTS AND AGREEMENTS, THAT RENT SHALL CONTINUE TO BE PAYABLE IN ALL EVENTS AND THAT THE OBLIGATIONS OF TENANT HEREUNDER SHALL CONTINUE UNAFFECTED, UNLESS THE REQUIREMENT TO PAY OR PERFORM THE SAME SHALL HAVE BEEN TERMINATED PURSUANT TO AN EXPRESS PROVISION OF THIS LEASE.**

LANDLORD AND TENANT EACH ACKNOWLEDGES AND AGREES THAT THE INDEPENDENT NATURE OF THE OBLIGATIONS OF TENANT HEREUNDER REPRESENTS FAIR, REASONABLE, AND ACCEPTED COMMERCIAL PRACTICE WITH RESPECT TO THE TYPE OF PROPERTY SUBJECT TO THIS LEASE, AND THAT THIS AGREEMENT IS THE PRODUCT OF FREE AND INFORMED NEGOTIATION DURING WHICH BOTH LANDLORD AND TENANT WERE REPRESENTED BY COUNSEL SKILLED IN NEGOTIATING AND DRAFTING COMMERCIAL LEASES. SUCH ACKNOWLEDGEMENTS, AGREEMENTS AND WAIVERS BY TENANT ARE A MATERIAL INDUCEMENT TO LANDLORD ENTERING INTO THIS LEASE.

5.6 Survival. Any obligations under this Article 5 which shall not have been paid at the expiration or earlier termination of the Term shall survive such expiration or earlier termination and shall be paid when and as the amount of same shall be determined and be due.

6. GUARANTY.

Simultaneously with the execution of this Lease, Tenant shall deliver to Landlord an original guaranty in the form attached hereto as Exhibit 5 and made a part hereof (the “**Guaranty**”) executed by Guarantor as additional security for the payment and performance of all of Tenant’s obligations hereunder. The Guaranty shall remain in full force and effect throughout the Term.

7. LETTER OF CREDIT

7.1 Amount. Contemporaneously with the execution of this Lease, Tenant shall deliver to Landlord an irrevocable letter of credit (the “**Letter of Credit**”) that shall (a) be in the initial amount of \$[***] (the “**Initial LOC Amount**”); (b) be issued on the form attached hereto as Exhibit 6; (c) name Landlord as its beneficiary; (d) be drawn on an FDIC insured financial institution reasonably satisfactory to Landlord that both (x) has an office in the continental United States that will accept presentation of, and payment against, the Letter of Credit by either fax or overnight delivery, and (y) satisfies both the Minimum Rating Agency Threshold and the Minimum Capital Threshold (as those terms are defined below). The “**Minimum Rating Agency Threshold**” shall mean that the issuing bank has outstanding unsecured, uninsured and unguaranteed senior long-term indebtedness that is then rated (without regard to qualification of

such rating by symbols such as “+” or “-” or numerical notation) “Baa” or better by Moody’s Investors Service, Inc. and/or “BBB” or better by Standard & Poor’s Rating Services, or a comparable rating by a comparable national rating agency designated by Landlord in its discretion.

The “**Minimum Capital Threshold**” shall mean that the issuing bank has combined capital, surplus and undivided profits of not less than \$10,000,000,000. The Letter of Credit (and any renewals or replacements thereof) shall be for a term of not less than one (1) year. If the issuer of the Letter of Credit gives notice of its election not to renew such Letter of Credit for any additional period, Tenant shall be required to deliver a substitute Letter of Credit satisfying the conditions hereof at least thirty (30) days prior to the expiration of the term of such Letter of Credit. If the issuer of the Letter of Credit fails to satisfy either or both of the Minimum Rating Agency Threshold or the Minimum Capital Threshold, has been seized or closed by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or another governmental or regulatory agency or authority, has become insolvent, or is unwilling or unable to honor the Letter of Credit or to perform its obligations to honor a draw upon the Letter of Credit, Tenant shall be required to deliver a substitute letter of credit from another issuer reasonably satisfactory to the Landlord and that satisfies both the Minimum Rating Agency Threshold and the Minimum Capital Threshold and is otherwise reasonably acceptable to Landlord not later than ten (10) business days after Landlord notifies Tenant of such failure. Tenant agrees that it shall from time to time, as necessary, whether as a result of a draw on the Letter of Credit by Landlord pursuant to the terms hereof or as a result of the expiration of the Letter of Credit then in effect, renew or replace the original and any subsequent Letter of Credit so that a Letter of Credit, in the amount required hereunder, is in effect until a date which is at least ninety (90) days after the Expiration Date. If Tenant fails to furnish such renewal or replacement at least thirty (30) days prior to the stated expiration date of the Letter of Credit then held by Landlord, Landlord may draw upon such Letter of Credit and hold the proceeds thereof (and such proceeds need not be segregated) as a Security Deposit pursuant to the terms of this Article 7, provided that if Tenant furnishes such renewal or replacement at any time thereafter during the Term, Landlord shall transfer such cash proceeds to Tenant. Any renewal or replacement of the original or any subsequent Letter of Credit shall meet the requirements for the original Letter of Credit as set forth above.

7.2 Application of Proceeds of Letter of Credit. Upon an Event of Default, or if any proceeding shall be instituted by or against Tenant pursuant to any of the provisions of any Act of Congress or State law relating to bankruptcy, reorganizations, arrangements, compositions or other relief from creditors (and, in the case of any proceeding instituted against it, if Tenant shall fail to have such proceedings dismissed within sixty (60) days) or if Tenant is adjudged bankrupt or insolvent as a result of any such proceeding, Landlord at its sole option may draw down all or a part of the Letter of Credit. The balance of any Letter of Credit cash proceeds shall be held in accordance with Section 7.5 below. Should the entire Letter of Credit, or any portion thereof, be drawn down by Landlord, Tenant shall, upon the written demand of Landlord, deliver a replacement Letter of Credit in the amount drawn, and Tenant’s failure to do so within ten (10) business days after receipt of such written demand shall constitute an additional Event of Default hereunder. The application of all or any part of the cash proceeds of the Letter of Credit to any obligation or default of Tenant under this Lease shall not deprive Landlord of any other rights or remedies Landlord may have nor shall such application by Landlord constitute a waiver by Landlord.

7.3 Transfer of Letter of Credit. In the event that Landlord transfers its interest in the Premises, Tenant shall upon notice from and at no cost to Landlord, deliver to Landlord an amendment to the Letter of Credit or a replacement Letter of Credit naming Landlord's successor as the beneficiary thereof. If Tenant fails to deliver such amendment or replacement within ten (10) business days after written notice from Landlord, Landlord shall have the right to draw down the entire amount of the Letter of Credit and hold the proceeds thereof in accordance with Section 7.5 below.

7.4 Cash Proceeds of Letter of Credit. Landlord shall hold the balance of proceeds remaining after a draw on the Letter of Credit (each hereinafter referred to as the "**Security Deposit**") as security for Tenant's performance of all its Lease obligations. After an Event of Default, Landlord may apply the Security Deposit, or any part thereof, to Landlord's damages without prejudice to any other Landlord remedy. Landlord has no obligation to pay interest on the Security Deposit and may co-mingle the Security Deposit with Landlord's funds. If Landlord conveys its interest under this Lease, the Security Deposit, or any part not applied previously, shall be turned over to the grantee after which Tenant shall look solely to the grantee for the proper application and return of the Security Deposit.

7.5 Return of Security Deposit or Letter of Credit. Should Tenant comply with all of such terms, covenants and conditions and promptly pay all sums payable by Tenant to Landlord hereunder, the Letter of Credit or the remaining proceeds therefrom, as applicable, shall (less any portion thereof which may have been utilized by Landlord to cure any default or applied to any actual damage suffered by Landlord) be returned to Tenant within ninety (90) days after the end of the Term.

7.6 Reduction of the Letter of Credit. At any time after the [***] following the Rent Abatement Period, on the conditions that (x) Tenant is then in full compliance with its obligations under this Lease and no default of Tenant then exists, and (y) there has been no Event of Default during the immediately preceding [***] period, and (z) that Guarantor has a market cap that is in no event less than \$[***] (collectively, the "**Reduction Conditions**"), then Tenant may request that the amount of the Letter of Credit be reduced from the Initial LOC Amount to an amount equal to \$[***] (the "**Reduced Letter of Credit Amount**"). Within ten (10) business days after receiving Tenant's reduction request (the "**Reduction Request**") and supporting documentation as Landlord may reasonably request, Landlord shall either, by written notice to Tenant, (x) approve Tenant's Reduction Request, (y) deny Tenant's Reduction Request for the reasons set forth in this Section, specifying the reasons therefor, or (z) request additional information from Tenant in support of its Reduction Request, and in such event, Landlord shall have an additional ten (10) business days after receiving such additional information from Tenant in which to make a determination on Tenant's Reduction Request. Any such reduction in the amount of the Letter of Credit shall be effected within ten (10) business days after delivery of Landlord's written approval of Tenant's Reduction Request (provided that the Reduction Conditions continue to be satisfied during the period between Tenant's Reduction Request and the date on which the Reduction Request is effectuated). The reduction in the amount of the Letter of Credit may be effected by either, at Tenant's election, Tenant's delivering to Landlord: (i) a new Letter of Credit complying with the provisions of this Article 7, in the Reduced Letter of Credit Amount in exchange for the Letter of Credit which is then being held by Landlord; or (ii) an amendment to the Letter of Credit

then being held by Landlord, in a form reasonably satisfactory to Landlord, from the bank issuing such Letter of Credit, reflecting the Reduced Letter of Credit Amount.

8. INTENTIONALLY DELETED.

9. UTILITIES, LANDLORD'S SERVICES

9.1 Utilities. Tenant shall (i) obtain, at Tenant's sole cost and expense directly from the respective utility company, any utilities and services that are required for Tenant to operate its business in the Premises and that are not Landlord's express responsibility under this Lease, including, without limitation, all natural gas, heat, cooling, energy, light, power, sewer service, telephone, internet, water, refuse disposal and other utilities and services supplied to the Premises and (ii) pay, prior to delinquency, for all such utilities and services, and if Tenant fails to timely do so, Landlord may, at its option (and without any obligation to investigate the validity of the amounts due), do so and Tenant shall reimburse Landlord therefor upon demand. Notwithstanding the foregoing, to the extent that direct billing is not available from the utility provider Duke Energy, any associated utility services shall be paid by Landlord and Tenant shall reimburse Landlord therefor upon demand based on submeter readings. Landlord shall maintain all meters and monitors located outside of the Premises, and Tenant shall maintain all the sub-meters and monitors located within the Premises for such utilities, in each case in good working order, condition and repair. Tenant shall install electric, water and gas submeters measuring the Premises' consumption of such utilities as part of Tenant's Work. Landlord shall have the right to designate the service provider for electric, water and gas services. Except as expressly set forth in this Article IX, Tenant acknowledges that this is a fully net lease and agrees to contract separately for all utilities and building and other services required for Tenant's use and occupancy of the Premises hereunder. Landlord shall not in any way be liable or responsible to Tenant for any loss, damage or expense which Tenant may sustain or incur if the quantity, character, or supply of any utilities is changed or is no longer available or suitable for Tenant's requirements.

9.2 Interruption or Curtailment of Utilities. When necessary by reason of accident or emergency, or for repairs, alterations, replacements or improvements which in the reasonable judgment of Landlord are desirable or necessary to be made, Landlord reserves the right, upon as much prior notice to Tenant as is practicable under the circumstances and no less than sixty (60) hours' written notice except in the event of an emergency, to interrupt, curtail, or stop (i) the furnishing of hot and/or cold water, and (ii) the operation of the plumbing and electric systems. Landlord shall exercise reasonable diligence to eliminate the cause of any such interruption, curtailment, stoppage or suspension as soon as reasonably practicable, but, except as set forth in Section 10.7, there shall be no diminution or abatement of Rent or other compensation due from Landlord to Tenant hereunder, nor shall this Lease be affected or any of Tenant's obligations hereunder reduced, and Landlord shall have no responsibility or liability for any such interruption, curtailment, stoppage, or suspension of services or systems.

9.3 Landlord's Services. Subject to reimbursement pursuant to Section 5.2 above, Landlord shall provide the services described in Exhibit 7 attached hereto and made a part hereof ("**Landlord's Services**"). Tenant's use of the Building systems shall not exceed the Building systems capacities set forth on Exhibit 3. Except for the cost of providing and maintaining

supplemental HVAC equipment (which shall be Tenant's responsibility), all costs incurred in connection with the provision of Landlord's Services shall be included in Operating Costs.

10. MAINTENANCE AND REPAIRS

10.1 Maintenance and Repairs by Tenant. Tenant shall keep neat and clean and free of insects, rodents, vermin and other pests and in good repair, order and condition (reasonable wear and tear and damage by Casualty excepted): the Premises, including without limitation the entire interior of the Premises, all plumbing, electrical and mechanical systems, as well as heating, cooling, ventilating, and air conditioning systems that are located within and/or exclusively serving the Premises, all electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of the Tenant (whether located in the Premises or other portions of the Building), all fixtures, equipment and specialty lighting therein, any supplemental HVAC and humidification equipment exclusively serving the Premises, electrical equipment wiring, doors, non-structural walls, windows and floor coverings, Tenant's Rooftop Equipment, Tenant's Pad Site Equipment and Tanks, and all specific systems and equipment that exclusively serve the Premises, including, without limitation, equipment critical to manufacturing operations.

10.2 Maintenance and Repairs by Landlord. Except as otherwise provided in Section 15, and subject to Tenant's obligations in Section 10.1 above, Landlord shall maintain, promptly repair and keep in reasonable condition the Building foundation, the roof, Building structure, the structural floor slabs and columns in good repair, order and condition. In addition, Landlord shall operate and maintain the Common Areas in substantially the same manner as comparable biomanufacturing buildings in the vicinity of the Premises. All costs incurred by Landlord under this Section 10.2 shall be included in Operating Costs, subject to, and in accordance with Section 5.2.

10.3 Accidents to Sanitary and Other Systems. Tenant shall give to Landlord prompt notice of any fire or accident in the Premises or in the Building and of any damage to, or defective condition in, any part or appurtenance of the Building including, without limitation, sanitary, electrical, ventilation, heating and air conditioning or other systems located in, or passing through, the Premises. Except as otherwise provided in Article 15, and subject to Tenant's obligations in Section 10.1 above, such damage or defective condition shall be remedied by Landlord with reasonable diligence, but, subject to Section 14.5 below, if such damage or defective condition was caused by any of the Tenant Parties, the cost to remedy the same shall be paid by Tenant.

10.4 Floor Load-Heavy Equipment. Tenant shall not place a load upon any floor of the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by Legal Requirements. Landlord reserves the right to prescribe the weight and position of all safes, heavy machinery, heavy equipment, freight, bulky matter or fixtures (collectively, "**Heavy Equipment**"), which shall be placed so as to distribute the weight. Heavy Equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient in Landlord's reasonable judgment to absorb and prevent vibration, noise and annoyance. Tenant shall not move any Heavy Equipment into or out of the Building without giving Landlord prior written notice thereof and observing all of Landlord's Rules and Regulations with respect to the same. If such Heavy Equipment requires special handling, Tenant agrees to employ only persons holding a Master Rigger's License to do said work, and that all work in connection

therewith shall comply with Legal Requirements. Any such moving shall be at the sole risk and hazard of Tenant and Tenant will defend, indemnify and save Landlord and Landlord's agents (including without limitation its property manager), contractors and employees (collectively with Landlord, the "**Landlord Parties**") harmless from and against any and all claims, damages, losses, penalties, costs, expenses and fees (including without limitation reasonable legal fees) (collectively, "**Claims**") resulting directly or indirectly from such moving. Proper placement of all Heavy Equipment in the Premises shall be Tenant's responsibility.

10.5 Premises Cleaning. Tenant shall be responsible, at its sole cost and expense, for janitorial and removing trash from the Premises and for providing biohazard disposal services for the Premises, including the biomanufacturing areas thereof. Such services shall be performed by licensed (where required by law or governmental regulation), insured and qualified contractors approved in advance, in writing, by Landlord (which approval shall not be unreasonably withheld, delayed or conditioned) and on a sufficient basis to ensure that the Premises are at all times kept neat and clean.

10.6 Pest Control. Tenant, at Tenant's sole cost and expense, shall cause the Premises to be exterminated on a monthly basis to Landlord's reasonable satisfaction and shall cause all portions of the Premises used for the storage, preparation, service or consumption of food or beverages to be cleaned daily in a manner reasonably satisfactory to Landlord, and to be treated against infestation by insects, rodents and other vermin and pests whenever there is evidence of any infestation. If requested by Landlord, Tenant shall, at Tenant's sole cost and expense, store any refuse generated in the Premises by the consumption of food or beverages in a cold box or similar facility.

10.7 Service Interruptions.

(a) Abatement of Rent. In the event that: (i) there shall be an interruption, curtailment or suspension of any service or failure to perform any obligation required to be provided or performed by Landlord pursuant to Sections 9 and/or 10 (and no reasonably equivalent alternative service or supply is provided by Landlord) that shall materially interfere with Tenant's use and enjoyment of the Premises, or any portion thereof (any such event, a "**Service Interruption**"), and (ii) such Service Interruption shall continue for two (2) consecutive business days following receipt by Landlord of written notice (the "**Service Interruption Notice**") from Tenant describing such Service Interruption ("**Abatement Service Interruption Cure Period**"), and (iii) such Service Interruption shall not have been caused by an act or omission of Tenant or Tenant's agents, employees, contractors or invitees (an event that satisfies the foregoing conditions (i)-(iii) being referred to hereinafter as a "**Material Service Interruption**") then, Tenant, subject to the next following sentence, shall be entitled to an equitable abatement of Base Rent, Operating Costs and Taxes based on the nature and duration of the Material Service Interruption and the area of the Premises affected, for any and all days following the Abatement Service Interruption Cure Period that both (x) the Material Service Interruption is continuing and (y) Tenant does not use such affected areas of the Premises for a bona fide business purpose. Any efforts by Tenant to respond or react to any Material Service Interruption, including, without limitation, any activities by Tenant to remove its personal property from the affected areas of the Premises, shall not constitute a use that precludes abatement pursuant to this Section 10.7(a). The Abatement Service Interruption Cure Period shall be extended by reason of any delays in Landlord's ability to cure

the Service Interruption in question caused by Landlord's Force Majeure, provided however, that in no event shall the Abatement Service Interruption Cure Period with respect to any Service Interruption be longer than ten (10) consecutive business days after Landlord receives the applicable Service Interruption Notice.

(b) The provisions of this Section 10.7 shall not apply in the event of a Service Interruption caused by Casualty or Taking (see Article 15 below).

(c) The provisions of this Section 10.7 set forth Tenant's sole rights and remedies, both in law and in equity, in the event of any Service Interruption.

11. ALTERATIONS AND IMPROVEMENTS BY TENANT

11.1 Landlord's Consent Required.

(a) Tenant shall not make any alterations, installations, removals, additions or improvements (collectively with Tenant's Work, "**Alterations**") in or to the Premises without Landlord's prior written approval of the contractor, written plans and specifications and a time schedule therefor. Landlord reserves the right to require that Tenant use Landlord's preferred vendor for any Alterations that involve roof penetrations, alarm tie-ins, sprinklers, fire alarm and other life safety equipment. Tenant shall not make any amendments or additions to plans and specifications approved by Landlord without Landlord's prior written consent. Landlord's approval of non-structural Alterations shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Landlord may withhold its consent in its sole discretion (a) to any Alteration to or affecting the roof and/or building systems (subject, however, to Section 1.3(d) with respect to Tenant's Rooftop Equipment), (b) with respect to matters of aesthetics relating to Alterations to or affecting the exterior of the Building, (c) to any Alteration affecting the Building structure and (d) to any proposed Alterations outside of the Premises (subject, however, to Section 1.3(e) with respect to Alterations affecting the Pad Sites. Tenant shall be responsible for all elements of the design of Tenant's plans for any Alterations (including, without limitation, compliance with Legal Requirements, functionality of design, the structural integrity of the design, the configuration of the Premises and the placement of Tenant's furniture, appliances and equipment), and Landlord's approval of Tenant's plans shall in no event relieve Tenant of the responsibility for such design of any Alterations. In seeking Landlord's approval, Tenant shall, at least ten (10) business days prior to the date that Tenant applies for any necessary permits for any Alterations or construction, provide Landlord with plans, specifications, bid proposals, certified stamped engineering drawings and calculations by Tenant's engineer of record or architect of record (including connections to the Building's structural system, the Building's mechanical, electrical and plumbing systems, modifications to the Building's envelope, non-structural penetrations in slabs or walls, and modifications or tie-ins to life safety systems), work contracts, requests for laydown areas and such other information concerning the nature and cost of the Alterations as Landlord may reasonably request. Landlord shall have no liability or responsibility for any claim, injury or damage alleged to have been caused by the particular materials (whether building standard or non-building standard), appliances or equipment selected by Tenant in connection with any work performed by or on behalf of Tenant. Except as otherwise expressly set forth herein, all Alterations shall be done at Tenant's sole cost and expense. If Tenant shall make any Alterations, then Landlord may elect to require Tenant at the expiration or sooner termination

of the Term to restore the Premises to substantially the same condition as existed immediately prior to the Alterations. Landlord agrees that it will make such election with respect to any Alteration at the time that Landlord approves Tenant's plans and specifications for an Alteration. Tenant shall provide Landlord with reproducible record drawings (in CAD format) of all Alterations within sixty (60) days after completion thereof.

(b) Notwithstanding the foregoing, Tenant shall have the right without obtaining the prior consent of Landlord, but upon prior notice to Landlord as provided below, to make Alterations to the Premises where: (i) the same are within the interior of the Premises, and do not affect the exterior of the Building and do not affect any of the Building structural elements or base Building systems installed by Landlord; (ii) the cost of any individual Alteration shall not exceed \$100,000.00 in cost; (iii) Tenant shall comply with the provisions of this Lease, and if such work increases the cost of insurance or taxes, Tenant shall pay for any such increase in cost; and (iv) Tenant gives Landlord at least five (5) business days' prior notice describing such work in reasonable detail, accompanied by copies of plans and specifications therefor (to the extent plans and specifications are typically prepared in accordance with such work).

(c) Subject to the provisions of this Section 11.1, if Tenant makes any Alterations that (i) may adversely affect the general utility of the Building for use by future tenants or (ii) require unusual expense to readapt the Premises to normal use as a biotechnology office and research and development facility ("**Specialty Alterations**"), then Landlord may elect to require Tenant at the expiration or sooner termination of the Term to remove such Specialty Alterations and repair any damage to the Premises caused by such removal (which election shall be made at the time of Landlord's approval of such Alterations). Landlord agrees that it will make such election with respect to any Alteration at the time that Landlord approves Tenant's plans and specifications for an Alteration, if Tenant gives written notice to Landlord requesting Landlord to make such election at the time of such approval.

11.2 After-Hours. Landlord and Tenant recognize that to the extent Tenant elects to perform some or all of the Alterations during times other than normal construction hours (i.e., Monday-Friday, 7:00 a.m. to 3:00 p.m., excluding holidays), Landlord may need to make arrangements to have supervisory personnel on site. Accordingly, Landlord and Tenant agree as follows: Tenant shall give Landlord at least two (2) business days' prior written notice of any time outside of normal construction hours when Tenant intends to perform any Alterations (the "**After-Hours Work**"). Tenant shall reimburse Landlord, within ten (10) days after demand therefor, for the cost of Landlord's supervisory personnel overseeing the After-Hours Work. In addition, if construction during normal construction hours unreasonably disturbs other tenants of the Building, in Landlord's sole discretion, Landlord may require Tenant to stop the performance of Alterations during normal construction hours and to perform the same after hours, subject to the foregoing requirement to pay for the cost of Landlord's supervisory personnel. This Section 11.2 shall not apply to the Tenant's Work.

11.3 Harmonious Relations. Tenant agrees that it will not, either directly or indirectly, use any contractors and/or materials if their use will create any difficulty, whether in the nature of a labor dispute or otherwise, with other contractors and/or labor engaged by Tenant or Landlord or others in the construction, maintenance and/or operation of the Building, the Property, the Campus or any part thereof. In the event of any such difficulty, upon Landlord's request, Tenant

shall cause all contractors, mechanics or laborers causing such difficulty to leave the Campus immediately.

11.4 Liens. No Alterations shall be undertaken by Tenant until (i) Tenant has made provision for written waiver of liens from all contractors in the applicable form attached hereto as **Exhibit 11** for such Alteration and taken other appropriate protective measures approved and/or required by Landlord; and (ii) Tenant has procured appropriate surety payment and performance bonds which shall name Landlord as an additional insured and has filed lien bonds (in jurisdictions where available) on behalf of such contractors. Any mechanic's lien filed against the Premises or the Building for work claimed to have been done for, or materials claimed to have been furnished to, Tenant shall be fully bonded or discharged by Tenant within ten (10) business days thereafter, at Tenant's expense by filing the bond required by law or otherwise.

11.5 General Requirements. Unless Landlord and Tenant otherwise agree in writing, Tenant shall (a) procure or cause others to procure on its behalf all necessary permits before undertaking any Alterations in the Premises (and provide copies thereof to Landlord); (b) perform all of such Alterations in a good and workmanlike manner, employing materials of good quality and in compliance with Landlord's construction rules and regulations, all insurance requirements of this Lease, and Legal Requirements; and (c) defend, indemnify and hold the Landlord Parties harmless from and against any and all Claims occasioned by or growing out of such Alterations.

11.6 Security System. Tenant may elect to install an access controlled security system in the Premises; provided, however, any such system shall be compatible with the existing Building access control system and the plans and specifications for any such system shall be subject to the prior approval of Landlord in all respects, not to be unreasonably withheld, conditioned or delayed. The work to install any such security system shall be performed in accordance with this Lease, including, without limitation, this Article 11. In no event shall Tenant be allowed to install fencing in the Campus or in the exterior of the Premises and Building.

12. SIGNAGE

12.1 Building Signage. Tenant shall have the right, at Tenant's sole cost and expense and as part of Tenant's Work, to install Building standard signage identifying Tenant's business on the exterior of the Building at the entrance to the Premises, the location, size and design of which is attached hereto as Exhibit 4-3 (the "**Building Signage**"). Subject to the foregoing, Tenant shall not place or suffer to be placed or maintained on the exterior of the Premises, or any part of the interior visible from the exterior thereof, any sign, banner, advertising matter or any other thing of any kind (including, without limitation, any hand-lettered advertising), and shall not place or maintain any decoration, letter or advertising matter on the glass of any window or door of the Premises without first obtaining Landlord's written approval. No signs may be put on or in any window or elsewhere if visible from the exterior of the Building.

12.2 Restrictions. Tenant's right to maintain Tenant's Building Signage is subject to the following conditions and obligations (collectively, the "**Tenant's Building Signage Conditions**"): (i) Tenant's Building Signage shall be subject to the prior written approval of Landlord as to location, size, materials, manner of attachment and appearance of Tenant's Building Signage, and the materials, design, lighting and method of installation of Tenant's Building

Signage, and any requested changes thereto, shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed, (ii) Tenant's Building Signage shall comply with all Legal Requirements, (iii) Tenant shall have obtained all governmental permits and approvals required in connection therewith and the installation thereof, and (iv) the maintenance and removal of such Tenant's Building Signage (including, without limitation, the repair and cleaning of the existing monument façade and exterior of the Building, as applicable, upon removal of Tenant's Building Signage) shall be performed at Tenant's sole cost and expense in accordance with the terms and conditions governing alterations pursuant to Article 11 hereof.

12.3 Signage Removal. Notwithstanding the foregoing provisions of Section 12.2 to the contrary: (i) within thirty (30) days after the date on which there occurs, and remains uncured, a failure of one or more of the applicable Tenant's Building Signage Conditions, or (ii) immediately upon the expiration or earlier termination of the Term of the Lease, Tenant shall, at Tenant's cost and expense, remove the Tenant's Building Signage and restore all damage to the façade caused by the installation and/or removal of Tenant's Building Signage, which removal and restoration shall be performed in accordance with the terms and conditions governing Alterations pursuant to Article 11 hereof.

12.4 Wayfinding, Monument Signage. Landlord shall have no obligation to install wayfinding signs at the Campus, but if Landlord installs wayfinding signs within the Common Areas which identify tenants of the Campus, then Landlord shall offer Tenant placement on such wayfinding signs to the extent the placement on such signs is reasonably appropriate under the circumstances (i.e. Tenant will be entitled to placement on some of such wayfinding signs, but not all such signs). For so long as the Lease is in full force and effect, Landlord shall list, at Landlord's initial cost and expense, Tenant's name ("**Tenant's Monument Signage**") on the existing exterior monument sign (the "**Monument Sign**") serving the Campus during the Initial Term of the Lease, and any extensions thereof, subject to the provisions of this Section 12.4. The parties hereby agree that the maintenance and removal of such Tenant's Monument Signage (including, without limitation, the repair and cleaning of the existing monument façade upon removal of Tenant's Monument Signage) shall be performed at Landlord's sole cost and expense, except that Tenant shall be responsible for the cost of any change in Tenant's Monument Signage during the Initial Term of the Lease.

13. ASSIGNMENT, MORTGAGING AND SUBLETTING

13.1 Landlord's Consent Required. Tenant shall not mortgage or encumber this Lease or in whole or in part whether at one time or at intervals, operation of law or otherwise. Except as expressly otherwise set forth herein, Tenant shall not, without Landlord's prior written consent, assign, sublet, license or transfer this Lease or the Premises in whole or in part whether by changes in the ownership or control of Tenant, or any direct or indirect owner of Tenant, whether at one time or at intervals, by sale or transfer of stock, partnership or beneficial interests, operation of law or otherwise, or permit the occupancy of all or any portion of the Premises by any person or entity other than Tenant's employees (including contract employees of Tenant) (each of the foregoing, a "**Transfer**"); provided, however, the provisions of this Article 13 shall not apply to the transfer of ownership interests in Guarantor if and so long as Guarantor is publicly traded on a nationally recognized stock exchange. Any purported Transfer made in violation of the terms hereof shall

be void and confer no rights upon any third person, provided that if there is a Transfer, Landlord may collect rent from the transferee without waiving the prohibition against Transfers, accepting the transferee, or releasing Tenant from full performance under this Lease. In the event of any Transfer in violation of this Article 13, Landlord shall have the right to terminate this Lease upon thirty (30) days' written notice to Tenant given within sixty (60) days after receipt of written notice from Tenant to Landlord of such Transfer, or within sixty (60) days after Landlord first learns of such Transfer if no notice is given. No Transfer shall relieve Tenant of its primary obligation as party Tenant hereunder, nor shall it reduce or increase Landlord's obligations under this Lease.

13.2 Standard of Consent to Transfer. Landlord agrees that, subject to the provisions of this Article 13, Landlord shall not unreasonably withhold, condition or delay its consent to a Transfer at fair market rent and otherwise to an entity which will use the Premises for the Permitted Uses and, in Landlord's reasonable opinion: (a) has a tangible net worth and other financial indicators sufficient to meet the Transferee's obligations under the Transfer instrument in question; (b) has a business reputation compatible with the operation of a first-class combination biomanufacturing, research, development and GMP buildings; and (c) the intended use of such entity does not violate any restrictive use provisions then in effect with respect to space in the Building. Landlord shall review and make a determination on a requested Transfer within fifteen (15) business days of receiving all information from Tenant required pursuant to this Article 13.

13.3 Listing Confers no Rights. The listing of any name other than that of Tenant, whether on the doors of the Premises or otherwise, shall not operate to vest in any such other person, firm or corporation any right or interest in this Lease or in the Premises or be deemed to effect or evidence any consent of Landlord, it being expressly understood that any such listing is a privilege extended by Landlord revocable at will by written notice to Tenant.

13.4 Profits In Connection with Transfers. Except with respect to any Permitted Transfers, as defined in Section 13.6, Tenant shall, within thirty (30) days of receipt thereof, pay to Landlord fifty percent (50%) of any rent, sum or other consideration to be paid or given in exchange for any Transfer, either initially or over time, after deducting reasonable actual out-of-pocket legal, and brokerage expenses incurred by Tenant and unamortized improvements paid for by Tenant in connection therewith, in excess of Rent hereunder as if such amount were originally called for by the terms of this Lease as Additional Rent.

13.5 Prohibited Transfers. Notwithstanding any contrary provision of this Lease, Tenant shall have no right to make a Transfer unless on both (i) the date on which Tenant notifies Landlord of its intention to enter into a Transfer and (ii) the date on which such Transfer is to take effect, Tenant is not in default of any of its obligations under this Lease. Notwithstanding anything to the contrary contained herein, Tenant agrees that in no event shall Tenant make a Transfer to (a) any government agency; (b) any tenant, subtenant or occupant of other space in the Campus; or (c) any entity with whom Landlord is currently negotiating, or shall have negotiated, for space in the Campus in the six (6) months immediately preceding such proposed Transfer.

13.6 Exceptions to Requirement for Consent. Notwithstanding anything to the contrary herein contained, Tenant shall have the right, without obtaining Landlord's consent, to (a) make a Transfer to an Affiliated Entity (hereinafter defined) so long as the transfer to such Affiliated Entity is for legitimate business purposes (and not for the purpose of avoiding the

provisions of this Section 13) and such entity remains in such relationship to Tenant, and (b) assign all of Tenant's interest in and to the Lease to a Successor, provided that prior to or simultaneously with any assignment pursuant to this **Section 13.7**, such Affiliated Entity or Successor, as the case may be, and Tenant execute and deliver to Landlord an assignment and assumption agreement in form and substance reasonably acceptable to Landlord whereby such Affiliated Entity or Successor, as the case may be, shall agree to be independently bound by and upon all the covenants, agreements, terms, provisions and conditions set forth in the Lease on the part of Tenant to be performed, and whereby such Affiliated Entity or Successor, as the case may be, shall expressly agree that the provisions of this **Article 13** shall, notwithstanding such Transfer, continue to be binding upon it with respect to all future Transfers. For the purposes hereof, an "**Affiliated Entity**," shall be defined as any entity which is controlled by, is under common control with, or which controls Tenant. For the purposes hereof, a "**Successor**" shall be defined as any entity into or with which Tenant is merged or with which Tenant is consolidated or which acquires all or substantially all of Tenant's stock or assets, provided that the surviving entity shall have a market cap equal to or greater than \$1,000,000,000.00. Except to the extent such Transfer is subject to confidentiality requirements (in which case such notice shall be given within ten (10) days after the Transfer), Tenant shall give Landlord at least ten (10) days' prior written notice of any Permitted Transfer, such notice to include evidence, reasonably satisfactory to Landlord, that the conditions to the Permitted Transfer in question have been satisfied. Transfers to Affiliated Entities and to Successors which are permitted pursuant to this Section 13.7, are referred to collectively herein as "**Permitted Transfers**", and such Affiliated Entities and Successors are referred to herein as "**Permitted Transferees**".

14. INSURANCE; INDEMNIFICATION; EXCULPATION

14.1 Tenant's Insurance.

(a) Tenant shall procure, pay for and keep in force throughout the Term (and for so long thereafter as Tenant remains in occupancy of the Premises) commercial general liability insurance insuring Tenant on an occurrence basis against all claims and demands for personal injury liability (including, without limitation, bodily injury, sickness, disease, and death) or damage to property which may be claimed to have occurred from and after the time any of the Tenant Parties shall first enter the Premises, of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate annually. Tenant shall also carry umbrella liability coverage in an amount of no less than Five Million Dollars (\$5,000,000). Such policy shall also include contractual liability coverage covering Tenant's liability assumed under this Lease, including without limitation Tenant's indemnification obligations. Such insurance policy(ies) shall name Landlord, Landlord's managing agent and persons claiming by, through or under them, if any, as additional insureds.

(b) Tenant shall take out and maintain throughout the Term (whether the Premises is occupied or vacant) a policy of fire, vandalism, malicious mischief, extended coverage and so-called "all risk" coverage insurance in an amount equal to one hundred percent (100%) of the replacement cost insuring (i) all items or components of Alterations (collectively, the "**Tenant-Insured Improvements**"), and (ii) all of Tenant's furniture, equipment, fixtures and property of every kind, nature and description related or arising out of Tenant's leasehold estate hereunder, which may be in or upon the Premises or the Building, including without limitation Tenant's

Rooftop Equipment (collectively, “**Tenant’s Property**”). The insurance required to be maintained by Tenant pursuant to this Section 14.1(b) (referred to herein as “**Tenant Property Insurance**”) shall insure the interests of both Landlord and Tenant as their respective interests may appear from time to time.

(c) Tenant shall take out and maintain a policy of business interruption insurance throughout the Term sufficient to cover at least twelve (12) months of Rent due hereunder and Tenant’s business losses during such 12-month period.

(d) Tenant shall maintain throughout the Term the following policies covering all persons employed by Tenant in connection with the construction of any improvements and the operation of its business upon the Premises: (i) workers’ compensation insurance in accordance with statutory law, and (ii) employers’ liability insurance with a limit of not less than One Million Dollars (\$1,000,000) per accident, One Million Dollars (\$1,000,000) disease, policy limit and One Million Dollars (\$1,000,000) disease limit each employee. Tenant’s worker’s compensation insurance shall provide a waiver of subrogation in favor of Landlord.

(e) During periods when Tenant’s Work and/or any Alterations are being performed, Tenant shall maintain, or cause to be maintained, so-called all risk or special cause of loss property insurance or its equivalent and/or builders risk insurance on 100% replacement cost coverage basis, including hard and soft costs coverages. Such insurance shall protect and insure Landlord, Landlord’s agents, Tenant and Tenant’s contractors, as their interests may appear, against loss or damage by fire, water damage, vandalism and malicious mischief, and such other risks as are customarily covered by so-called all risk or special cause of loss property / builders risk coverage or its equivalent.

(f) Tenant shall procure and maintain at its sole expense such additional insurance as may be necessary to comply with any Legal Requirements.

(g) Tenant shall cause all contractors and subcontractors to maintain during the performance of any Alterations the insurance described in Exhibit 10 attached hereto.

(h) The insurance required pursuant to Sections 14.1(a), (b), (c), (d), (e) and (f) (collectively, “**Tenant’s Insurance Policies**”) shall be effected with insurers with a rating of not less than “A-XI” in the current *Best’s Insurance Reports*, and authorized to do business in the State of North Carolina under valid and enforceable policies. Tenant’s Insurance Policies shall each provide that it shall not be canceled or modified without at least thirty (30) days’ prior written notice to Landlord. Tenant’s Insurance Policies may include deductibles in an amount no greater than the greater of \$25,000 or commercially reasonable amounts. On or before the date on which any of the Tenant Parties shall first enter the Premises and thereafter not less than fifteen (15) days prior to the expiration date of each expiring policy, Tenant shall deliver to Landlord certificates of Tenant’s Insurance Policies issued by the respective insurers setting forth in full the provisions thereof together with evidence satisfactory to Landlord of the payment of all premiums for such policies. In the event of any claim, and upon Landlord’s request, Tenant shall deliver to Landlord complete copies of Tenant’s Insurance Policies. Upon request of Landlord, Tenant shall deliver to any Mortgagee copies of the foregoing documents.

14.2 Indemnification. Except to the extent caused by the negligence or willful misconduct of any of the Landlord Parties, or by any violation of any Legal Requirements or breach of this Lease by Landlord, Tenant shall defend, indemnify and save the Landlord Parties harmless from and against any and all Claims asserted by or on behalf of any person, firm, corporation or public authority arising from:

- (a) Tenant's breach of any covenant or obligation under this Lease;
- (b) Any injury to or death of any person, or loss of or damage to property, sustained or occurring upon or in the Premises (whether such Premises is vacant or occupied) or the Rooftop Premises;
- (c) Any injury to or death of any person, or loss of or damage to property arising out of the use or occupancy of the Premises or the Rooftop Premises by or the negligence or willful misconduct of any of the Tenant Parties; and
- (d) On account of or based upon any work or thing whatsoever done (other than by Landlord or any of the Landlord Parties) at the Premises or the Rooftop Premises during the Term and during the period of time, if any, prior to the Term Commencement Date that any of the Tenant Parties may have been given access to the Premises under Section 1.4(b) hereof.

14.3 Property of Tenant. Tenant covenants and agrees that, to the maximum extent permitted by Legal Requirements, all of Tenant's Property at the Premises shall be at the sole risk and hazard of Tenant, and that if the whole or any part thereof shall be damaged, destroyed, stolen or removed from any cause or reason whatsoever, no part of said damage or loss shall be charged to, or borne by, Landlord, except, subject to Section 14.5 hereof, to the extent such damage or loss is due to the negligence or willful misconduct of any of the Landlord Parties.

14.4 Limitation of Landlord's Liability for Damage or Injury. Landlord shall not be liable for any injury or damage to persons, or property resulting from fire, explosion, falling plaster, steam, gas, air contaminants or emissions, electricity, electrical or electronic emanations or disturbance, water, rain or snow or leaks from any part of the Building or from the pipes, appliances, equipment or plumbing works or from the roof, street or sub-surface or from any other place or caused by dampness, vandalism, malicious mischief or by any other cause of whatever nature, except, subject to Section 14.5, to the extent caused by or due to the negligence or willful misconduct of any of the Landlord Parties, and then, where notice and an opportunity to cure are appropriate (i.e., where Tenant has an opportunity to know or should have known of such condition sufficiently in advance of the occurrence of any such injury or damage resulting therefrom as would have enabled Landlord to prevent such damage or loss had Tenant notified Landlord of such condition) only after (i) notice to Landlord of the condition claimed to constitute negligence or willful misconduct, and (ii), solely with respect to a condition claimed to constitute negligence (and not willful misconduct) the expiration of a commercially reasonable time after such notice has been received by Landlord without Landlord having commenced to take all reasonable and practicable means to cure or correct such condition; and pending any such cure or correction by Landlord, Tenant shall take all reasonably prudent temporary measures and safeguards to prevent any injury, loss or damage to persons or property. Notwithstanding the foregoing, in no event shall any of the Landlord Parties be liable for any loss which is covered by insurance policies

actually carried or required to be so carried by this Lease; nor shall any of the Landlord Parties be liable for any such damage caused by other tenants or persons in the Building.

14.5 Waiver of Subrogation; Mutual Release. Landlord and Tenant each hereby waives on behalf of itself and its property insurers (none of which shall ever be assigned any such claim or be entitled thereto due to subrogation or otherwise) any and all rights of recovery, claim, action, or cause of action against the other and its agents, officers, servants, partners, shareholders, or employees (collectively, the “**Related Parties**”) for any loss or damage that may occur to or within the Premises or the Building or any improvements thereto, or any personal property of such party therein which is insured against under any Property Insurance (as defined in Section 14.7) policy actually being maintained by the waiving party from time to time, even if not required hereunder, or which would be insured against under the terms of any Property Insurance policy required to be carried or maintained by the waiving party hereunder, whether or not such insurance coverage is actually being maintained, including, in every instance, such loss or damage that may be caused by the negligence of the other party hereto and/or its Related Parties. Landlord and Tenant each agrees to cause appropriate clauses to be included in its Property Insurance policies necessary to implement the foregoing provisions.

14.6 Tenant’s Acts—Effect on Insurance. Tenant shall not do or permit any Tenant Party to do any act or thing upon the Premises or elsewhere in the Building which will invalidate or be in conflict with any insurance policies covering the Building and the fixtures and property therein. If by reason of the failure of Tenant to comply with the provisions hereof the insurance rate applicable to any policy of insurance shall at any time thereafter be higher than it otherwise would be, Tenant shall reimburse Landlord upon demand for that part of any insurance premiums which shall have been charged because of such failure by Tenant, together with interest at the Default Rate until paid in full, within ten (10) days after receipt of an invoice therefor. In addition, Tenant shall reimburse Landlord for any increase in insurance premium arising as a result of Tenant’s use and/or storage of any Hazardous Materials in the Premises.

14.7 Landlord’s Insurance. Landlord shall carry at all times during the Term of this Lease: (i) commercial general liability insurance with respect to the Building, the Land and the Common Areas thereof in an amount not less than Five Million Dollars (\$5,000,000) combined single limit per occurrence, (ii) with respect to the Building, excluding Tenant-Insured Improvements and improvements made by other tenants or occupants, insurance against loss or damage caused by any peril covered under fire, extended coverage and all risk insurance with coverage against vandalism, malicious mischief and such other insurable hazards and contingencies as are from time to time normally insured against by owners of similar first class combination biomanufacturing, research and development, office and GMP parks in the Market Area or which are required by Landlord’s mortgagee, in an amount equal to one hundred percent (100%) of the full replacement cost thereof above foundation walls (“**Landlord Property Insurance**”), and (iii) rent interruption insurance covering at least eighteen (18) months. Any and all such insurance: (x) may be maintained under a blanket policy affecting other properties of Landlord and/or its affiliated business organizations, and (y) may be written with commercially reasonable deductibles as determined by Landlord. The costs incurred by Landlord related to such insurance shall be included in Operating Costs. Tenant Property Insurance and Landlord Property Insurance are referred to collectively herein as “**Property Insurance**”.

15. CASUALTY; TAKING

15.1 Damage. If the Premises are damaged in whole or part because of fire or other insured casualty (“**Casualty**”), or if the Premises are subject to a taking in connection with the exercise of any power of eminent domain, condemnation, or purchase under threat or in lieu thereof (any of the foregoing, a “**Taking**”), then unless this Lease is terminated in accordance with Section 15.2 below, Landlord shall restore the Building and/or the Premises to substantially the same condition as existed immediately following completion of Landlord’s Work, or in the event of a partial Taking which affects the Building and the Premises, restore the remainder of the Building and the Premises not so Taken to substantially the same condition as is reasonably feasible. If, in Landlord’s reasonable judgment, any element of the Tenant-Insured Improvements can more effectively be restored as an integral part of Landlord’s restoration of the Building or the Premises, such restoration shall also be made by Landlord, but at Tenant’s sole cost and expense.

Subject to rights of Mortgagees, Tenant Delays, Legal Requirements then in existence and to delays for adjustment of insurance proceeds or Taking awards, as the case may be, and instances of Force Majeure, Landlord shall substantially complete such restoration within one (1) year after Landlord’s receipt of all required permits therefor with respect to substantial reconstruction of at least 50% of the Building, or, within one hundred eighty (180) days after Landlord’s receipt of all required permits therefor in the case of restoration of less than 50% of the Building. Upon substantial completion of such restoration by Landlord, Tenant shall use diligent efforts to complete restoration of the Premises to substantially the same condition as existed immediately prior to such Casualty or Taking, as the case may be, as soon as reasonably possible. Tenant agrees to cooperate with Landlord in such manner as Landlord may reasonably request to assist Landlord in collecting insurance proceeds due in connection with any Casualty which affects the Premises or the Building. In no event shall Landlord be required to expend more than the Net (hereinafter defined) insurance proceeds Landlord receives for damage to the Premises and/or the Building or the Net Taking award attributable to the Premises and/or the Building. “**Net**” means the insurance proceeds or Taking award actually paid to Landlord (and not paid over to a Mortgagee) less all costs and expenses, including adjusters and attorney’s fees, of obtaining the same. In the Operating Year in which a Casualty occurs, there shall be included in Operating Costs Landlord’s deductible under its property insurance policy. Except as Landlord may elect pursuant to this Section 15.1, under no circumstances shall Landlord be required to repair any damage to, or make any repairs to or replacements of, any Tenant-Insured Improvements.

15.2 Termination Rights.

(a) Landlord’s Termination Rights. Landlord may terminate this Lease upon thirty (30) days’ prior written notice to Tenant if:

- (i) any material portion of the Building or any material means of access thereto is taken;
 - (ii) more than thirty-five percent (35%) of the Building is damaged by Casualty; or
 - (iii) if the estimated time to complete restoration exceeds one (1) year from the date on which Landlord receives all required permits for such restoration.
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(b) Tenant's Termination Right. If (i) Landlord is so required but fails to complete restoration of the Premises within the time frames and subject to the conditions set forth in Section 15.1 above, or (ii) if the estimated Restoration Period, as set forth in the Restoration Estimate, exceeds two hundred seventy (270) days from the date of the Casualty, then in either case Tenant may terminate this Lease upon thirty (30) days' written notice to Landlord; provided, however, that if Landlord completes such restoration within thirty (30) days after receipt of any such termination notice, such termination notice shall be null and void and this Lease shall continue in full force and effect. The remedies set forth in this Section 15.2(b) and in Section 15.2(c) below are Tenant's sole and exclusive rights and remedies based upon Landlord's failure to complete the restoration of the Premises as set forth herein. Notwithstanding anything to the contrary contained herein, Tenant shall not have the right to terminate this Lease pursuant to this Section 15 if the Casualty was caused by the gross negligence or intentional misconduct of any Tenant Party.

(c) Either Party May Terminate. In the case of any Casualty or Taking affecting the Premises and occurring during the last twelve (12) months of the Term, then (i) if such Casualty or Taking results in more than twenty-five percent (25%) of the floor area of the Premises being unsuitable for the Permitted Uses, or (ii) the damage to the Premises costs more than \$250,000 to restore, then either Landlord or Tenant shall have the option to terminate this Lease upon thirty (30) days' written notice to the other. In addition, if Landlord's Mortgagee does not release sufficient insurance proceeds to cover the cost of Landlord's restoration obligations, then Landlord shall (i) notify Tenant thereof, and (ii) have the right to terminate this Lease. If Landlord does not terminate this Lease pursuant to the previous sentence and such notice by Landlord does not include an agreement by Landlord to pay for the difference between the cost of such restoration and such released insurance proceeds, then Tenant may terminate this Lease by written notice to Landlord on or before the date that is thirty (30) days after such notice. Notwithstanding anything to the contrary contained in this Section 15, in no event may Tenant elect to terminate this Lease hereunder if the Casualty that would otherwise give rise to such right results from the gross negligence or willful misconduct of Tenant, its agents, contractors, or employees.

(d) Automatic Termination. In the case of a Taking of the entire Premises, then this Lease shall automatically terminate as of the date of possession by the Taking authority.

15.3 Rent Abatement. In the event of a Casualty or Taking affecting the Premises, there shall be an equitable adjustment of Base Rent, Operating Costs and Taxes based upon the degree to which Tenant's ability to conduct its business in the Premises is impaired by reason of such Casualty or Taking from and after the date of a Casualty or Taking, and continuing until the following portions of the repair and restoration work to be performed by Landlord, as set forth above, are substantially completed: (i) any repair and restoration work to be performed by Landlord within the Premises, and (ii) repair and restoration work with respect to the Common Areas to the extent that damage to the Common Areas caused by such Casualty or Taking materially adversely affects Tenant's use of, or access to, the Premises.

15.4 Taking for Temporary Use. If the Premises are Taken for temporary use, this Lease and Tenant's obligations, including without limitation the payment of Rent, shall continue. For purposes hereof, a "Taking for temporary use" shall mean a Taking of ninety (90) days or less.

15.5 Disposition of Awards. Except for any separate award for Tenant's movable trade fixtures, relocation expenses, unamortized leasehold improvements paid for by Tenant, or temporary interruption in Tenant's use and occupancy of the Premises (provided that the same may not reduce Landlord's award), all Taking awards to Landlord or Tenant shall be Landlord's property without Tenant's participation, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant may pursue its own claim against the Taking authority.

16. ESTOPPEL CERTIFICATE.

Tenant shall at any time and from time to time upon not less than fifteen (15) days' prior notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying whether this Lease is unmodified and in full force and effect (or if there have been modifications, whether the same is in full force and effect as modified and stating the modifications), and the dates to which Rent has been paid in advance, if any, stating whether or not, to Tenant's actual knowledge, Landlord is in default in performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default, and such other facts as Landlord may reasonably request, it being intended that any such statement delivered pursuant hereto may be relied upon by Landlord, any prospective purchaser of the Building or of any interest of Landlord therein, any Mortgagee or prospective Mortgagee thereof, any lessor or prospective lessor thereof, any lessee or prospective lessee thereof, or any prospective assignee of any mortgage thereof. *Time is of the essence with respect to any such requested certificate*, Tenant hereby acknowledging the importance of such certificates in mortgage financing arrangements, prospective sales and the like.

17. HAZARDOUS MATERIALS

17.1 Prohibition; Disclosure. Prior to or concurrently with executing this Lease, Tenant has completed, executed and delivered to Landlord a Hazardous Materials Disclosure Certificate ("**Initial Disclosure Certificate**"), a fully completed copy of which is attached hereto as Exhibit 8 and incorporated herein by this reference. Tenant represents and warrants to Landlord that the information on the Initial Disclosure Certificate is true and correct and accurately describes all Hazardous Materials (as defined below) which will be manufactured, treated, used or stored on or about the Premises (including, without limitation, within any of the Pad Sites) by Tenant. At such times as Tenant desires to manufacture, treat, use or store on or about the Premises (or the Pad Sites) new Hazardous Materials which were not listed on the Initial Disclosure Certificate, or materially increase the quantity of any Hazardous Materials that were listed on the Initial Disclosure Certificate, Tenant shall promptly complete, execute and deliver to Landlord an updated Disclosure Certificate (each, an "**Updated Disclosure Certificate**") describing Tenant's then current and proposed future uses of Hazardous Materials on or about the Premises (or the Pad Sites), which Updated Disclosure Certificate shall be in the same format as that which is set forth in Exhibit 8 or in such updated format as Landlord may require from time to time. Without limiting the generality of the foregoing, Tenant shall deliver an Updated Disclosure Certificate to Landlord not less than thirty (30) days prior to the date Tenant intends to commence the manufacture, treatment, use or storage of new or materially increased quantities of Hazardous Materials on or about the Premises (or the Pad Sites), and Landlord shall have the right to approve or disapprove such new or additional Hazardous Materials in its reasonable discretion (Tenant agreeing that it shall be reasonable for Landlord to deny any such new or additional Hazardous Materials if

required by any governmental authority having jurisdiction over the same, or if approval would be inconsistent with applicable Environmental Laws). Tenant shall make no use of Hazardous Materials on or about the Premises (or the Pad Sites), the Property or the Campus except as described in the Initial Disclosure Certificate or as otherwise approved by Landlord in writing, in accordance with this Section 17.

17.2 Environmental Laws. For purposes hereof, “Environmental Laws” shall mean all laws, statutes, ordinances, rules and regulations of any local, state or federal governmental authority having jurisdiction concerning environmental, health and safety matters, including but not limited to any discharge by any of the Tenant Parties into the air, surface water, sewers, soil or groundwater of any Hazardous Material (hereinafter defined) whether within or outside the Premises, including, without limitation (a) the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., (b) the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., (c) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., and (d) the Toxic Substances Control Act of 1976, 15 U.S.C. Section 2601 et seq. Tenant, at its sole cost and expense, shall comply with (i) Environmental Laws, and (ii) any rules, requirements and safety procedures of the applicable state or municipal agencies and any insurer of the Building or the Premises with respect to Tenant’s use, storage and disposal of any Hazardous Materials.

17.3 Hazardous Material Defined. As used herein, the term “Hazardous Material” means asbestos, oil or any hazardous, radioactive or toxic substance, material or waste or petroleum derivative which is or becomes regulated by any Environmental Law, including without limitation live organisms, viruses, mold and fungi, medical waste and any so-called “biohazard” materials.

17.4 Chemical Safety Program. Tenant shall establish and maintain a chemical safety program administered by a licensed, qualified individual in accordance with the requirements of any applicable governmental authority. Tenant shall be solely responsible for all costs incurred in connection with such chemical safety program, and Tenant shall provide Landlord with such documentation as Landlord may reasonably require evidencing Tenant’s compliance with the requirements of (a) any applicable governmental authority with respect to such chemical safety program and (b) this Article 17. Tenant shall obtain and maintain during the Term any permit required by any such applicable governmental authority.

17.5 Testing. If any Mortgagee or governmental authority requires testing to determine whether there has been any release of Hazardous Materials and such testing is required as a result of the acts or omissions of any of the Tenant Parties in violation of any applicable provisions of this Lease, then Tenant shall reimburse Landlord upon demand, as Additional Rent, for the reasonable costs thereof, together with interest at the Default Rate until paid in full. Tenant shall execute affidavits, certifications and the like, as may be reasonably requested by Landlord from time to time concerning Tenant’s best knowledge and belief concerning the presence of Hazardous Materials in or on the Premises, the Building, the Property or the Campus. In addition to the foregoing, if Landlord reasonably believes that any Hazardous Materials have been released on the Premises in violation of this Lease or any Legal Requirement, Landlord shall have the right to conduct appropriate tests of the Premises or any portion thereof to demonstrate that Hazardous Materials are present or that contamination has occurred due to the acts or omissions of any of the

Tenant Parties in violation of any applicable provisions of this Lease. Tenant shall pay all reasonable costs of such tests if such tests reveal that Hazardous Materials exist in or upon the Premises in violation of this Lease or any Legal Requirement. Further, upon not less than five (5) business days' notice to Tenant, Landlord shall have the right to cause a third party consultant retained by Landlord, at Landlord's expense (provided, however, that such costs shall be included in Operating Costs), to conduct a reasonable review, not more than once in any calendar year, of Tenant's lab operations, procedures and permits to ascertain whether or not Tenant is complying with law and adhering to best industry practices, provided that such review does not materially interfere with Tenant's business operations. Tenant agrees to cooperate in good faith with any such review and to provide to such consultant any information requested by such consultant and reasonably required in order for such consultant to perform such review, but nothing contained herein shall require Tenant to provide proprietary or confidential information to such consultant.

17.6 Indemnity; Remediation.

(a) Tenant hereby covenants and agrees to indemnify, defend and hold the Landlord Parties harmless from and against any and all Claims against any of the Landlord Parties arising out of contamination of any part of the Property, the Campus or other adjacent property, which contamination arises as a result of: (i) the presence of Hazardous Material in the Premises, the presence of which is caused by any act or omission of any of the Tenant Parties, or (ii) from a breach by Tenant of its obligations under this Section 17. This indemnification of the Landlord Parties by Tenant includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work or any other response actions required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil, soil vapor or ground water on or under or any indoor air in the Building based upon the circumstances identified in the first sentence of this Section 17.6. The indemnification and hold harmless obligations of Tenant under this Section 17.6 shall survive the expiration or any earlier termination of this Lease. Without limiting the foregoing, if the presence of any Hazardous Material in the Building or otherwise in the Property or Campus is caused or permitted by any of the Tenant Parties and results in any contamination of any part of the Property, the Campus or any adjacent property, Tenant shall promptly take all actions at Tenant's sole cost and expense as are necessary for Tenant's Remediation in accordance with Section 17.6(b) below, provided that Tenant shall first obtain Landlord's written approval of such actions, which approval shall not be unreasonably withheld, conditioned or delayed so long as such actions, in Landlord's reasonable discretion, would not potentially have any adverse effect on the Property or the Campus, and, in any event, Landlord shall not withhold its approval of any proposed actions which are required by applicable Environmental Laws. The provisions of this Section 17.6 shall survive the expiration or earlier termination of the Lease.

(b) Without limiting the obligations set forth in Section 17.6(a) above, if any Hazardous Material is in, on, under, at or about the Building, the Property or the Campus as a result of the acts or omissions of any of the Tenant Parties and results in any contamination of any part of the Property, the Campus or any adjacent property that is in violation of any applicable Environmental Law or that requires the performance of any response action pursuant to any Environmental Law, Tenant shall promptly take all actions at Tenant's sole cost and expense as are necessary to reduce such Hazardous Material to amounts below any applicable reportable

quantity, any applicable reportable concentration and any other applicable standard set forth in any Environmental Law such that no further response actions are required; provided that Tenant shall first obtain Landlord's written approval of such actions, which approval shall not be unreasonably withheld, conditioned or delayed so long as such actions would not be reasonably expected to have an adverse effect on the market value or utility of the Property or the Campus for the Permitted Uses, and in any event, Landlord shall not withhold its approval of any proposed actions which are required by applicable Environmental Laws (such approved actions, "**Tenant's Remediation**").

(c) In the event that Tenant fails to complete Tenant's Remediation prior to the end of the Term, then:

(i) until the completion of Tenant's Remediation, which shall be reasonably acceptable to Landlord (the "**Remediation Completion Date**"), Tenant shall pay to Landlord, with respect to the portion of the Premises which reasonably cannot be occupied by a new tenant until completion of Tenant's Remediation, (A) Additional Rent on account of Operating Costs and Taxes and (B) Base Rent in an amount equal to the greater of (1) the fair market rental value of such portion of the Premises (determined in substantial accordance with the process described in Section 1.2 above), and (2) Base Rent attributable to such portion of the Premises in effect immediately prior to the end of the Term; and

(ii) Tenant shall maintain responsibility for Tenant's Remediation and Tenant shall complete Tenant's Remediation as soon as reasonably practicable in accordance with Environmental Laws. If Tenant does not diligently pursue completion of Tenant's Remediation, Landlord shall have the right to either (A) assume control for overseeing Tenant's Remediation, in which event Tenant shall pay all reasonable costs and expenses of Tenant's Remediation (it being understood and agreed that all costs and expenses of Tenant's Remediation incurred pursuant to contracts entered into by Tenant shall be deemed reasonable) within thirty (30) days of demand therefor (which demand shall be made no more often than monthly), and Landlord shall be substituted as the party identified on any governmental filings as the party responsible for the performance of such Tenant's Remediation or (B) require Tenant to maintain responsibility for Tenant's Remediation, in which event Tenant shall complete Tenant's Remediation as soon as reasonably practicable in accordance with Environmental Laws, it being understood that Tenant's Remediation shall not contain any requirement that Tenant remediate any contamination to levels or standards more stringent than those associated with the Property's current biomanufacturing, research and development, office and GMP uses.

(d) The provisions of this Section 17.6 shall survive the expiration or earlier termination of this Lease.

17.7 Disclosures. Together with its delivery of the Initial Disclosure Certificate, and any Updated Disclosure Certificate, Tenant shall deliver to Landlord the following information with respect thereto: (a) a description of handling, storage, use and disposal procedures; (b) all plans or disclosures and/or emergency response plans which Tenant has prepared, including without limitation Tenant's Surrender Plan (as hereinafter defined), and all plans which Tenant is required to supply to any governmental agency or authority pursuant to any Environmental Laws;

(c) copies of all required permits relating thereto; and (d) other information reasonably requested by Landlord.

17.8 Removal. Tenant shall be responsible, at its sole cost and expense, for Hazardous Material and other biohazard disposal services for the Premises. Such services shall be performed by contractors reasonably acceptable to Landlord and on a sufficient basis to ensure that the Premises are at all times kept neat, clean and free of Hazardous Materials and biohazards except in appropriate, specially marked containers reasonably approved by Landlord.

17.9 Landlord's Representations, Covenants and Indemnity. Landlord hereby represents and warrants to Tenant that, to the Best of Landlord's Knowledge (as that term is defined in clause (c) below), except to the extent (if any) as may be disclosed in the following described environmental assessment reports which have been made available by Landlord to Tenant (the "**Disclosed Materials**"), there exist, as of the Execution Date of this Lease, no Hazardous Materials on the Property which are in violation of applicable Environmental Laws or that require reporting, investigation, remediation or other response under Environmental Laws:

[***]

(a) Landlord covenants that neither Landlord nor any of the Landlord Parties shall bring any Hazardous Materials in or on to the Property or discharge any Hazardous Materials in or on to the Property which are, in either case, in violation of applicable Environmental Laws. Landlord hereby indemnifies and shall defend and hold Tenant, its officers, directors, employees, and agents harmless from any Claims arising as result of any breach by Landlord of its representations, warranties, or covenants under this Section 17.9(a).

(b) **Landlord Remediation.** If Hazardous Materials are discovered in, on or under the Property which are not in compliance with applicable Environmental Laws or that require reporting, investigation, remediation or other response under Environmental Laws, and which are not the responsibility of Tenant pursuant to this Article 17, then Landlord shall remove or remediate the same, when, if, and in the manner required by applicable Environmental Laws.

(c) **To the Best of Landlord's Knowledge.** The phrase "to the Best of Landlord's Knowledge" under shall mean the best of the knowledge of [***], Landlord's asset manager with respect to the Property.

18. RULES AND REGULATIONS.

18.1 Rules and Regulations. Tenant will faithfully observe and comply with the Rules and Regulations attached hereto as Exhibit 9 ("**Current Rules and Regulations**") and reasonable rules and regulations as may be promulgated, from time to time, with respect to the Building, the Property and construction within the Property (collectively, the "**Rules and Regulations**"), provided that no such rule or regulation shall unreasonably interfere with the Permitted Use. In the case of any conflict between the provisions of this Lease and any future rules and regulations, the provisions of this Lease shall control. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations or the terms, covenants or conditions in any other lease as against any other tenant and Landlord shall not be

liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, contractors, visitors, invitees or licensees.

18.2 Energy Conservation. Landlord may institute upon written notice to Tenant such policies, programs and measures as may be necessary, required, or expedient for the conservation and/or preservation of energy or energy services (collectively, the “**Conservation Program**”), provided however, that the Conservation Program does not, by reason of such policies, programs and measures, reduce the level of energy or energy services being provided to the Premises below the level of energy or energy services then being provided in comparable combination biomanufacturing, research and development, office and GMP buildings in the vicinity of the Premises, or as may be necessary or required to comply with Legal Requirements or standards or the other provisions of this Lease. Upon receipt of such notice, Tenant shall comply with the Conservation Program, provided that the Conservation Program does not unreasonably interfere with the Permitted Use.

18.3 Recycling. Upon written notice, Landlord may establish policies, programs and measures for the recycling of paper, products, plastic, tin and other materials (a “**Recycling Program**”). Upon receipt of such notice and provided that Tenant’s compliance does not conflict with any applicable Legal Requirements, Tenant will comply with the Recycling Program at Tenant’s sole cost and expense.

19. LAWS AND PERMITS.

19.1 Tenant Compliance. Tenant shall not cause or permit the Premises, or cause the Property or the Building to be used in any way that violates any Legal Requirement, order, permit, approval, variance, covenant or restrictions of record or any provisions of this Lease, interferes with the rights of tenants of the Building, or constitutes a nuisance or waste. Tenant shall obtain, maintain and pay for all permits and approvals needed for the operation of Tenant’s business and/or Tenant’s Rooftop Equipment, and in any event shall not undertake any operations or use of Tenant’s Rooftop Equipment unless all applicable permits and approvals are in place and shall, promptly take all actions necessary to comply with all Legal Requirements, including, without limitation, the Occupational Safety and Health Act, applicable to Tenant’s use of the Premises, the Property, the Campus or the Building. Tenant shall maintain in full force and effect all certifications or permissions required by any authority having jurisdiction to authorize, franchise or regulate Tenant’s use of the Premises. Tenant shall be solely responsible for procuring and complying at all times with any and all necessary permits and approvals directly or indirectly relating or incident to: the conduct of its activities on the Premises; and its scientific experimentation, transportation, storage, handling, use and disposal of any chemical or radioactive or bacteriological or pathological substances or organisms or other hazardous wastes or environmentally dangerous substances or materials or medical waste or animals or laboratory specimens. Within ten (10) days of a request by Landlord, which request shall be made not more than once during each period of twelve (12) consecutive months during the Term hereof, unless otherwise requested by any mortgagee of Landlord or unless Landlord reasonably suspects that Tenant has violated the provisions of this Section 19.1, Tenant shall furnish Landlord with copies of all such permits and approvals that Tenant possesses or has obtained together with a certificate certifying that such permits are all of the permits that Tenant possesses or has obtained with respect to the Premises. Tenant shall promptly give written notice to Landlord of any warnings or

violations relative to the above received from any federal, state or municipal agency or by any court of law and shall promptly cure the conditions causing any such violations. Tenant shall not be deemed to be in default of its obligations under the preceding sentence to promptly cure any condition causing any such violation in the event that, in lieu of such cure, Tenant shall contest the validity of such violation by appellate or other proceedings permitted under applicable law, provided that: (i) any such contest is made reasonably and in good faith, (ii) Tenant makes provisions, including, without limitation, posting bonds or giving other security, reasonably acceptable to Landlord to protect Landlord, the Building and the Property from any liability, costs, damages or expenses arising in connection with such alleged violation and failure to cure, (iii) Tenant shall agree to indemnify, defend (with counsel reasonably acceptable to Landlord) and hold Landlord harmless from and against any and all liability, costs, damages, or expenses arising in connection with such condition and/or violation, (iv) Tenant shall promptly cure any violation in the event that its appeal of such violation is overruled or rejected once all appeals have been exhausted, and (v) Tenant's decision to delay such cure shall not, in Landlord's good faith determination, be likely to result in any actual or threatened bodily injury, property damage, or any civil or criminal liability to Landlord, any tenant or occupant of the Building, the Property or the Campus, or any other person or entity. Nothing contained in this Section 19.1 shall be construed to expand the uses permitted hereunder beyond the Permitted Uses.

19.2 Landlord Compliance. Landlord shall comply with any Legal Requirements and with any direction of any public office or officer relating to the maintenance or operation of the structural elements of the Building and the Common Areas, and the costs so incurred by Landlord shall be included in Operating Costs in accordance with the provisions of Section 5.2.

20. DEFAULT

20.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "**Event of Default**" hereunder by Tenant:

(a) If Tenant fails to make any payment of Rent or any other payment required hereunder, as and when due, and such failure shall continue for a period of five (5) days after notice thereof from Landlord to Tenant; provided, however, an Event of Default shall occur hereunder without any obligation of Landlord to give any notice if (i) Tenant fails to make any payment within five (5) days after the due date therefor, and (ii) Landlord has given Tenant written notice under this Section 20.1(a) on more than two (2) occasions during the twelve (12) month interval preceding such failure by Tenant;

(b) If Tenant shall fail to execute and deliver to Landlord an estoppel certificate pursuant to Section 16 above or a subordination and attornment agreement pursuant to Section 22 below, within the timeframes set forth therein or Guarantor shall fail to deliver an acknowledgement that the Guaranty remains in full, force and effect as and when required hereunder or an estoppel certificate as and when required under the Guaranty;

(c) If Tenant shall fail to maintain any insurance required pursuant to Section 14.1 (subject to any notice and cure rights expressly set forth in said Section 14.1);

- (d) If Tenant shall fail to discharge a mechanic's lien filed against the Premises or the Building for work claimed to have been done for, or materials claimed to have been furnished to, Tenant, as and when required pursuant to Section 11.4 above (subject to any notice and cure rights expressly set forth in said Section 11.4);
- (e) If Tenant shall fail to restore the Security Deposit to its original amount or deliver a replacement Letter of Credit as required under Section 7 above (subject to any notice and cure rights expressly set forth in said Section 7);
- (f) If Tenant causes or suffers any release of Hazardous Materials in or near the Property or the Campus (subject to any notice and cure rights expressly set forth in Section 17);
- (g) If Tenant shall make a Transfer in violation of the provisions of Section 13 above, or if any event shall occur or any contingency shall arise whereby this Lease, or the Term and estate thereby created, would (by operation of law or otherwise) devolve upon or pass to any person, firm or corporation other than Tenant, except as expressly permitted under Section 13 hereof;
- (h) The failure by Tenant to observe or perform any of the covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified above, and such failure continues for more than thirty (30) days after notice thereof from Landlord; provided, further, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said thirty (30) day period and thereafter diligently prosecute such cure to completion, which completion shall occur not later than ninety (90) days from the date of such notice from Landlord;
- (i) Tenant shall make an assignment or trust mortgage, or other conveyance or transfer of like nature, of all or a substantial part of its property for the benefit of its creditors,
- (j) an attachment on mesne process, on execution or otherwise, or other legal process shall issue against Tenant or its property and a sale of any of its assets shall be held thereunder;
- (k) any judgment, attachment or the like in excess of \$100,000 shall be entered, recorded or filed against Tenant in any court, registry, etc. and Tenant shall fail to pay such judgment within thirty (30) days after the judgment shall have become final beyond appeal or to discharge or secure by surety bond such lien, attachment, etc. within thirty (30) days of such entry, recording or filing, as the case may be;
- (l) the leasehold hereby created shall be taken on execution or by other process of law and shall not be revested in Tenant within thirty (30) days thereafter;
- (m) a receiver, sequesterer, trustee or similar officer shall be appointed by a court of competent jurisdiction to take charge of all or any part of Tenant's Property and such appointment shall not be vacated within thirty (30) days; or
-

(n) any proceeding shall be instituted by or against Tenant pursuant to any of the provisions of any Act of Congress or State law relating to bankruptcy, reorganizations, arrangements, compositions or other relief from creditors, and, in the case of any proceeding instituted against it, if Tenant shall fail to have such proceedings dismissed within thirty (30) days or if Tenant is adjudged bankrupt or insolvent as a result of any such proceeding; or

(o) if Tenant shall fail to deliver the Guaranty as required pursuant to Section 6 above or if there is a material default by Guarantor under the terms of the Guaranty.

Wherever "Tenant" is used in subsections (i), (j), (k), (l), (m), (n) or (o) of this Section 20.1, it shall be deemed to include any parent entity of Tenant and any guarantor of any of Tenant's obligations under this Lease, including Guarantor.

20.2 Remedies. Upon an Event of Default, Landlord may, by notice to Tenant, elect to terminate this Lease; and thereupon (and without prejudice to any remedies which might otherwise be available for arrears of Rent or preceding breach of covenant or agreement and without prejudice to Tenant's liability for damages as hereinafter stated), upon the giving of such notice, this Lease shall terminate as of the date specified therein as though that were the Expiration Date.

Upon such termination, Landlord shall have the right to utilize the Security Deposit or draw down the entire Letter of Credit, as applicable, and apply the proceeds thereof to its damages hereunder.

Without being taken or deemed to be guilty of any manner of trespass or conversion, and without being liable to indictment, prosecution or damages therefor, Landlord may, by lawful process, enter into and upon the Premises (or any part thereof in the name of the whole); repossess the same, as of its former estate; and expel Tenant and those claiming under Tenant. The words "re-entry" and "re-enter" as used in this Lease are not restricted to their technical legal meanings.

20.3 Damages – Termination.

(a) Upon the termination of this Lease under the provisions of this Section 20, Tenant shall pay to Landlord Rent up to the time of such termination, shall continue to be liable for any preceding breach of covenant, and in addition, shall pay to Landlord as damages, at the election of Landlord, either:

(i) the amount (discounted to present value at the rate of five percent (5%) per annum) by which, at the time of the termination of this Lease (or at any time thereafter if Landlord shall have initially elected damages under Section 20.3(a)(ii) below), (x) the aggregate of Rent projected over the period commencing with such termination and ending on the Expiration Date, exceeds (y) the aggregate projected rental value of the Premises for such period, taking into account a reasonable time period during which the Premises shall be unoccupied, plus all Reletting Costs (hereinafter defined); or

(ii) amounts equal to Rent which would have been payable by Tenant had this Lease not been so terminated, payable upon the due dates therefor specified herein following such termination and until the Expiration Date, *provided, however*, if Landlord shall re-let the Premises during such period, that Landlord shall credit Tenant with the net rents received by Landlord from such re-letting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such re-letting the expenses incurred or paid by

Landlord in terminating this Lease, as well as the expenses of re-letting, including altering and preparing the Premises for new tenants, brokers' commissions, and all other similar and dissimilar expenses properly chargeable against the Premises and the rental therefrom (collectively, "**Reletting Costs**"), it being understood that any such re-letting may be for a period equal to or shorter or longer than the remaining Term; and *provided, further*, that (x) in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder and (y) in no event shall Tenant be entitled in any suit for the collection of damages pursuant to this Section 20.3(a)(ii) to a credit in respect of any net rents from a re-letting except to the extent that such net rents are actually received by Landlord. If the Premises or any part thereof should be re-let in combination with other space, then proper apportionment on a square foot area basis shall be made of the rent received from such re-letting and of the expenses of re-letting.

(b) In calculating the amount due under Section 20.3(a)(i), above, there shall be included, in addition to the Base Rent, all other considerations agreed to be paid or performed by Tenant, including without limitation Tenant's Share of Operating Costs and Taxes, on the assumption that all such amounts and considerations would have increased at the rate of five percent (5%) per annum for the balance of the full Term hereby granted.

(c) Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term would have expired if it had not been terminated hereunder.

(d) Nothing herein contained shall be construed as limiting or precluding the recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any Event of Default hereunder.

(e) In lieu of any other damages or indemnity and in lieu of full recovery by Landlord of all sums payable under all the foregoing provisions of this Section 20.3, Landlord may, by written notice to Tenant, at any time after this Lease is terminated under any of the provisions herein contained or is otherwise terminated for breach of any obligation of Tenant and before such full recovery, elect to recover, and Tenant shall thereupon pay, as liquidated damages, an amount equal to the aggregate of (x) an amount equal to the lesser of (1) Rent accrued under this Lease in the twelve (12) months immediately prior to such termination, or (2) Rent payable during the remaining months of the Term if this Lease had not been terminated, plus (y) the amount of Rent accrued and unpaid at the time of termination, less (z) the amount of any recovery by Landlord under the foregoing provisions of this Section 20.3 up to the time of payment of such liquidated damages;

(f) Upon any termination of this Lease, and following the surrender and yield-up of the Premises by Tenant pursuant to this Lease, Landlord will exercise reasonable efforts to relet the Premises after Tenant vacates the Premises; provided, however, that the marketing of the Premises in a manner similar to the manner in which Landlord markets other premises within Landlord's control in the Campus (or if Landlord no longer controls other buildings in the Campus, then similar to the manner in which Landlord markets other premises within Landlord's control in the Market Area) shall be deemed to have satisfied Landlord's obligation to use "reasonable

efforts.” In no event shall Landlord be required to (i) solicit or entertain negotiations with any other prospective tenants for the Premises unless and until Landlord obtains full and complete possession of the Premises, including the final and unappealable legal right to relet the Premises free of any claim of Tenant, (ii) lease the Premises for a rental rate less than the current fair market rent then prevailing for similar space in the Campus, or (iii) enter into a lease with any proposed tenant that does not have, in Landlord’s reasonable opinion, sufficient financial wherewithal and resources to satisfy its financial obligations under the prospective lease. Landlord shall be entitled to take into account in connection with any such reletting of the Premises all relevant factors which would be taken into account by a sophisticated landlord in securing a replacement tenant for the Premises including the first class quality of the Building, matters of tenant mix, and the financial responsibility of any such replacement tenant. Landlord, at Landlord’s option, may make such alterations, decorations and other physical changes in and to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with such reletting or proposed reletting. No action or inaction by Landlord in connection with such reletting shall relieve Tenant of any liability under this Lease or otherwise affect any such liability. Landlord shall have no other obligation to mitigate the damages for which Tenant is responsible under this Lease except as set forth in this Section 20.3(f).

20.4 Landlord’s Self-Help; Fees and Expenses. If Tenant shall default in the performance of any covenant on Tenant’s part to be performed in this Lease contained, including without limitation the obligation to maintain the Premises in the required condition pursuant to Section 10.1 above, Landlord may, upon reasonable advance notice, except that no notice shall be required in an emergency, immediately, or at any time thereafter, perform the same for the account of Tenant. Tenant shall pay to Landlord upon demand therefor any costs incurred by Landlord in connection therewith, together with interest at the Default Rate until paid in full. In addition, Tenant shall pay all of Landlord’s costs and expenses, including without limitation reasonable attorneys’ fees, incurred (i) in enforcing any obligation of Tenant under this Lease or (ii) as a result of Landlord or any of the Landlord Parties, without its fault, being made party to any litigation pending by or against any of the Tenant Parties.

20.5 Waiver of Redemption, Statutory Notice and Grace Periods. Tenant does hereby waive and surrender all rights and privileges which it might have under or by reason of any present or future Legal Requirements to redeem the Premises or to have a continuance of this Lease for the Term hereby demised after being dispossessed or ejected therefrom by process of law or under the terms of this Lease or after the termination of this Lease as herein provided. Except to the extent prohibited by Legal Requirements, any statutory notice and grace periods provided to Tenant by law are hereby expressly waived by Tenant.

20.6 Landlord’s Remedies Not Exclusive. The specified remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be lawfully entitled, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for.

20.7 No Waiver. Landlord’s failure to seek redress for violation, or to insist upon the strict performance, of any covenant or condition of this Lease, or any of the Rules and Regulations promulgated hereunder, shall not prevent a subsequent act, which would have originally

constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of such Rules and Regulations against Tenant and/or any other tenant in the Campus shall not be deemed a waiver of any such Rules and Regulations. No provisions of this Lease shall be deemed to have been waived by either party unless such waiver be in writing signed by such party. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy in this Lease provided.

20.8 Restrictions on Tenant's Rights. During the continuation of any Event of Default, Tenant shall not have the right to make, nor to request Landlord's consent or approval with respect to, any Alterations or Transfers.

20.9 Termination During Initial Period. In the event Landlord elects to terminate the Lease during the Initial Period as a result of an Event of Default by Tenant, in lieu of the remedies set forth in Sections 20.2 and 20.3 of this Lease, at the election of Landlord, Landlord may recover, as liquidated damages, and not as a penalty, the full amount of the Letter of Credit (or the balance of such Letter of Credit as shall not have previously been drawn by Landlord pursuant to the terms, provisions and conditions set forth in Section 7.2 above) plus the total amount of brokers' fees and attorneys' fees and costs incurred by Landlord in negotiating and executing this lease, together with any and all fees and costs incurred by Landlord in delivering the Premises to Tenant or in preparing to deliver the Premises to Tenant, including any work performed by Landlord pursuant to Exhibit 4, and any portion of the Landlord's Contribution paid to Tenant. In addition, Tenant shall pay to Landlord all expenses and costs of enforcing the terms of this Section 20.9 and recovering all monetary amounts due under this Lease, including without limitation, reasonable attorneys' fees and costs.

20.10 Landlord Default. Notwithstanding anything to the contrary contained in the Lease, Landlord shall in no event be in default in the performance of any of Landlord's obligations under this Lease unless Landlord shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default, provided Landlord commences cure within 30 days) after notice by Tenant to Landlord properly specifying wherein Landlord has failed to perform any such obligation. Except as expressly set forth in this Lease, Tenant shall not have the right to terminate or cancel this Lease or to withhold rent or to set-off or deduct any claim or damages against rent as a result of any default by Landlord or breach by Landlord of its covenants or any warranties or promises hereunder, except in the case of a wrongful eviction of Tenant from the Premises (constructive or actual) by Landlord, and then only if the same continues after notice to Landlord thereof and an opportunity for Landlord to cure the same as set forth above. In addition, Tenant shall not assert any right to deduct the cost of repairs or any monetary claim against Landlord from rent thereafter due and payable under this Lease.

If Landlord's failure to perform any of its obligations under **Section 10.2** of this Lease poses an imminent risk of damage or injury to persons or property, and if such failure materially adversely affects Tenant's ability to operate its business in the ordinary course in accordance with

the terms of this Lease, then upon not less than forty-eight (48) hours' prior written notice to Landlord (which notice may be via email and shall conspicuously state the following in bold caps: "TENANT NOTICE OF INTENTION TO EXERCISE SELF-HELP" and which notice shall include an explicit statement that such notice is a notice delivered pursuant to this **Section 20.10** and Landlord's failure to perform the specified obligation will trigger the provisions of this **Section 20.10**), Tenant shall have the right to cure such default or perform such obligation which Landlord failed to perform or cure, as the case may be, on Landlord's behalf. Notwithstanding the foregoing, in the event that Landlord has commenced its obligations prior to Tenant's commencement of such cure, and so long as Landlord thereafter diligently prosecutes such obligations to completion, the applicable period of time before which Tenant may take action to cure Landlord's failure shall be extended to such period of time as Landlord reasonably requires to complete such obligations. In connection with any performance of Landlord's obligations by Tenant hereunder (i) in no event shall any work or repairs performed by Tenant materially adversely affect the structure of the Building or any Building Systems; (ii) the insurance and indemnity provisions of this Lease shall apply to Tenant's performance of such work or repairs; (iii) Tenant shall perform all such work or repairs in accordance with all applicable Legal Requirements; (iv) Tenant shall retain to effect such work or repairs only reputable and qualified contractors and suppliers as are duly licensed; and (v) Tenant shall effect such work or repairs in a good and workmanlike manner, consistent with the standards of the Building, using new or like new materials. Landlord shall reimburse Tenant within thirty (30) days after receipt of a reasonably detailed invoice for all reasonable costs and expenses actually incurred by Tenant in connection therewith.

21. SURRENDER; ABANDONED PROPERTY; HOLD-OVER

21.1 Surrender

(a) Upon the expiration or earlier termination of the Term, Tenant shall (i) peaceably quit and surrender to Landlord the Premises (including without limitation, to the extent any of the following were either provided by Landlord or paid for in whole or in part by any allowance provided to Tenant by Landlord under this Lease: all fixed lab benches, fume hoods, electric, plumbing, heating and sprinkling systems, fixtures and outlets, vaults, paneling, molding, shelving, radiator enclosures, cork, rubber, linoleum and composition floors, ventilating, silencing, air conditioning and cooling equipment therein and all other furniture, fixtures, and equipment) broom clean, free of Hazardous Materials, in good order, repair and condition excepting only ordinary wear and tear and damage by fire or other insured Casualty; (ii) remove all of Tenant's Property, all autoclaves and cage washers and, at Landlord's election, any Alterations made by Tenant (in accordance with Section 11.1); and (iii) repair any damages to the Premises or the Building caused by the installation or removal of Tenant's Property and/or such Alterations.

Notwithstanding the foregoing, in no event shall Tenant be required to remove or restore any aspect of Landlord's Work. Tenant's obligations under this Section 21.1(a) shall survive the expiration or earlier termination of this Lease.

(b) Prior to the expiration of this Lease (or within thirty (30) days after any earlier termination), Tenant shall clean and otherwise decommission all interior surfaces (including floors, walls, ceilings, and counters), piping, supply lines, waste lines, acid neutralization systems and plumbing in and/or exclusively serving the Premises, and all exhaust or other ductwork in and/or exclusively serving the Premises, in each case which has carried or

released or been contacted by any Hazardous Materials or other chemical or biological materials used in the operation of the Premises, and shall otherwise clean the Premises so as to permit the Surrender Plan (defined below) to be issued. At least thirty (30) days prior to the expiration of the Term (or, if applicable, within five (5) business days after any earlier termination of this Lease), Tenant shall deliver to Landlord a reasonably detailed narrative description of the actions proposed (or required by any Legal Requirements) to be taken by Tenant in order to render the Premises (including any Alterations permitted or required by Landlord to remain therein) free of Hazardous Materials and otherwise released for unrestricted use and occupancy including without limitation, if applicable, causing the Premises to be decommissioned in accordance with the regulations of the U.S. Nuclear Regulatory Commission for the control of radiation (the “**Surrender Plan**”). The Surrender Plan (i) shall be accompanied by a current list of (A) all required permits held by or on behalf of any Tenant Party with respect to Hazardous Materials in, on, under, at or about the Premises (including, without limitation, within any of the Pad Sites), and (B) Tenant’s Hazardous Materials, and (ii) shall be subject to the review and approval of Landlord’s environmental consultant. In connection with review and approval of the Surrender Plan, upon request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning the use of and operations within the Premises as Landlord shall request. On or before the expiration of the Term (or within thirty (30) days after any earlier termination of this Lease, during which period Tenant’s use and occupancy of the Premises shall be governed by Section 21.3 below), Tenant shall (i) perform or cause to be performed all actions described in the approved Surrender Plan, and (ii) deliver to Landlord (and to any Landlord Parties reasonably requested by Landlord) a certification from a third party certified industrial hygienist reasonably acceptable to Landlord certifying that the Premises do not contain any Hazardous Materials and evidence that the approved Surrender Plan shall have been satisfactorily completed by a contractor acceptable to Landlord, and Landlord shall have the right, subject to reimbursement at Tenant’s expense as set forth below, to cause Landlord’s environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the expiration of the Term (or, if applicable, the date which is thirty (30) days after any earlier termination of this Lease), free of Hazardous Materials and otherwise available for unrestricted use and occupancy as aforesaid. Landlord shall have the unrestricted right to deliver the Surrender Plan and any report by Landlord’s environmental consultant with respect to the surrender of the Premises to third parties. If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address the use of Hazardous Materials by any of the Tenant Parties in, on, at, under or about the Premises (including, without limitation, within any of the Pad Sites), Landlord shall have the right to take any such actions as Landlord may deem reasonably necessary to assure that the Premises and the Property are surrendered in the condition required hereunder, the cost of which actions shall be reimbursed by Tenant as Additional Rent upon demand. Tenant’s obligations under this Section 21.1(b) shall survive the expiration or earlier termination of the Term.

(c) No act or thing done by Landlord during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing signed by Landlord. Unless otherwise agreed by the parties in writing, no employee of Landlord or of Landlord’s agents shall have any power to accept the keys of the Premises prior to the expiration or earlier termination of this Lease. The delivery of keys to any

employee of Landlord or of Landlord's agents shall not operate as a termination of this Lease or a surrender of the Premises.

(d) Notwithstanding anything to the contrary contained herein, Tenant shall, at its sole cost and expense, remove from the Premises, prior to the end of the Term, any item installed by or for Tenant and which, pursuant to Legal Requirements, must be removed therefrom before the Premises may be used by a subsequent tenant.

21.2 Abandoned Property. After the expiration or earlier termination hereof, if Tenant fails to remove any property from the Building or the Premises which Tenant is obligated by the terms of this Lease to remove within five (5) business days after written notice from Landlord, such property (the "**Abandoned Property**") shall be conclusively deemed to have been abandoned, and may either be retained by Landlord as its property or sold or otherwise disposed of in such manner as Landlord may see fit. If any item of Abandoned Property shall be sold, Tenant hereby agrees that Landlord may receive and retain the proceeds of such sale and apply the same, at its option, to the expenses of the sale, the cost of moving and storage, any damages to which Landlord may be entitled under Section 20 hereof or pursuant to law, and to any arrears of Rent.

21.3 Holdover. If any of the Tenant Parties holds over (which term shall include, without limitation, the failure of Tenant or any Tenant Party to perform all of its obligations under Section 21.1 above) after the end of the Term, Tenant shall be deemed a tenant-at-sufferance subject to the provisions of this Lease; provided that whether or not Landlord has previously accepted payments of Rent from Tenant, (i) Tenant shall pay Base Rent at 150% of the highest rate of Base Rent payable during the Term for the first six (6) months of such holding over, and at 200% of the highest rate of Base Rent payable during the Term from and after the first day of the seventh (7th) month of such holding over, (ii) Tenant shall continue to pay to Landlord all Additional Rent, and (iii) if such holdover continues for more than thirty (30) days, Tenant shall be liable for all damages, including without limitation lost business and consequential damages, incurred by Landlord as a result of such holding over, Tenant hereby acknowledging that Landlord may need the Premises after the end of the Term for other tenants and that the damages which Landlord may suffer as the result of Tenant's holding over cannot be determined as of the Execution Date. Nothing contained herein shall grant Tenant the right to holdover after the expiration or earlier termination of the Term.

21.4 Warranties. Tenant hereby assigns to Landlord any warranties, to the extent assignable, in effect on the last day of the Term with respect to any fixtures and Alterations installed in the Premises. Tenant shall use commercially reasonable efforts to provide Landlord with copies of any such warranties prior to the expiration of the Term (or, if the Lease is earlier terminated, within five (5) days thereafter).

22. MORTGAGEE RIGHTS

22.1 Subordination. Tenant's rights and interests under this Lease shall be (i) subject and subordinate to any ground lease, overleases, mortgage, deed of trust, or similar instrument covering the Premises, the Building and/or the Land and to all advances, modifications, renewals, replacements, and extensions thereof (each of the foregoing, a "**Mortgage**"), or (ii) if any

Mortgagee elects, prior to the lien of any present or future Mortgage. Tenant further shall attorn to and recognize any successor landlord, whether through foreclosure or otherwise, as if the successor landlord were the originally named landlord. The provisions of this Section 22.1 shall be self-operative and no further instrument shall be required to effect such subordination or attornment; however, Tenant agrees to execute, acknowledge and deliver such instruments, confirming such subordination and attornment in such form as shall be requested by any such holder within fifteen (15) days of request therefor, with such commercially reasonable modifications as may be requested by Tenant. Landlord agrees to use commercially reasonable efforts to obtain an SNDA, as hereinafter defined, from the holder of any future mortgage which affects the Property. An “**SNDA**” shall be defined as a subordination, non-disturbance and attornment agreement on the standard form of SNDA then being used by the holder of the Mortgage in question, with such commercially reasonable modifications as may be requested by Tenant. Notwithstanding anything in this Section to the contrary, it shall be a condition to Tenant’s obligation to subordinate the Lease to any future Mortgage that the holder of such future Mortgage enters into an SNDA with Tenant. Tenant shall pay any reasonable charges (including legal fees) required by such holder as a condition to entering into such SNDA.

22.2 Notices. If Landlord has provided Tenant notice of any existing Mortgagee, Tenant shall give each Mortgagee the same notices given to Landlord concurrently with the notice to Landlord, and each Mortgagee shall have the same time frame given to Landlord to cure such a Landlord default, and Mortgagee’s curing of any of Landlord’s default shall be treated as performance by Landlord.

22.3 Mortgage Consent. Tenant acknowledges that, where applicable, any consent or approval hereafter given by Landlord may be subject to Landlord first obtaining approval of a Mortgagee; provided, however, the terms of any SNDA entered into by and between Tenant and a Mortgagee, if applicable, shall control in the event of a conflict between this section and any SNDA.

22.4 Mortgage Liability. Tenant acknowledges and agrees that if any Mortgage shall be foreclosed, (a) the liability of the Mortgagee and its successors and assigns shall exist only so long as such Mortgagee or purchaser is the owner of the Premises, and such liability shall not continue or survive after further transfer of ownership; and (b) such Mortgagee and its successors or assigns shall not be (i) liable for any act or omission of any prior lessor under this Lease; (ii) liable for the performance of Landlord’s covenants pursuant to the provisions of this Lease which arise and accrue prior to such entity succeeding to the interest of Landlord under this Lease or acquiring such right to possession; (iii) subject to any offsets or defense which Tenant may have at any time against Landlord; (iv) bound by any base rent or other sum which Tenant may have paid previously for more than one (1) month; or (v) liable for the performance of any covenant of Landlord under this Lease which is capable of performance only by the original Landlord, provided that in no event shall the foregoing clauses (i)-(v) relieve any such Mortgagee and its successors and assigns from ongoing Landlord’s obligations to provide maintenance, repair or any other on-going Landlord’s Services (defined in Section 9.6 and listed in Exhibit 7 of this Lease) following the date of such succession.

23. QUIET ENJOYMENT.

Landlord covenants that so long as Tenant keeps and performs each and every covenant, agreement, term, provision and condition herein contained on the part and on behalf of Tenant to be kept and performed, Tenant shall peaceably and quietly hold, occupy and enjoy the Premises during the Term from and against the claims of all persons lawfully claiming by, through or under Landlord subject, nevertheless, to the covenants, agreements, terms, provisions and conditions of this Lease, any matters of record or of which Tenant has knowledge and to any Mortgage to which this Lease is subject and subordinate, as hereinabove set forth. Landlord represents and warrants that as of the date hereof, the Property is not encumbered by any existing Mortgage.

24. NOTICES.

Any notice, consent, request, bill, demand or statement hereunder (each, a “**Notice**”) by either party to the other party shall be in writing and shall be deemed to have been duly given when either delivered by hand or by nationally recognized overnight courier (in either case with evidence of delivery or refusal thereof) addressed as follows:

If to Landlord: King Combs LLC
 c/o King Street Properties
 800 Boylston Street, Suite 2400
 Boston, MA 02199
 Attention: Sara McTyeire
 Attention: Andy Moore

With a copy to: Goulston & Storrs PC
 One Post Office Square
 Boston, MA 02109
 Attention: King Street

if to Tenant: Liquidia Technologies, Inc.
 419 Davis Drive, Suite 100
 Morrisville, NC 27560
 Attn: Michael Hunter

With a copy to: Liquidia Technologies, Inc.
 419 Davis Drive, Suite 100
 Morrisville, NC 27560
 Attn: Legal
 legal@liquidia.com

Either party may at any time change the address or specify an additional address for such Notices by delivering or mailing, as aforesaid, to the other party a notice stating the change and setting forth the changed or additional address, provided such changed or additional address is within the United States. Notices shall be effective upon the date of receipt or refusal thereof.

25. MISCELLANEOUS

25.1 Separability. If any provision of this Lease or portion of such provision or the application thereof to any person or circumstance is for any reason held invalid or unenforceable, the remainder of this Lease (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

25.2 Captions. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Lease nor the intent of any provisions thereof.

25.3 Brokers. Tenant and Landlord each warrant and represent that it has dealt with no broker in connection with the consummation of this Lease other than CBRE (Landlord) and Davis Moore (Tenant) (each a “**Broker**”). Tenant and Landlord each agrees to defend, indemnify and save the other harmless from and against any Claims arising in breach of the representation and warranty set forth in the immediately preceding sentence. Pursuant to separate agreements between Landlord and each Broker, Landlord shall be solely responsible for the payment of any brokerage commissions to each Broker.

25.4 Entire Agreement. This Lease, Lease Summary Sheet and the Exhibits attached hereto and incorporated herein contain the entire and only agreement between the parties and any and all statements and representations, written and oral, including previous correspondence and agreements between the parties hereto, are merged herein. Tenant acknowledges that all representations and statements upon which it relied in executing this Lease are contained herein and that Tenant in no way relied upon any other statements or representations, written or oral. This Lease may not be modified orally or in any manner other than by written agreement signed by the parties hereto.

25.5 Governing Law. This Lease is made pursuant to, and shall be governed by, and construed in accordance with, the laws of the State of North Carolina and any applicable local municipal rules, regulations, by-laws, ordinances and the like.

25.6 Representation of Authority. Tenant represents and warrants that the individual (or individuals) executing this Lease on behalf of Tenant is (or are) duly authorized to execute this Lease on behalf of Tenant. Upon Landlord’s request, Tenant shall provide Landlord with evidence that any requisite resolution, corporate authority and any other necessary consents have been duly adopted and obtained.

25.7 Expenses Incurred by Landlord Upon Tenant Requests. Tenant shall, within thirty (30) days after Landlord provides Tenant with the invoice and documentation, reimburse Landlord for all reasonable and documented expenses, including, without limitation, legal fees, incurred by Landlord in connection with all requests by Tenant for consents, approvals or execution of collateral documentation related to this Lease, including, without limitation, costs

incurred by Landlord in the review and approval of Tenant's plans and specifications in connection with proposed Alterations to be made by Tenant to the Premises or in connection with requests by Tenant for Landlord's consent to make a Transfer. Such costs shall be deemed to be Additional Rent under this Lease.

25.8 Survival. Without limiting any other obligation of either party which may survive the expiration or prior termination of the Term, all obligations on the part of Landlord and Tenant to indemnify, defend, or hold the other party harmless, as set forth in this Lease shall survive the expiration or prior termination of the Term.

25.9 Limitation of Liability. Tenant shall neither assert nor seek to enforce any claim against Landlord or any of the Landlord Parties, or the assets of any of the Landlord Parties, for breach of this Lease or otherwise, other than against Landlord's interest in the Building and in the uncollected rents, issues and profits thereof, and Tenant agrees to look solely to such interest for the satisfaction of any liability of Landlord under this Lease. This Section 25.9 shall not limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord. **Landlord and Tenant specifically agree that in no event shall any officer, director, trustee, employee or representative of Landlord or any of the other Landlord Parties ever be personally liable for any obligation under this Lease, nor shall Landlord or any of the other Landlord Parties be liable for consequential or incidental damages or for lost profits whatsoever in connection with this Lease.**

25.10 Binding Effect. The covenants, agreements, terms, provisions and conditions of this Lease shall bind and benefit the successors and assigns of the parties hereto with the same effect as if mentioned in each instance where a party hereto is named or referred to, except that no violation of the provisions of Section 13 hereof shall operate to vest any rights in any successor or assignee of Tenant. This Lease may be signed in counterparts and a facsimile or electronic signature on this Lease shall be equivalent to, and have the same force and effect as, an original signature.

25.11 Landlord Obligations upon Transfer. Upon any sale, transfer or other disposition of the Building, Landlord shall be entirely freed and relieved from the performance and observance thereafter of all covenants and obligations hereunder on the part of Landlord to be performed and observed, it being understood and agreed in such event (and it shall be deemed and construed as a covenant running with the land) that the person succeeding to Landlord's ownership of said reversionary interest shall thereupon and thereafter assume, and perform and observe, any and all of such covenants and obligations of Landlord, except as otherwise agreed in writing between Landlord and Tenant.

25.12 No Grant of Interest. Tenant shall not grant any interest whatsoever in any fixtures within the Premises or any item paid in whole or in part by Landlord's Contribution or by Landlord.

25.13 Financial Information. If Guarantor is no longer publicly traded on a nationally recognized stock exchange, then Tenant shall deliver to Landlord, within thirty (30) days after Landlord's reasonable request, Tenant's and Guarantor's most recently completed balance sheet and related statements of income, shareholder's equity and cash flows statements (audited if

available) reviewed by an independent certified public accountant and certified by an officer of Tenant or Guarantor, as applicable, as being true and correct in all material respects. Any such financial information may be relied upon by any actual or potential lessor, purchaser, or mortgagee of the Property or any portion thereof.

25.14 OFAC Certificate and Indemnity. Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “**Executive Order**”), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 10756, the “**Patriot Act**”) prohibit certain property transfers.

Both parties hereby represent and warrant to the other (which representations and warranties shall be deemed to be continuing and re-made at all times during the Term) that neither party nor any manager, beneficiary, partner, or principal of such party is subject to the Executive Order, that none of them is listed on the United States Department of the Treasury Office of Foreign Assets Control (“**OFAC**”) list of “Specially Designated Nationals and Blocked Persons” as modified from time to time, and that none of them is otherwise subject to the provisions of the Executive Order or the Patriot Act. The most current list of “**Specially Designated Nationals and Blocked Persons**” can be found at <http://www.treas.gov/offices/eotffc/ofac/sdn/index.html>. Both parties shall from time to time, within ten business days after request by the other, deliver to the other any certification or other evidence requested from time to time by the other in its reasonable discretion, confirming compliance with these provisions. No assignment or subletting shall be effective unless and until the assignee or subtenant thereunder delivers to Landlord written confirmation of such party’s compliance with the provisions of this subsection, in form and content satisfactory to Landlord. If for any reason the representations and warranties set forth in this subsection, or any certificate or other evidence of compliance delivered to any party hereunder, is untrue in any material respect when made or delivered, or thereafter becomes untrue in any material respect, then an Event of Default hereunder shall be deemed to occur immediately, and there shall be no opportunity to cure.

Each party shall indemnify, defend with counsel reasonably acceptable to the other, and hold the other harmless from and against, any and all liabilities, losses claims, damages, penalties, fines, and costs (including attorneys’ fees and costs) arising from or related to the breach of any of the foregoing representations, warranties, and duties of the other. The provisions of this subsection shall survive the expiration or earlier termination of this Lease for the longest period permitted by law.

25.15 Confidentiality. Tenant acknowledges and agrees that the terms of this Lease are confidential. Disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate other leases with respect to the Building and may impair Landlord’s relationship with other tenants of the Building. Tenant agrees that it and its partners, officers, directors, employees, brokers, and attorneys, if any, shall not disclose the terms and conditions of this Lease to any other person or entity without the prior written consent of Landlord which may be given or withheld by Landlord, in Landlord’s sole discretion, except as required for financial disclosures or securities filings, as required by the order of any court or public body with authority over Tenant, or in connection with any litigation between Landlord and Tenant with respect to this Lease. In the event Tenant is required by law (or determines in Tenant’s commercially reasonable judgment that Tenant is required by law) to provide this Lease or disclose any of its terms, Tenant shall give Landlord prompt notice of such requirement prior to making disclosure so that Landlord may seek an appropriate protective order. If failing the entry of a protective order Tenant is compelled to make disclosure, Tenant shall only disclose portions of the Lease which Tenant is required to

disclose and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to the information so disclosed. It is understood and agreed that damages alone would be an inadequate remedy for the breach of this provision by Tenant, and Landlord shall also have the right to seek specific performance of this provision and to seek injunctive relief to prevent its breach or continued breach.

25.16 Force Majeure. Other than for Tenant's obligations under this Lease that can be performed by the payment of money (e.g., payment of Rent and maintenance of insurance), whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, acts of terrorism, governmental laws, regulations, or restrictions, national or regional emergency, or a pandemic, epidemic or other public health emergency or exigency, or any other causes of any kind whatsoever which are beyond the control of such party (collectively "**Force Majeure**"). In no event shall financial inability of a party be deemed to be Force Majeure.

25.17 Jury Trial Waiver. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either party against the other on any matters in any way arising out of or connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the premises, or the enforcement of any remedy under any statute, emergency or otherwise.

26. RIGHT OF FIRST OFFER.

26.1 Grant of ROFO. Subject to the provisions of this Section 26, from and after the Term Commencement Date, Tenant shall have a one-time right of first offer (the "**ROFO**") to lease the ROFO Premises at the time that the ROFO Premises become available for lease, so long as the ROFO Conditions, (which ROFO Conditions Landlord may waive, at its election, by written notice to Tenant at any time), are satisfied both at the time that Landlord is required to give an Offer, and as of the commencement date of the term of the ROFO Premises.

26.2 Definition of ROFO Premises. The "**ROFO Premises**" shall be defined as any space contiguous to the Premises in the Building, other than the Premises, when such area becomes available for lease, during the Term of this Lease. For the purposes of this Section 26.2, the ROFO Premises shall be deemed to be "**available for lease**" if, during the Term of this Lease, Landlord, in its sole judgment, determines that such area will become available for leasing to any party other than the then-current tenant (i.e. when Landlord determines that the then current tenant of such ROFO Premises will vacate such ROFO Premises, and all Superior Rights with respect to such ROFO Premises have either lapsed unexercised or have been irrevocably waived by the then-current tenant of such ROFO Premises, and when Landlord intends to offer such area for lease). "**Superior Rights**" shall be defined as: (i) the right of the existing tenant or occupant of the ROFO Premises to extend or renew the term of its lease of the ROFO Premises, or the applicable portion thereof, and (ii) the right of Landlord to enter into an agreement with any existing tenant or occupant of the ROFO Premises, or the applicable portion thereof, renewing or extending such lease or occupancy agreement. Nothing set forth in this Section 26 shall be construed to limit Landlord's right to lease space in the Building to affiliates of Landlord, or to keep space in the Building vacant if Landlord elects, in its sole discretion, to do so, and such space leased to

affiliates, subsidiaries or related entities, or vacant space, shall in no event be deemed to be “available for lease” hereunder.

26.3 Procedures for Exercising ROFO. At such time as the ROFO Premises becomes available for lease to Tenant, Landlord shall, subject to the provisions of this Section 26, give a written offer (the “**Offer**”) to Tenant of the terms under which Landlord is prepared to lease the ROFO Premises to Tenant, including the Base Rent (which shall be based upon Landlord’s good faith judgment of the fair market rental value of the ROFO Premises in question), Tenant’s improvement allowance, if any, term, renewal term and all other material business terms. Tenant may lease the ROFO Premises under such terms, by delivering written notice (the “**Acceptance**”) to Landlord accepting such Offer within ten (10) business days after Landlord gives such Offer to Tenant, time being of the essence.

26.4 Conditions to ROFO. The ROFO is subject to the following conditions, and, without limiting the foregoing, Landlord shall have no obligation to give an Offer to Tenant with respect to the ROFO Premises, or any portion thereof, if any of the following conditions (“**ROFO Conditions**”) are not satisfied:

(i) no Event of Default by Tenant exists at the time that Landlord would otherwise deliver the Offer; or

(ii) no greater than thirty percent (30%) of the Premises is sublet (other than to an Affiliated Entity or Successor) at the time Landlord would otherwise deliver the Offer; or

(iii) the Lease has not been assigned (other than to an Affiliated Entity or Successor) prior to the date Landlord would otherwise deliver the Offer; or

(iv) at least three (3) years remain in the Term, or there would be at least three (3) years if Tenant exercises an available Extension Term with Tenant’s Acceptance (and Tenant does in fact exercise such available Extension Term with Tenant’s Acceptance).

26.5 Termination of Right of First Offer. Tenant’s right to lease the ROFO Premises pursuant to this Section 26 shall terminate upon the earlier to occur of: (i) Tenant’s failure to give a timely Acceptance with respect to such ROFO Premises within the ten-(10)-business-day period provided in Section 26.4 above; or (ii) the date Landlord would have provided Tenant an Offer with respect to such ROFO Premises if Tenant had not failed to satisfy one or more of the ROFO Conditions set forth in this Section 26, and Tenant shall have no further right to lease such ROFO Premises. If Landlord gives Tenant an Offer to lease only a portion of the ROFO Premises, then Tenant’s right to lease such portion of the ROFO Premises pursuant to this Section shall terminate upon the earlier to occur of: (x) Tenant’s failure to give a timely Acceptance with respect to such portion of such ROFO Premises within the ten-(10)-business-day period provided in Section 26.4 above; or (y) the date Landlord would have provided Tenant an Offer with respect to such portion of the ROFO Premises if Tenant had not failed to satisfy one or more of the ROFO Conditions set

forth in this Section 26, and Tenant shall have no further right to lease such portion of the ROFO Premises.

26.6 Terms of Lease Applicable ROFO Premises. The terms applicable to Tenant's demise of the ROFO Premises, or any portion thereof, shall be upon the terms set forth in the applicable Offer, and otherwise upon the terms and conditions of the Lease, to the extent that the provisions of the Lease are not inconsistent with such Offer, and as follows:

(i) The term for the ROFO Premises shall, subject to clause (iii) below, commence upon the commencement date stated in the Offer and shall be coterminous with the then remaining Term.

(ii) Tenant shall pay Base Rent and Additional Rent for such ROFO Premises, or portion thereof, in accordance with the terms and conditions of the Offer.

(iii) Such ROFO Premises shall be accepted by Tenant in its condition (including improvements and personalty, if any) and as-built configuration existing on the earlier of the date Tenant takes possession of such ROFO Premises, or portion thereof, or as of the date the term for such ROFO Premises, or portion thereof, commences, and Landlord shall have no obligation to provide any Landlord contribution or free rent with respect to such ROFO Premises, or portion thereof, unless otherwise provided in such Offer.

26.7 Offering Amendment. If Tenant exercises the ROFO with respect to the ROFO Premises Landlord shall prepare an amendment (the "**Offering Amendment**") adding such ROFO Premises, or portion thereof, to the Premises on the terms set forth in the Offer and reflecting the changes in the Base Rent, Rentable Square Footage of the ROFO Premises, Tenant's Share, and other mutually agreeable appropriate terms. A copy of the Offering Amendment shall be sent to Tenant within thirty (30) days after Landlord's receipt of the Acceptance sent by Tenant to Landlord, and, if the terms and conditions of the Offering Amendment are reasonably acceptable to Tenant, then Tenant shall execute and return the Offering Amendment to Landlord within thirty (30) days thereafter, but an otherwise valid exercise of the ROFO shall be fully effective whether or not the Offering Amendment is executed.

26.8 Last Acceptance Date. If Tenant does not give Landlord a written Acceptance on or before the date ("**Last Acceptance Date**") which is ten (10) business days after Landlord gives the Offer to Tenant, Landlord shall have the right to enter into a lease the subject ROFO Premises on any terms to any party. Notwithstanding the foregoing, if (i) Tenant was entitled to exercise its ROFO Option but failed to deliver an Acceptance Notice within the ten (10) business day period, as provided in Section 19.1 above, and (ii) thereafter prior to entering into a lease for the entire ROFO Space Landlord proposes to lease the entire ROFO Space to a prospective tenant on terms that are "materially more favorable" than those set forth in the ROFO Notice previously delivered to Tenant, then Tenant's rights with respect to the entire ROFO Space shall be revived and Tenant shall once again have a ROFO Option with respect to the entire ROFO Space. For purposes hereof, the terms offered to a prospect shall be deemed to be "materially more favorable" from those set forth in the ROFO Notice if there is a reduction of more than fifteen percent (15%) in the "bottom line" cost per rentable square foot of the ROFO Space to the prospective tenant, when compared with the "bottom line" cost per rentable square foot for the ROFO Space under the ROFO Notice,

determined by considering all of the economic terms of both proposals, respectively, including, among other relevant factors, the base rent, the tax and expense escalation, the additional rent, any free rent periods, and any other concessions and allowances.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the Execution Date.

LANDLORD

KING COMBS LLC,
a Delaware limited liability company

By: /s/ Andrew J. Moore

Name: Andrew J. Moore

Title: Senior Managing Director

TENANT

LIQUIDIA TECHNOLOGIES, INC.,
a Delaware corporation

By: /s/ Roger Jeffs

Name: Roger A. Jeffs

Title: Chief Executive Officer

EXHIBIT 1A

LEASE PLAN – PREMISES

[**]



EXHIBIT 1B

SITE PLAN – CAMPUS

[**]



EXHIBIT 1C

PLAN OF ROOFTOP PREMISES

[**]



EXHIBIT 1D

PLAN OF PAD SITES

[***]



EXHIBIT 1E

PLAN OF TENANT'S PARKING AREAS

[***]



EXHIBIT 2

LEGAL DESCRIPTION – LAND

[**]

EXHIBIT 3

BASE BUILDING CAPACITIES

Base Building delivery is in “shell” condition and as such the Base Building HVAC system is limited to the following:

- Heating and summer ventilation is provided by three (3) gas fired heating units delivering 3,500 CFM per unit
- Electric unit heaters are provided in the stairwells and utility rooms
- The electric room has an 800 CFM exhaust fan

The Building is served by a 10,000-amp electric service. The electrical system consists of two (2) – 277/480V 4,000 amp switchboard and one (1) – 277/480V 2,000 amp switchboard, which are installed in the Building.

Utility support:

- 8” sewer line
 - 4” domestic water line
 - 8” fire line
 - 4” gas line
-

WORK LETTER

This Exhibit is attached to and made a part of the Lease (the “**Lease**”) by and between King Combs LLC, a Delaware limited liability company (“**Landlord**”), and Liquidia Technologies, Inc., a Delaware corporation (“**Tenant**”), for space located at 1000 Science Drive, Morrisville, North Carolina. Capitalized terms used but not defined herein shall have the meanings given in the Lease.

This Work Letter shall set forth the obligations of Landlord and Tenant with respect to the improvements to be performed in preparing the Premises for Tenant’s use. This Exhibit shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease.

I. Landlord’s Work.

1. Definitions. Landlord and Tenant acknowledge and agree that as of the Term Commencement Date, Landlord has constructed the core and shell of the Building and has performed all site work, including with respect to landscaping, parking, paving and delivery of utility connections to the Building. Tenant has inspected the Premises and agrees to accept the Premises in its “AS-IS”, “WHERE-IS” condition, without any obligation on the Landlord’s part to perform any additions, alterations, improvements, demolition or other work therein or pertaining thereto, or to incur any expense to prepare the Premises for Tenant’s occupancy, except for the Landlord’s Work (as hereinafter defined). Subject to delays due to Force Majeure, as defined in Section 25.16 hereof, and subject to any act or omission by Tenant and/or Tenant’s agents, servants, employees, consultants, contractors, subcontractors, licensees and/or subtenants (collectively with Tenant, the “**Tenant Parties**”) which causes an actual delay in the performance of Landlord’s Work (a “**Tenant Delay**”), Landlord, at Landlord’s sole cost and expense, shall perform the specific scope of work more particularly described on Exhibit 4-1 attached hereto (the “**Landlord’s Work**”). Landlord and Tenant acknowledge and agree that portions of the Landlord’s Work cannot be performed until Tenant has completed portions of Tenant’s Work consisting of pouring the floor slabs (the “**Tenant’s Floor Slab Work**”).

2. Cost of Landlord’s Work: Landlord shall bear the entire cost of the Landlord’s Work, except to the extent that the cost of the Landlord’s Work increases as the result of Tenant Delay.

3. Punchlist Items. Promptly following delivery of the Premises to Tenant with Landlord’s Work substantially complete, Landlord shall provide Tenant with a list (the “**Punchlist**”) of outstanding items (the “**Punchlist Items**”) which (a) need to be performed to complete Landlord’s Work, and (b) do not materially impair Tenant’s ability to use the Premises for the Permitted Use. Subject to Force Majeure and Tenant Delays, Landlord shall, unless

otherwise specified on the Punchlist, complete all Punchlist Items within sixty (60) days of the date of the Punchlist.

4. Landlord's Warranty. Landlord hereby warrants and represents to Tenant that Landlord's Work shall be performed in a good and workmanlike manner, and in accordance with all applicable Legal Requirements ("**Landlord's Warranty**"). If, on or before the Warranty Expiration Date, Tenant gives Landlord written notice of any breach of Landlord's Warranty promptly after Tenant becomes aware of such breach, Landlord shall, at no cost to Tenant (unless such breach was caused by any Tenant Party), correct or repair such breach as soon as conditions reasonably permit and as to which, in either case, Tenant shall have given notice to Landlord, as aforesaid. The "**Warranty Expiration Date**" shall mean the date occurring twelve (12) months after the Execution Date of this Lease. Except to the extent to which Tenant shall have given Landlord notice of respects in which Landlord has breached Landlord's Warranty prior to the Warranty Expiration Date, Tenant shall be deemed conclusively to have: (i) approved Landlord's Work, (ii) waived any claim that Landlord has breached Landlord's Warranty, and (iii) have agreed that Tenant has no claim that Landlord has failed to perform any of Landlord's obligations under Section I of this Exhibit 4. The provisions of this Section I.4 sets forth the Tenant's sole and exclusive remedies for any breach of the Landlord's Warranty. No cost incurred by Landlord in performing Landlord's Work pursuant to this Section I.4 shall be included in Operating Costs.

II. Tenant's Work.

1. Tenant's Plans. In connection with the performance of the work necessary to prepare the Premises for Tenant's occupancy and business operations, including without limitation, the installation of all furniture and fixtures ("**Tenant's Work**"), substantially in accordance with the test fit plan attached hereto as Exhibit 4-2 (the "**Test Fit Plan**"), Tenant shall submit to Landlord for Landlord's approval (i) the name of and other reasonably requested information regarding Tenant's proposed architect, HVAC and MEP engineers and general contractor, Landlord hereby reserving the right to require that Tenant use a MEP engineer selected by Landlord; (ii) on or before July 31, 2025, a set of design/ development plans sufficient for Landlord to approve Tenant's proposed design of the Premises (the "**Design/ Development Plans**"), and on or before September 30, 2025, a full set of construction drawings ("**Final Construction Drawings**") for Tenant's Work. Notwithstanding the foregoing to the contrary, Landlord hereby pre-approves Evans General Contractors and McDonald York as general contractors. The Design/ Development Plans and the Final Construction Drawings are collectively referred to herein as the "**Plans.**"

Landlord's approval of the architect, HVAC and MEP engineers and general contractor shall not be unreasonably withheld, conditioned or delayed. In addition, Landlord shall have the right to require its written approval, which shall not be unreasonably withheld, conditioned, or delayed, of any subcontractors performing any work affecting the structural elements of, or any of the utility or building service equipment or systems in, the Building. Landlord's approval of the Design/Development Plans and the Final Construction Drawings shall not be unreasonably withheld, conditioned or delayed provided the Plans comply with the requirements to avoid aesthetic or other conflicts with the design and function of the balance of the Building and the Property. Without limiting the generality of the foregoing, the parties agree it shall be reasonable for Landlord to withhold or condition its approval of (or otherwise require changes to) (i) the Design/Development Plans with respect to any manner in which Landlord determines the Design/Development Plans are inconsistent with the Test Fit Plan,

and (ii) the Final Construction Drawings, with respect to any manner in which Landlord determines the Final Construction Drawings are inconsistent with the Design/Development Plans. Landlord's approval is solely given for the benefit of Landlord and Tenant under this Section 3.4(a) and neither Tenant nor any third party shall have the right to rely upon Landlord's approval of the Plans for any other purpose whatsoever. Landlord agrees to respond to any request for approval of the Plans within ten (10) business days after receipt thereof.

2. Performance of Tenant's Work. All tenant improvement work in preparing the Premises for Tenant's occupancy ("**Tenant's Work**") shall be performed by Tenant in accordance with the provisions of the Lease (including, without limitation, Section 11 and this Exhibit 4). Tenant's Work shall be performed at Tenant's sole cost and expense, except for Landlord's Contribution, as hereinafter defined.

3. Completion of Tenant's Work. Tenant shall Substantially Complete (hereinafter defined) Tenant's Work on or before October 15, 2026 (the "**Outside Tenant Work Completion Date**"), provided that if Tenant is delayed in the performance of Tenant's Work by reason of a Landlord Delay (as hereinafter defined) or other causes beyond Tenant's reasonable control, the Outside Tenant Work Completion Date shall be extended by the period of time which Tenant is so delayed. For purposes hereof, Tenant's Work shall be deemed "**Substantially Complete**" and "**Substantial Completion**" shall be deemed to have occurred if Tenant has and delivered to Landlord a copy of (i) a certificate of substantial completion from Tenant's architect for Tenant's Work, and (ii) a certificate of occupancy for the Premises from the Town of Morrisville, North Carolina. A "**Landlord Delay**" shall be defined as any default by Landlord in its obligations under the Lease that causes an actual delay in the completion of Tenant's Work. Notwithstanding the foregoing, no event shall be deemed to be a Landlord Delay until and unless Tenant has given Landlord written notice (the "**Landlord Delay Notice**") advising Landlord (i) that a Landlord Delay is occurring, (ii) of the basis on which Tenant has determined that a Landlord Delay is occurring, and (iii) the actions which Tenant believes that Landlord must take to eliminate such Landlord Delay, and Landlord has failed to correct the Landlord Delay specified in the Landlord Delay Notice within forty-eight (48) hours following receipt thereof. No period of time prior to expiration of such 48-hour period shall be included in the period of time charged to Landlord pursuant to such Landlord Delay Notice.

4. Cost of Tenant's Work; Priority of Work. Except for Landlord's Contribution (as hereinafter defined), all of Tenant's Work shall be performed at Tenant's sole cost and expense, and shall be performed in accordance with the provisions of this Lease (including, without limitation, Section 11). Landlord and Tenant acknowledge and agree that Landlord's Work and Tenant's Work shall be performed concurrently. Tenant shall take necessary reasonable measures to ensure that Tenant's contractors cooperate in all commercially reasonable ways with Landlord's contractors to avoid any delay in either Landlord's Work or Tenant's Work or any conflict with the performance of either Landlord's Work or Tenant's Work, Tenant acknowledging, however, that in the case of conflict, the performance of Landlord's Work shall have priority. Tenant shall pay Landlord a construction management fee equal to one percent (1%) of the Landlord's Contribution for Landlord's services in managing the design and construction of the Tenant's Work.

5. Landlord's Contribution. As an inducement to Tenant's entering into this Lease, Landlord shall, subject to the provisions of this Section II.5, provide to Tenant a tenant improvement allowance ("**Landlord's Contribution**") of up to [***] (\$[***]) (i.e., equal to \$[***] per rentable square foot of the Premises) (the "**Maximum Amount of Landlord's Contribution**"), to be used by Tenant solely for costs incurred by Tenant in Tenant's Work ("**Permitted Costs**"). For the purposes hereof, Permitted Costs shall not include: (i) the cost of any of Tenant's Property (hereinafter defined), including without limitation telecommunications and computer equipment and all associated wiring and cabling, any de-mountable decorations, artwork and partitions, signs, and trade fixtures, (ii) the cost of any fixtures or Alterations that will be removed at the end of the Term, (iii) any fees paid to Tenant, any Affiliated Entity or Successor, and (iv) any so-called "soft costs." Notwithstanding the foregoing to the contrary, up to ten percent (10%) of the Landlord's Contribution may be utilized by Tenant toward the purchase and/or installation of (i) furniture, fixtures, and equipment, (ii) utilities including telephone, data cable, or any other information technology, (iii) personal property, (iv) signage, and (v) moving expenses (collectively, "**Tenant Related Expenses**").

6. Budget. Tenant shall have no right to submit any requisition to Landlord on account of Permitted Costs until Tenant has submitted to Landlord a detailed good faith budget ("**Budget**") of Permitted Costs. Tenant shall deliver to Landlord an update of the Budget at least once every two (2) months, but in any event after Tenant enters into a contract for the performance of Tenant's Work with its contractor.

(i) Tenant shall submit to Landlord reasonably detailed documentation evidencing the then current Budget at the time of each Budget update. For the purposes hereof, Permitted Costs shall not include: (x) the cost of any of Tenant's Property (hereinafter defined) including, without limitation, telecommunications and computer equipment and all associated wiring and cabling, any de-mountable decorations, artwork and partitions, signs, and trade fixtures, (y) the cost of any fixtures or Alterations that will be removed at the end of the Term, and (z) any fees paid to Tenant, any Affiliated Entity or Successor,

(ii) Requisitions. Landlord shall pay Landlord's Proportion (hereinafter defined) of the cost shown on each requisition (hereinafter defined) submitted by Tenant to Landlord within thirty (30) days of submission thereof by Tenant to Landlord until the entirety of Landlord's Contribution has been exhausted. "**Landlord's Proportion**" shall be a fraction, the numerator of which is Landlord's Contribution and the denominator of which the Budget for Permitted Costs, from time to time. A "**requisition**" shall mean AIA Documents G-702 and G-703 duly executed and certified by Tenant's architect and general contractor (accompanied by, without limitation, invoices from Tenant's contractors, vendors, service providers and consultants (collectively, "**Contractors**") and partial lien waivers and subordinations of lien, as specified under Legal Requirements ("**Lien Waivers**") with respect to the prior month's requisition, and such other documentation as Landlord or any Mortgagee may reasonably request) showing in reasonable detail the costs of the item in question or of the improvements installed to date in the Premises, accompanied by certifications executed by the Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Vice President, or other officer of Tenant that the amount of the requisition in question does not exceed the cost of the items, services and work covered by such requisition. Landlord shall have the right, upon reasonable advance

notice to Tenant and not more often than one time per calendar month, to inspect Tenant's books and records relating to each requisition in order to verify the amount thereof. Such inspection shall be at Landlord's sole cost and expense. Tenant shall submit requisitions no more often than monthly.

The parties acknowledge that Tenant intends to perform the Tenant's Work in multiple phases, and that Tenant does not intend to fit out the portion of the Premises depicted as "Vacant" on the Test Fit Plan as part of the initial phase of the Tenant's Work. Provided that Tenant sequences the Tenant's Work substantially as shown on the Test Fit Plan, Tenant shall be permitted to apply the Maximum Amount of Landlord's Contribution toward the initial phase of the Tenant's Work. In the event Tenant seeks to make any material changes to the Tenant's Plans from the Test Fit Plan attached hereto, such that a materially greater portion of the Premises will not be improved as part of the initial phase of the Tenant's Work, then (without limiting Landlord's rights to review and approve of the Tenant's Plans in accordance with this Exhibit 4), Landlord may, in Landlord's reasonable discretion, condition its approval of such changes on Tenant only having the right to apply the pro-rata, proportionate amount of the Maximum Amount of Landlord's Contribution to each resulting phase of the Tenant's Work, which pro-rata amount shall, at Landlord's election in Landlord's reasonable discretion, either be based on (x) the rentable square feet of the applicable phase, or (y) the proportion of the Budget for the totality of the Tenant's Work that is allocated to the applicable phase.

(iii) Notwithstanding anything to the contrary herein contained: (1) Landlord shall have no obligation to advance funds on account of Landlord's Contribution more than once per month; (2) if Tenant fails to pay to Tenant's contractors the amounts paid by Landlord to Tenant in connection with any previous requisition, Landlord shall thereafter have the right to have Landlord's Contribution paid directly to Tenant's contractors; (3) Landlord shall have no obligation to pay any portion of Landlord's Contribution with respect to any requisition submitted after the date (the "**Outside Requisition Date**") that is twenty-four (24) months after the Execution Date of the Lease; provided, however, that if Tenant certifies to Landlord that it is engaged in a good faith dispute with any contractor, such Outside Requisition Date shall be extended while such dispute is ongoing, so long as Tenant is diligently prosecuting the resolution of such dispute; (4) Tenant shall not be entitled to any unused portion of Landlord's Contribution; (5) Landlord's obligation to pay any portion of Landlord's Contribution shall be conditioned upon there existing no Event of Default by Tenant in its obligations under this Lease at the time that Landlord would otherwise be required to make such payment; and (6) in addition to all other requirements hereof, Landlord's obligation to pay the final ten percent (10%) of Landlord's Contribution shall be subject to simultaneous delivery of all Lien Waivers relating to items, services and work performed in connection with Tenant's Work. If Landlord declines to fund any requisition on the basis that, at the time that Tenant submitted such requisition to Landlord, Tenant is in default of its obligations under the Lease, then, if Tenant cures such default and so long as the Lease is still in full force and effect, Tenant shall again have the right to resubmit such requisition (as may be updated by Tenant for any work performed since the date of the previously submitted requisition) for payment subject to the terms and conditions of this Section III.3.

III. Miscellaneous

(e) **Tenant's Authorized Representative.** Tenant designates Bob Bosley (email: [***], telephone [***]; "**Tenant's Representative**") as the only person authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication ("**Communication**") from or on behalf of Tenant in connection with this Work Letter unless such Communication is in writing from Tenant's Representative. Tenant may change either Tenant's Representative at any time upon not less than five (5) business days advance written notice to Landlord.

(f) **Landlord's Authorized Representatives.** Landlord designates [***] and [***] (email: [***], telephone [***]; and email: [***], telephone [***]; collectively, "**Landlord's Representatives**") as the only persons authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Work Letter unless such Communication is in writing from one of Landlord's Representatives. Landlord may change either Landlord's Representative at any time upon not less than five (5) business days advance written notice to Tenant.

(g) Tenant shall have the right, during the performance of Landlord's Work, to have Tenant's Representative participate in weekly construction meetings with Landlord and the Contractor as to the status of the performance of Tenant Improvement Work.

(h) Tenant shall have access to the Premises prior to the Term Commencement Date in accordance with the provisions of Section 3.4 of the Lease.

IV. Disputes.

Any disputes relating to provisions or obligations in this Lease in connection with Landlord's Work or Tenant's Work or this Exhibit 4 shall be submitted to arbitration in accordance with the provisions of applicable state law, as from time to time amended. Arbitration proceedings, including the selection of an arbitrator, shall be administered by JAMS and conducted pursuant to the rules, regulations and procedures from time to time in effect for JAMS. Notwithstanding the foregoing, the parties hereby agree that the arbitrator for any disputes relating to Landlord's Work or Tenant's Work shall be a construction consultant experienced in the construction of combination biomanufacturing, research and development, office and GMP buildings/parks in the Market Area, as mutually agreed upon by the parties, or, if not then designated by the parties, within ten (10) days after either party makes a request for arbitration hereunder, or (if the parties do not mutually agree upon such arbitrator) as designated by the Raleigh office of JAMS upon request by either party. Prior written notice of application by either party for arbitration (an "**Arbitration Notice**") shall be given to the other at least ten (10) days before submission of the application to the said JAMS office in Raleigh; provided, however, that in no event may an Arbitration Notice be delivered prior to the expiration of the twenty (20) day period following delivery of a Dispute Notice (as hereinafter defined). The arbitrator shall hear the parties and their evidence. The decision of the arbitrator shall be binding and conclusive, and judgment upon the award or decision of the arbitrator may be entered in the appropriate court of law; and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application

to the Court or a Judge thereof may be served outside the State of North Carolina by registered mail or by personal service, provided a reasonable time for appearance is allowed. The costs and expenses of each arbitration hereunder and their apportionment between the parties shall be determined by the arbitrator in his award or decision. Except as otherwise expressly set forth in this Lease, no arbitrable dispute shall be deemed to have arisen under this Lease prior to the expiration of the period of twenty (20) days after the date of the giving of written notice (a **"Dispute Notice"**) by the party asserting the existence of the dispute to the other party, together with a description thereof sufficient for an understanding thereof. In connection with the foregoing, it is expressly understood and agreed that the parties shall continue to perform their respective obligations under the Lease during the pendency of any such arbitration proceeding hereunder (with any adjustments or reallocations to be made on account of such continued performance as determined by the arbitrator in his or her award).

EXHIBIT 4-1

SCOPE OF LANDLORD'S WORK

EXHIBIT 4-2

TEST-FIT PLAN

EXHIBIT 4-3

SIGNAGE OPTIONS

FORM OF GUARANTY

FOR VALUE RECEIVED, and in consideration for, and as an inducement to KING COMBS LLC, a Delaware limited liability company (the "Landlord") to make that certain lease (the "Lease") with Liquidia Technologies, Inc., a Delaware corporation ("Tenant"), the undersigned Liquidia Corporation, a Delaware corporation, with an address of 419 Davis Drive, Suite 100, Morrisville, NC 27560 ("Guarantor"), unconditionally guarantees the timely and punctual payment of all Rent, as defined in the Lease, and other payments required to be paid by Tenant under the Lease, and the timely and prompt full performance and observance of all the covenants, conditions and agreements therein provided to be performed and observed by Tenant under the Lease. Guarantor expressly agrees that the validity of this agreement and the obligations of Guarantor shall in no way be terminated, affected or impaired by reason of the granting by Landlord of any indulgences to Tenant or by reason of the assertion by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease or by the relief of Tenant from any of Tenant's obligations under the Lease by operation of law or otherwise (including, but without limitation, the rejection of the Lease in connection with proceedings under the bankruptcy laws now or hereafter enacted); Guarantor hereby waiving all suretyship defenses, to the extent permitted by law.

The obligations of Guarantor include the payment to Landlord of any monies payable by Tenant under any provisions of the Lease, at law, or in equity, including, without limitation, any monies payable by virtue of the breach of any warranty, the grant of any indemnity or by virtue of any other covenant of Tenant under the Lease.

Guarantor further covenants and agrees that this Guaranty shall remain and continue in full force and effect during the Term, as it may be extended, and as to any modification of the Lease, whether or not Guarantor shall have received any notice of or consented to such modification. Guarantor further agrees that its liability under this Guaranty shall be primary (and that the heading of this instrument and the use of the word "Guaranty" shall not be interpreted to limit the aforesaid primary obligations of Guarantor), and that in any right of action which shall accrue to Landlord under the Lease, Landlord may, at its option, proceed against Guarantor, any other guarantor, and Tenant, jointly or severally, and may proceed against Guarantor without having commenced any action against or having obtained any judgment against Tenant or any other guarantor. Guarantor irrevocably waives any and all rights Guarantor may have at any time prior to performance in full of all of the guaranteed obligations under this Guaranty (whether arising directly or indirectly, by operation of law or by contract or otherwise) to assert any claim against Tenant on account of payments made under this Guaranty, including, without limitation, any and all rights of or claim for subrogation, contribution, reimbursement, exoneration and indemnity, and further waives any benefit of and any right to participate in any security deposit or other collateral which may be held by Landlord; and Guarantor will not claim any set-off or counterclaim against Tenant in respect of any liability Guarantor may have to Tenant.

Guarantor hereby waives presentment, protest, notice of default, demand for payment, and all other suretyship defenses whatsoever with respect to any payment guaranteed under this

Guaranty, and agrees to pay unconditionally upon demand all amounts owed under the Lease. Guarantor further waives any setoff or counterclaim (except for any compulsory counterclaims that must be brought in an action commenced by Landlord against Tenant or Guarantor) that Tenant or Guarantor may have or claim to have against Landlord. Guarantor hereby agrees to indemnify Landlord and hold it harmless from and against all loss and expense, including actual reasonable legal fees, suffered or incurred by Landlord as a result of claims to avoid any payment received by Landlord from Tenant with respect to the obligations of Tenant under the Lease. If Landlord retains an attorney to enforce this Guaranty or to bring any action or any appeal in connection with this Guaranty, the Lease, or the collection of any payment under this Guaranty or the Lease, Landlord shall be entitled to recover its actual reasonable attorneys' fees, costs and disbursements in connection therewith, as determined by the court before which such action or appeal is heard, in addition to any other relief to which Landlord may be entitled.

Guarantor represents to Landlord that Guarantor owns, directly or indirectly, a majority of the outstanding ownership interests of Tenant.

It is agreed that the failure of Landlord to insist in any one or more instances upon a strict performance or observance of any of the terms, provisions or covenants of the Lease or to exercise any right therein contained shall not be construed or deemed to be a waiver or relinquishment for the future of such term, provision, covenant or right, but the same shall continue and remain in full force and effect. Receipt by Landlord of rent with knowledge of the breach of any provision of the Lease shall not be deemed a waiver of such breach.

No subletting, assignment or other transfer of the Lease, or any interest therein, shall operate to extinguish or diminish the liability of Guarantor under this Guaranty; and wherever reference is made to the liability of Tenant named in the Lease, such reference shall be deemed likewise to refer to Guarantor.

All payments becoming due under this Guaranty and not paid within ten (10) days after written notice from Landlord that the same is due shall bear interest from the applicable due date until received by Landlord at the rate set forth in **Section 5.4(a)** of the Lease for late payments.

It is further agreed that all of the terms and provisions hereof shall inure to the benefit of the successors and assigns of Landlord, and shall be binding upon the successors and assigns of Guarantor. Each reference in this Guaranty to Guarantor shall be deemed to include the successors and assigns of Guarantor, all of whom shall be bound by the provisions of this Guaranty; provided, however, notwithstanding any such assignment, the original Guarantor shall remain fully and completely liable and responsible for all of its obligations, duties, and liabilities under this Guaranty. In no event shall this Guaranty be assigned, transferred, modified or amended without the prior written consent of Landlord in each instance. Landlord shall have the unrestricted right to assign this Guaranty in connection with an assignment of the landlord's interest in the Lease without the consent of, or any other action required by, Guarantor.

Guarantor shall at any time and from time to time upon not less than thirty (30) days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the

modifications), it being intended that any such statement delivered pursuant hereto may be relied upon by Landlord, any prospective purchaser of the Building or of any interest of Landlord therein, any Mortgagee or prospective Mortgagee thereof, any lessor or prospective lessor thereof, any lessee or prospective lessee thereof, or any prospective assignee of any mortgage thereof.

Guarantor hereby agrees that this Guaranty shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to principles of conflict of laws. Guarantor hereby agrees that all actions to enforce this Guaranty, and all disputes arising, directly or indirectly, out of or relating to this Guaranty, shall be dealt with and adjudicated in the state courts of the State of North Carolina or the federal courts for the State of North Carolina and for that purpose hereby expressly and irrevocably submits itself to the sole and exclusive jurisdiction of such courts. Guarantor waives any and all rights under the laws of any state or the United States or otherwise to object to such jurisdiction. Guarantor agrees that so far as is permitted under applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action, other than service of process as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon it in any such court.

Any notice, consent, request, bill, demand or statement hereunder (each, a "Notice") by either party to the other party shall be in writing and shall be deemed to have been duly given when either delivered by hand or by nationally recognized overnight courier (in either case with evidence of delivery or refusal thereof). Notices shall be effective upon the date of receipt or refusal thereof. Except as otherwise stated in this Guaranty, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Guaranty shall be addressed to Guarantor and to Landlord as set forth below. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

If to Landlord:	King Combs LLC c/o King Street Properties 800 Boylston Street, Suite 2400 Boston, MA 02119 Attention: Chris Rouches
With copies to:	Goulston & Storrs PC One Post Office Square, 25 th Floor Boston, MA 02109 Attention: King Street
If to Guarantor:	Liquidia Corporation 419 Davis Drive, Suite 100 Morrisville, NC 27560

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed under seal
as of this ____ day of May, 2025.

WITNESS:

LIQUIDIA CORPORATION, a Delaware
corporation,

By: _____

Name: _____

Title: _____

EXHIBIT 6

FORM OF LETTER OF CREDIT

[Attached]

DRAFT

THIS DRAFT LC IS PROVIDED TO YOU AT YOUR REQUEST AND THERE IS NO OBLIGATION ON OUR PART DESPITE OUR ASSISTANCE IN THE PREPARATION OF THIS DRAFT LC. THE DRAFT LC IS NOT TO BE CONSTRUED AS EVIDENCE OF COMMITMENT ON OUR PART TO ISSUE OR ADVISE SUCH LC'S IN THE FUTURE.

PLEASE QUOTE OUR PRE-VET REFERENCE NUMBER I N ALL FUTURE CORRESPONDENCE INCLUDING APPLICATION ONCE SUBMITTED.

PRE-VET REF:

JPMORGAN CHASE BANK N.A.
Trade & Working Capital Operations
10410 Highland Manor Drive, Floor 03
Tampa, Florida 33610-9128

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____
DATED: _____

To: KING COMBS LLC
C/O KING STREET PROPERTIES
800 BOYLSTON STREET, SUITE 2400
BOSTON, MA 02199

DEAR SIR/MADAM:

WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR.

BENEFICIARY: KING COMBS LLC
C/O KING STREET PROPERTIES
800 BOYLSTON STREET, SUITE 2400
BOSTON, MA 02199

ACCOUNT PARTY: LIQUIDIA TECHNOLOGIES, INC.
419 DAVIS DRIVE, SUITE 100
MORRISVILLE, NORTH CAROLINA 27560

DATE OF EXPIRY:

PLACE OF EXPIRY: OUR COUNTERS

AMOUNT:

APPLICABLE RULES: ISP LATEST VERSION

WE HEREBY ISSUE THIS LETTER OF CREDIT FOR THE ACCOUNT OF ACCOUNT PARTY.

FUNDS UNDER THIS CREDIT ARE AVAILABLE AT SIGHT WITH JPMORGAN CHASE BANK, N.A. UPON PRESENTATION OF BENEFICIARY'S SIGNED AND DATED STATEMENT READING AS FOLLOWS:

BENEFICIARY IS ENTITLED TO DRAW UPON THIS LETTER OF CREDIT UNDER THAT CERTAIN LEASE ORIGINALLY DATED AS OF JUNE 16, 2025, BY AND BETWEEN BENEFICIARY, AS LANDLORD, AND ACCOUNT PARTY, AS TENANT, AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED TO DATE. WE HEREBY DEMAND THE AMOUNT OF USD _____ UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NUMBER _____”

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL ONE YEAR PERIODS FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE CURRENT EXPIRY DATE WE SEND NOTICE IN WRITING TO YOU AT THE ABOVE ADDRESS BY CERTIFIED MAIL OR NATIONAL COURIER SERVICE, THAT WE ELECT NOT TO AUTOMATICALLY EXTEND THIS LETTER OF CREDIT FOR ANY ADDITIONAL PERIOD. HOWEVER IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND THE FINAL EXPIRY DATE OF JANUARY 31, 2037.

PARTIAL AND MULTIPLE DRAWINGS ARE ALLOWED.

THIS LETTER OF CREDIT IS TRANSFERABLE, BUT ONLY IN ITS ENTIRETY, AND MAY BE SUCCESSIVELY TRANSFERRED. TRANSFER OF THIS LETTER OF CREDIT SHALL BE EFFECTED BY US UPON YOUR SUBMISSION OF THIS ORIGINAL LETTER OF CREDIT, INCLUDING ALL AMENDMENTS, IF ANY, ACCOMPANIED BY OUR TRANSFER REQUEST FORM DULY COMPLETED AND EXECUTED. THE FORM OF WHICH IS ATTACHED HERETO AS EXHIBIT A. IN ANY EVENT, THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED TO ANY PERSON OR ENTITY LISTED IN OR OTHERWISE SUBJECT TO, ANY SANCTION OR EMBARGO UNDER ANY APPLICABLE RESTRICTIONS. CHARGES AND FEES RELATED TO SUCH TRANSFER WILL BE FOR THE ACCOUNT OF THE ACCOUNT PARTY. HOWEVER, OUR ABILITY TO COLLECT ANY SUCH FEES SHALL NOT AFFECT THE TRANSFER OF THIS LETTER OF CREDIT.

WE ENGAGE WITH YOU THAT DOCUMENTS DRAWN AND PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED IF PRESENTED AT OUR COUNTERS AT 10410 HIGHLAND MANOR DRIVE, FLOOR 03, TAMPA, FL 33610-9128, ATTN: TRADE OPERATIONS-STANDBY LCS, ON OR BEFORE THE EXPIRATION DATE. ALL PAYMENTS DUE HEREUNDER SHALL BE MADE BY WIRE TRANSFER TO THE BENEFICIARY’S ACCOUNT PER THEIR INSTRUCTIONS. ALL DOCUMENTS PRESENTED MUST BE IN ENGLISH.

DRAWINGS HEREUNDER MAY BE PRESENTED BY FACSIMILE/TELECOPY ("FAX") TO FAX NUMBER 856-294-5267 UNDER TELEPHONE PRE-ADVICE TO 1-800-634-1969.

SUCH FAX PRESENTATION(S) MUST BE RECEIVED ON OR BEFORE THE EXPIRY DATE IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT. ANY SUCH FAX PRESENTATION SHALL BE CONSIDERED THE SOLE OPERATIVE INSTRUMENT OF DRAWING. IN THE EVENT OF PRESENTATION BY FAX, THE ORIGINAL DOCUMENTS SHOULD NOT ALSO BE PRESENTED.

THIS LETTER OF CREDIT MAY BE CANCELLED PRIOR TO EXPIRATION PROVIDED THE ORIGINAL LETTER OF CREDIT (AND AMENDMENTS, IF ANY) ARE RETURNED TO JPMORGAN CHASE BANK, N.A., AT OUR ADDRESS AS INDICATED HEREIN, WITH A STATEMENT SIGNED BY THE BENEFICIARY STATING THAT THE ATTACHED LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED TO THE ISSUING BANK FOR CANCELLATION.

THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"), AND IN THE EVENT OF ANY CONFLICT ISP98 WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. ANY DISPUTES ARISING FROM OR IN CONNECTION WITH THIS STANDBY LETTER OF CREDIT SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN.

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS STANDBY LETTER OF CREDIT QUOTING OUR REFERENCE NUSCGSXXXXXX TO:

JPMORGAN CHASE BANK, N.A.
ATTN: TRADE OPERATIONS - STANDBY LCS
10410 HIGHLAND MANOR DRIVE, FLOOR 03
TAMPA, FL 33610-9128

ALL INQUIRIES REGARDING THIS TRANSACTION MAY BE DIRECTED TO OUR CLIENT SERVICE GROUP AT THE FOLLOWING TELEPHONE NUMBER OR EMAIL ADDRESS QUOTING OUR REFERENCE _____.
TELEPHONE NUMBER 1-800-634-1969

EMAIL ADDRESS: [***]

YOURS FAITHFULLY,

JPMORGAN CHASE BANK, N.A.

.....

Authorized Signature

EXHIBIT 7

LANDLORD'S SERVICES

1. Hot and cold water to the common area lavatories
 2. Electricity for building common areas
 3. HVAC services to the Building common areas and the Premises (but excepting those areas served by HVAC solely dedicated to any tenant).
 4. Maintenance and repair of the Property as described in Section 10.2
 5. Elevator service for common Building elevators, if applicable
 6. Common Area trash removal
 7. Snow removal
 8. Exterior grounds and parking maintenance
 9. Management services
 10. Building security systems and services
 11. Maintenance of common Building life safety systems (fire alarm and sprinkler), if applicable (but excluding any such systems within and exclusively serving the Premises)
 12. Such other services as Landlord reasonably determines are necessary or appropriate for the Property.
-

EXHIBIT 8

TENANT'S HAZARDOUS MATERIALS

BUILDING RULES AND REGULATIONS

A. General

1. Tenant and its employees shall not in any way obstruct the sidewalks, halls, stairways, or exterior vestibules of the Building, and shall use the same only as a means of passage to and from their respective offices. At no time shall tenants permit its employees, contractors, or other representatives to loiter in Common Areas or elsewhere in and about the Property.

2. Corridor doors, when not in use, shall be kept closed.

3. Areas used in common by tenants shall be subject to such regulations as are posted therein.

4. Any tenant or vendor sponsored activity or event in the Common Areas must be approved and scheduled through Landlord's representative, which approval shall not be unreasonably withheld.

5. No animals, except seeing eye dogs or any other animals legally permitted under the ADA, shall be brought into or kept in, on or about the Premises or Common Areas, except as approved by Landlord.

6. Alcoholic beverages (without Landlord's prior written consent), illegal drugs or other illegal controlled substances are not permitted in the Common Areas, nor will any person under the influence of the same be permitted in the Common Areas. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of the Landlord, is under the influence of alcohol or drugs, or shall do any act in violation of the rules and regulations of the Building.

7. No firearms or other weapons are permitted in the Common Areas.

8. No fighting or "horseplay" will be tolerated at any time in the Common Areas.

9. Tenant shall not cause any unnecessary janitorial labor or services in the Common Areas by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness.

10. Smoking and discarding of smoking materials by Tenant and/or any Tenant Party is permitted only in exterior locations designated by Landlord. Tenant will instruct and notify its employees and visitors of such policy.

11. Bicycles and other vehicles are not permitted inside or on the walkways outside the Building, except in those areas specifically designated by Landlord for such purposes

12. Tenant shall not operate or permit to be operated on the Premises any coin or token operated vending machine or similar device (including, without limitation, telephones, lockers,

toilets, scales, amusement devices and machines for sale of beverages food, candy, cigarettes or other goods), except for those vending machines or similar devices which are for the sole and exclusive use of Tenant's employees and located within the Tenant's Premises.

13. Canvassing, soliciting, and peddling in or about the Building is prohibited. Tenant, its employees, agents and contractors shall cooperate with said policy, and Tenant shall cooperate and use best efforts to prevent the same by Tenant's invitees.

14. Fire protection and prevention practices implemented by the Landlord from time to time in the Common Areas, including participation in fire drills, must be observed by Tenant at all times.

15. Except as provided for in the Lease, no signs, advertisements or notices shall be painted or affixed on or to any windows, doors or other parts of the Building that are visible from the exterior of the Building unless approved in writing by the Landlord.

16. The restroom fixtures and water fountains, if any, shall be used only for the purpose for which they were constructed and no rubbish, ashes, or other substances of any kind shall be thrown into them. Tenant will bear the expense of any damage resulting from misuse.

17. Tenant will not interfere with or obstruct any building central HVAC, electrical, or plumbing systems.

18. Tenant shall have the right to designate a pest control service company of its choosing to control pests in the Premises. Except as included in Landlord's Services, Tenant shall bear the cost and expense of such pest control services.

19. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, any electrical equipment which would overload the electrical system or any part thereof beyond its capacity for proper, efficient and safe operation as determined by Landlord, taking into consideration the overall electrical system and the present and future requirements of the Building.

20. Tenant shall not use more than its proportionate share of telephone lines available to service the Building.

21. Tenants shall not perform improvements or alterations within the Building or their Premises, if the work has the potential of disturbing the fireproofing which has been applied on the surfaces of structural steel members, without the prior written consent of Landlord, subject to the provisions of the Lease.

22. Tenant shall manage its waste removal and janitorial program, at its sole cost and expense, keeping any recyclables, garbage, trash, rubbish and refuse in vermin proof containers for Tenant's sole use within the Landlord designated area until removed with all work to be performed during non-business hours.

23. Lab operators who travel outside lab space must abide by the one glove rule and remove lab coats where predetermined.

24. Chemical lists and MSDS sheets must be readily available at the entrance to each lab area. In the event of an emergency, first responders will require this information in order to properly evaluate the situation.

25. Tenant shall provide Landlord, in writing, the names and contact information of two (2) representatives authorized by Tenant to request Landlord services, either billable or non-billable and to act as a liaison for matters related to the Premises.

26. Parking of any trailers, trucks, motor homes, or unregistered vehicles in the parking lots is prohibited. All vehicles that need to remain on site for an extended period of time need prior written permission from Landlord or its property management and, if applicable, registered with security for the Campus.

27. Tenants shall not use more than its proportionate share of Base Building Central HVAC or electrical capacity, subject to the provisions of the lease.

B. Access & Security

1. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during the hours Landlord may deem advisable for the adequate protection of the Property. Use of the Building and the leased Premises before 8 AM or after 6 PM, or any time during Saturdays, Sundays or legal holidays shall be allowed only to persons with a key/card key to the Building or guests accompanied by such persons. Any persons found in the Building after hours without such keys/card keys are subject to the surveillance of building staff.

2. Tenant shall not place any additional lock or locks on any exterior door in the Premises or Building or on any door in the Building core within the Premises, including doors providing access to the telephone and electric closets and the slop sink, without Landlord's prior written consent. A reasonable number of keys to the locks on the doors in the Premises shall be furnished by Landlord to Tenant at the cost of Tenant, and Tenant shall not have any duplicate keys made. All keys shall be returned to Landlord at the expiration or earlier termination of this Lease.

3. Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Building, its occupants, entry and use, or its contents, provided that Tenant shall have access to the Building 24 hours per day, 7 days a week. Tenant, Tenant's agents, employees, contractors, guests and invitees shall comply with Landlord's reasonable requirements relative thereto.

4. Tenant acknowledges that Property security problems may occur which may require the employment of extreme security measures in the day-to-day operation of the Common Areas. Accordingly, Tenant agrees to cooperate and cause its employees, contractors, and other representatives to cooperate fully with Landlord in the implementation of any reasonable security procedures concerning the Common Areas.

5. Tenant and its employees, agents, contractors, invitees and licensees are limited to the Premises and the Common Areas. Tenants and its employees, agents, contractors, invitees and

licensees may not enter other areas of the Campus (other than the Common Areas) except when accompanied by an escort from the Landlord.

C. Shipping/Receiving

1. Dock areas for the Building shall not be used for storage or staging by Tenant except in the loading dock for the Premises or Building, as the case may be, as permitted in the Lease.

2. In no case shall any truck or trailer be permitted to remain in a loading dock area for more than 60 minutes, except with prior written notice to Landlord, which notice may be given via email, provided that, in any event Landlord shall have the right, in good faith, to require Tenant to adjust its schedule for the use of the dock areas based upon the needs of the other tenants of the Building and Building operations.

3. There shall not be used in any Common Area, either by Tenant or by delivery personnel or others, in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires or wheels and sole guards.

4. Lab operators carrying any lab related materials may only travel within the Premises. At no time should any lab materials travel in the Common Areas, except at the loading dock and freight elevator for the Premises or Building, as the case may be.

5. Any dry ice brought into the building must be delivered through the loading dock.

6. All nitrogen tanks must travel through the loading dock and should never be left unattended outside of the Premises except as otherwise set forth in the Lease.

TENANT CONSTRUCTION

BUILDING RULES AND REGULATIONS

**TENANT CONSTRUCTION
BUILDING RULES AND REGULATIONS****THE RULES MUST BE POSTED AT THE JOB SITE AT ALL TIMES!**

1. Parking. Parking Areas are designated by the Management Office and are subject to change at any time. Construction personnel are required to park in the Parking Areas designated by the Management Office. Failure to adhere to this regulation will result in the towing of the vehicle in violation at the owner's expense.
2. Access. Building entrances; lobbies, passages, corridors, public elevators, stairways, and other common areas may not be encumbered, or obstructed by the contractor, or contractor's agents during construction of the tenant's lease premises. Material deliveries must be scheduled in advance through the Management Office and coordinated with the Cushman & Wakefield representative. Contractors are not to use Tenant phones, or Restrooms under any circumstances. Construction personnel found using phones, or restrooms located in the tenant's suite will be asked to immediately leave the premises and will not be allowed to return.
3. Each contractor is responsible for their subcontractor, and for the actions of their personnel including clean-up of work and construction traffic. No alcoholic beverages, glass containers, or "controlled substances" are allowed on the premises. All work must be scheduled through the Management Office and include a list of contractors performing work prior to the start of the work. After-hours work must be scheduled through the Management Office 24 hours before the activity will occur. Weekend activity must be scheduled by Friday at 9 a.m. Contractors will not be allowed to work in the Building after hours, or on weekends unless the procedures outlined above have been followed.

All after-hours work must be supervised by the general contractor. There will be no exceptions to this rule.

Prior to the commencement and upon completion of each job, a walk-through of public areas will be made, i.e. restrooms, etc., and any subsequent damages will be the responsibility of the contractor. The contractor shall be responsible for cleaning the assigned restrooms each day at his own expense.

4. Noise and Vapor Restrictions. Any work that would cause inconvenience to other tenants in the Building, or that must be done in an occupied space must be done after hours or on the weekend. Structural modifications, floor penetrations created with the use of core drilling machines, pneumatic hammers, etc., shall be performed before 7:30 a.m. or after 7:00 p.m. Likewise, any construction operations causing excessive noise, dust, vapors must be conducted during these hours.
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When construction is on an occupied multi-tenant floor, noise, i.e., radios, loud talking, noise from equipment, etc., must be kept to a minimum. On these multi-tenant floors, public restrooms are not to be used by contractors.

A Cushman & Wakefield superintendent, or the Property Manager will have the sole authority to determine if an operation is causing excessive noise, dust, or vapors.

5. Landlord has the right to inspect work at any time and may reject work that does not conform to code, tenant's plans, or work that may affect the exterior appearance, structural components, or service system of the building.
6. Mechanical and electrical shop drawings must be reviewed and approved by Landlord's approved engineer. Prior to starting work, the general, mechanical, and electrical contractors must review the work with the Landlord's facilities manager and facilities supervisor.

All panels and transformers are to match the Building standard systems and all materials and methods used to connect panels and transformers must be approved by Landlord.

Unscheduled outages of any utility, or Building service is strictly prohibited.

7. Dust and air contamination are to be controlled with temporary partitions which are sealed adequately to prevent dust from entering leased areas or mechanical equipment. Floor sweep or a comparable material will be used when sweeping concrete or tile floors.
8. Clean-up of Common and Lease Areas. The Premises must be kept in a clean, orderly fashion at all times and free of potential safety and fire hazards. A general clean-up of the space under construction is to be performed on a daily basis. Final clean-up will be the responsibility of the contractor, which is to include all vacuuming and dusting as required. Failure to adequately keep the work area clean and accessible will result in Cushman & Wakefield using its own forces to achieve this through whatever means determined necessary, and the total cost will be deducted from the contract.
9. Trash Removal. Contractor is responsible for removing all construction debris and trash from the construction site. UNDER NO circumstances shall trash, or construction debris be allowed to accumulate. Trash removal must be coordinated through the Cushman & Wakefield Management Office. No vehicles, or dumpsters will be allowed to remain stationary on the site.

Under no circumstances is the Landlord's dumpster to be used.

10. If any fire sprinkler work, or modification to the fire sprinkler system is required, the system must be back in operation at the end of the work day. Under no circumstances shall the fire sprinkler system be left inoperative overnight. The facilities manager must be notified each morning of the location of and type of sprinkler work to be performed. The engineer hourly rate of \$75.00 will be charged for routine work and/or extended regular hour work.
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11. Existing pull stations and horns and strobes located throughout the Building will remain live during construction.
12. It shall be the responsibility of the general contractor to complete all punch list items before the Tenant move-in date or the stipulated completion date.
13. All construction staging, storage, and temporary contractor facilities will be located in specific areas assigned by Landlord. Contractors will be responsible for the maintenance, housekeeping, and demolition of all temporary facilities.
14. Any removal, replacement, or repair work to a base Building system to accommodate work directed by the Tenant, or unforeseen interference (i.e., sprinkler head conflicts) which is not part of the Work, will be performed by the Tenant's contractor at Tenant's sole expense.
15. No fire arms or weapons are permitted on the property.
16. Insurance. Contractors will be required to carry standard requirements incorporating both the owner and Cushman & Wakefield as additionally insured parties.
17. At no time is any welding, or cutting with a torch to be used in the building without prior approval and coordination from the Management Office. Hot work permits may be required depending on the status of the project for all hot work including welding, soldering, and torch cutting. All hot work requires a fire extinguisher supplied by the contractor and must be in the immediate vicinity and easily accessible. Fire extinguishers must be inspected at least monthly.
18. A copy of these regulations shall be posted on the job site for all parties to observe. Contractor is responsible for instructing all of his personnel, subcontractors and suppliers to comply with these regulations.
19. ALL PASSENGER ELEVATORS AND PUBLIC AREAS SHALL BE RESTRICTED AND OFF LIMITS TO ALL CONSTRUCTION PERSONNEL. Under no circumstances shall the exit stairwells be used for access to/from the first floor. All construction personnel for this project shall only use the freight elevator from the first floor back lobby. Under no circumstances shall the main entrance to the Building or the garage passenger elevators be used for access.

All deliveries of materials and equipment must be scheduled at least twenty-four (24) hours prior to their delivery through Landlord's management office on the Campus. The contractor will be provided access to the freight elevator to be used in the "independent mode" for after-hours deliveries. The Contractor shall provide an operator during work hours to ensure correct and safe usage. Contractor shall keep the elevator cab and door tracks clean and free of all debris. Contractor shall be responsible for repair costs incurred due to misuse or damage caused by his forces. All major deliveries must be made between the hours of 11:00 p.m. to 7:00 a.m. Monday through Friday and all day long on Saturday and Sunday. Contractor will be charged for having an engineer on duty to assist with deliveries when the loading dock is closed. Additional charges incurred due to non-

standard elevator use (i.e., moving freight on top of elevator cab) shall be paid by the General Contractor.

Your signature below signifies that you have read the rules above and agree to abide by all of them.

Signature

Date

Firm Name

Effective Date: _____

TENANT'S WORK INSURANCE SCHEDULE

Tenant shall, at its own expense, maintain and keep in force, or cause to be maintained and kept in force by any general contractors, sub-contractors or other third party entities where required by contract, throughout any period of alterations to the Premises or the Building by Tenant, the following insurance coverages:

- (1) Property Insurance. "All-Risk" or "Special" Form property insurance, and/or Builders Risk coverage for major renovation projects, including, without limitation, coverage for fire, earthquake and flood; boiler and machinery (if applicable); sprinkler damage; vandalism; malicious mischief coverage on all equipment, furniture, fixtures, fittings, Tenant's Work and alterations, improvements and betterments, business income, extra expense, merchandise, inventory/stock, contents, and personal property located on or in the Premises. Such insurance shall be in an amount equal to the full replacement cost of the aggregate of the foregoing and shall provide coverage comparable to the coverage in the standard ISO "All-Risk" or "Special" form, when such coverage is supplemented with the coverages required above. Property policy shall also include coverage for Plate Glass, where required by written contract.

Builders Risk insurance coverage may be provided by the general contractor on a blanket builders risk policy with limits adequate for the project, and evidencing the additional insureds as required in the Lease.

- (2) Liability Insurance. General Liability, Umbrella/Excess Liability, Workers Compensation and Auto Liability coverage as follows:

- (a) General Liability \$1,000,000 per occurrence
 \$1,000,000 personal & advertising
 injury
 \$2,000,000 products/completed
 operations aggregate

The General Contractor is required to maintain, during the construction period and up to 3 years after project completion, a General Liability insurance policy, covering bodily injury, personal injury, property damage, completed operations, with limits to include a \$1,000,000 limit for blanket contractual liability coverage and adding Landlord as additional insured as respects the project during construction and for completed operations up to 3 years after the end of the project.

Landlord requires a copy of the ISO 20 10 11 85 Additional Insured endorsement, showing Landlord as an additional insured to the GC's policy.

- (b) Auto Liability \$1,000,000 combined single limit
 (Any Auto) for bodily injury and
 property damage, hired and non-
 owned coverages.
 - (c) Workers Statutory Limits
 Compensation \$1,000,000 each accident*
 Employers Liability \$1,000,000 each employee*
-

\$1,000,000 policy limit*
* or such amounts as are customarily
obtained by operators of comparable
businesses

General Contractor shall ensure that any and all sub-contractors shall maintain equal limits of coverage for Workers Compensation/EL and collect insurance certificates verifying same.

- | | | |
|-----|------------------------------|------------------------------------|
| (d) | Umbrella/Excess
Liability | \$25,000,000 per occurrence |
| (e) | Environmental
Insurance | To the extent required by Landlord |

Contractors' commercial general liability/umbrella insurance policy(ies) shall include Landlord and Landlord's designees as additional insureds', and shall include a primary non-contributory provision. Liability policy shall contain a clause that the insurer may not cancel or materially change coverage without first giving Landlord thirty (30) days prior written notice, except cancellation for non-payment of premium, in which ten (10) days prior written notice shall be required.

(3) Deductibles. If any of the above insurances have deductibles or self-insured retentions, the Tenant and/or contractor (policy Named Insured) shall be responsible for the deductible amount.

All of the insurance policies required in this Exhibit 10 shall be written by insurance companies which are licensed to do business in the State where the property is located, or obtained through a duly authorized surplus lines insurance agent or otherwise in conformity with the laws of such State, with an A.M. Best rating of at least A and a financial size category of not less than VII. Tenant shall provide Landlord with certificates of insurance upon request, prior to commencement of the Tenant/contractor work, or within thirty (30) days of coverage inception and subsequent renewals or rewrites/replacements of any cancelled/non-renewed policies.

EXHIBIT 11
FORM OF LIEN WAIVER

[Attached]

EXHIBIT [●]: CONTRACTOR'S LIEN WAIVER AND RELEASE

[●] (the "Owner") entered into a Standard Form of Agreement between Owner and Contractor (the "Contract") with [●] (the "Contractor") dated [●] for work, labor, equipment and/or materials for [●] (the "Project") located at [●].

In consideration of Owner's payment to Contractor the sum of [●] Dollars (\$ [●]), which sum represents the progress payment due to Contractor pursuant to Payment Application No. [●] dated [●] (the "Payment Application") for work performed under the Contract, and in acknowledgment of prior receipt of total payments from the Owner of [●] Dollars (\$[●]) for all prior payment applications submitted:

1. The Contractor certifies that it has paid all sums properly due (including without limitation any and all applicable federal, state, and local sales, use, excise, or similar taxes or import duties, licenses and royalties) to all of its vendors and subcontractors for any labor, materials, equipment, or supplies furnished to the Project for which Contractor has received payment from the Owner under prior payment applications, and that it has required its vendors and subcontractors to certify the same with respect to their vendors and subcontractors.
2. The Contractor certifies that it will promptly pay all sums properly due (including without limitation any and all applicable federal, state, and local sales, use, excise, or similar taxes or import duties, licenses and royalties) to all of its vendors and subcontractors for any labor, materials, equipment, or supplies furnished to the Project for which Contractor receives payment from the Owner under the Payment Application, and that it has required its vendors and subcontractors to certify the same with respect to their vendors and subcontractors.
3. The Contractor unconditionally waives and releases all claims or rights of lien which the Contractor ever had, now has, or may have against the Owner and/or upon the Project, the real property underlying the Project, and any buildings or other improvements thereon for labor, material, or equipment furnished under the Contract for which the Contractor has already received payment under prior payment applications.
4. Effective upon receipt from the Owner of the funds requested in the Payment Application, the Contractor waives and releases all claims or rights of lien which the Contractor ever had, now has, or may have against the Owner and/or upon the Project, the real property underlying the Project and any buildings or other improvements thereon, and/or Project Funds for labor, material or equipment furnished under the Contract for which the Contractor receives payment under the current Payment Application referenced above.

IN WITNESS WHEREOF, Contractor has duly caused these presents to be signed and attested by its duly authorized officer and its corporate seal to be hereunto affixed on the [●] day of [●], 20[●].

[●]:

SWORN to and subscribed before me by
_____ this

_____ day of _____, 20__.

_____(Signature)

Notary Public for: _____

My Commission Expires: _____

(Notary Seal)

By:_____

Its:_____

EXHIBIT [●]: SUBCONTRACTOR'S LIEN WAIVER AND RELEASE

[●] (the "Subcontractor") entered into a subcontract (the "Subcontract") with [●] (the "Contractor") dated [●] for work which was the subject of a Standard Form of Agreement between Owner and Contractor dated [●] (the "Contract") between Contractor and [●] (the "Owner") for work, labor, equipment and/or materials for [●] (the "Project") located at [●].

In consideration of Contractor's payment to Subcontractor of the sum of [●] Dollars (\$[●]), which sum represents the progress payment due to Subcontractor pursuant to Subcontractor Payment Application No. [●] dated [●] (the "Payment Application") for work performed under the Subcontract, and in acknowledgment of prior receipt of total payments from the Contractor of [●] Dollars (\$[●]) for all prior payment applications submitted:

1. The Subcontractor certifies that it has paid all sums properly due (including without limitation any and all applicable federal, state, and local sales, use, excise, or similar taxes or import duties, licenses and royalties) to all of its vendors and sub-subcontractors for any labor, materials, equipment, or supplies furnished to the Project for which Subcontractor has received payment from the Contractor under prior payment applications, and that it has required its vendors and sub-subcontractors to certify the same with respect to their vendors and subcontractors.
2. The Subcontractor certifies that it will promptly pay all sums properly due (including without limitation any and all applicable federal, state, and local sales, use, excise, or similar taxes or import duties, licenses and royalties) to all of its vendors and sub-subcontractors for any labor, materials, equipment, or supplies furnished to the Project for which Subcontractor receives payment from the Contractor under the Payment Application, and that it has required its vendors and sub-subcontractors to certify the same with respect to their vendors and subcontractors.
3. The Subcontractor unconditionally waives and releases all claims or rights of lien which the Subcontractor ever had, now has, or may have against the Contractor or the Owner and/or upon the Project, the real property underlying the Project, or any buildings or other improvements thereon for labor, material or equipment furnished under the Subcontract for which the Subcontractor has already received payment under prior payment applications.
4. Effective upon receipt from the Contractor of the funds requested in the Payment Application, the Subcontractor waives and releases all claims or rights of lien which the Subcontractor ever had, now has, or may have against the Contractor or the Owner and/or upon the Project, Project funds, the real property underlying the Project, or any buildings or other improvements thereon for labor, material or equipment furnished under the Subcontract for which the Subcontractor receives payment under the current Payment Application referenced above.

IN WITNESS WHEREOF, Subcontractor has duly caused these presents to be signed and attested by its duly authorized officer and its corporate seal to be hereunto affixed on the [●] day of [●], 20[●].

[●]:

SWORN to and subscribed before me by
_____ this

_____ day of _____, 20__.

_____(Signature)

Notary Public for: _____

By: _____

My Commission Expires: _____

Its: _____

(Notary Seal)

FORM OF CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (this “**Agreement**”) is made as of the date of last signature hereto, between Liquidia Corporation (together with its affiliates, Liquidia Technologies, Inc. and Liquidia PAH, LLC, the “**Disclosing Party**”), and [Receiving Party] (the “**Receiving Party**”).

1. **Definitions.** For purposes of this Agreement, the following terms shall have the respective meanings defined herein:

a. The term “**Authorized Use**” shall mean the use of the Confidential Information solely in connection with _____, the foregoing being the sole purpose for which Disclosing Party is revealing the Confidential Information to Receiving Party.

b. The term “**Confidential Information**” means and includes any and all of the information delivered or disclosed to the Receiving Party by or on behalf of the Disclosing Party or its Representatives whether before or after the execution of this Agreement, in each case including information concerning the business and affairs of the Disclosing Party and any information acquired by observation or otherwise during any site visit at Disclosing Party’s site.

c. The term “**Representative**” means the directors, officers, trustees, employees, agents, consultants, advisors or other representatives, including legal counsel, accountants, financial advisors and other professional advisors, of Disclosing Party, as applicable.

2. **Confidential Treatment; Limited Use.** The Receiving Party undertakes to keep the Confidential Information of Disclosing Party strictly confidential and shall use at least the same degree of care in protecting such Confidential Information against disclosure to any third party as the Receiving Party exercises in protecting its own confidential and/or proprietary information, but in no event less than a reasonable degree of care. Receiving Party agrees that it will not (a) use the Confidential Information of Disclosing Party for any purpose other than the Authorized Use or (b) disclose the Confidential Information of Disclosing Party to any third party other than its Representatives to the extent necessary in connection with the Authorized Use.

3. **Ownership of Confidential Information.** All Confidential Information of Disclosing Party will remain the exclusive property of the Disclosing Party. The Disclosing Party’s disclosure of its Confidential Information will not constitute an express or implied grant to the Receiving Party of any rights or license to or under the Disclosing Party’s patents, copyrights, trade secrets, trademarks or other intellectual property rights.

4. **Return of Confidential Information.** The Receiving Party will return or destroy all tangible materials embodying Confidential Information (in any form and including, without limitation, all summaries, copies and excerpts of such Confidential Information) promptly following the Disclosing Party’s written request. At the Disclosing Party’s option, the Receiving Party will provide written certification of its compliance with this Section.

5. Representatives. Receiving Party will be responsible for ensuring that each of its Representatives to whom Confidential Information of Disclosing Party is disclosed agrees to hold confidential such Confidential Information and complies with the terms of this Agreement regarding its use, return and destruction as if the Representative were a party hereto. Receiving Party shall be responsible for any breach hereof by its Representatives.

6. Notice of Unauthorized Use. The Receiving Party will notify the Disclosing Party immediately upon discovery of any unauthorized use or disclosure of Disclosing Party's Confidential Information or any other breach of this Agreement by Receiving Party or any of its Representatives. The Receiving Party will cooperate with the Disclosing Party in every reasonable way to help the Disclosing Party regain possession of such Confidential Information and prevent its further unauthorized use.

7. Non-Protected Information. Receiving Party's covenant not to use or disclose Disclosing Party's Confidential Information shall not apply to any information disclosed to the extent that any of the following conditions apply: (a) the information had otherwise become known to the Receiving Party other than through the disclosure by the Disclosing Party or the Disclosing Party's Representatives or any other source known by the Receiving Party to be under an obligation of confidentiality to Disclosing Party with respect to such information; (b) the information is or becomes publicly known without breach of this Agreement by the Receiving Party.

8. Required Disclosure. If Receiving Party or its Representatives become 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 or its Representatives) to disclose any of Disclosing Party's Confidential Information, 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 Receiving Party will cooperate fully with Disclosing Party 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.

9. Injunctive Relief. Disclosing Party and Receiving Party agree that Receiving Party's breach of the provisions of this Agreement will cause irreparable damage for which recovery of money damages would be inadequate. Disclosing Party shall, therefore, be entitled to obtain timely equitable relief, including injunction and specific performance, to protect its rights under this Agreement in addition to all other remedies available at law or equity, without the need to post a bond or other undertaking. In the event litigation should be initiated to enforce any term or provision of this Agreement, the prevailing party in such litigation shall be entitled to recover all costs incurred in connection therewith, including, without limitation, reasonable attorneys' and paralegals' fees.

10. Accuracy. Receiving Party understands that the Disclosing Party is not making any representation or warranty as to the accuracy or completeness of its Confidential Information. Disclosing Party and its Representatives have disclaimed any and all liability arising from the use of its Confidential Information by Receiving Party.

11. Term and Termination. The term of this Agreement shall commence on the Effective Date and continue for a period of two (2) years thereafter, unless terminated upon thirty (30) days' written notice to the other party. The confidentiality, non-use, and non-disclosure obligations of Receiving Party under this Agreement shall survive for a period of five (5) years from the expiration or termination date of this Agreement.

12. Miscellaneous.

a. This Agreement has been entered into in, and shall be governed by and construed in accordance with the domestic laws of the State of North Carolina without giving effect to any choice of law or conflict of law provision or rule (whether of the State of North Carolina or any other jurisdiction) that would require the application of any other law. Any suit, action or proceeding by any party that arises under or in any way relates to this Agreement or the transactions contemplated hereby may be brought only in the federal or state courts located in the State of North Carolina, and shall be tried only by a court and not by a jury. Each party hereby consents to the jurisdiction of such courts to decide any and all such suits, actions and proceedings and to such venue, and they hereby expressly waive any right to a trial by jury in any and all such suits, actions and proceedings.

b. This Agreement is personal to both parties, may not be assigned (by operation of law or otherwise) by either party without the prior written consent of the other party, and any attempt to do so will be void. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective heirs, executors, personal representatives, successors and assigns.

c. If any provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any such provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

d. This Agreement may be executed in one or more counterpart copies, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission 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 transmission shall be deemed to be their original signatures for all purposes.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.

DISCLOSING PARTY:

LIQUIDIA CORPORATION

By: _____
Name: _____
Title: _____
Date: _____

RECEIVING PARTY:

[RECEIVING PARTY]

By: _____
Name: _____
Title: _____
Date: _____

**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 Quarterly Report on Form 10-Q 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: August 12, 2025

By: /s/ Roger A. Jeffs, Ph.D.

Name: Roger A. Jeffs, Ph.D.

Title: Chief Executive Officer
(Principal Executive Officer)

**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 Quarterly Report on Form 10-Q 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: August 12, 2025

By: /s/ Michael Kaseta

Name: Michael Kaseta

Title: Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Liquidia Corporation, a Delaware corporation (the “Company”), on Form 10-Q for the six months ended June 30, 2025, 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: August 12, 2025

By: /s/ Roger A. Jeffs, Ph.D.

Name: Roger A. Jeffs, Ph.D.

Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Liquidia Corporation, a Delaware corporation (the “Company”), on Form 10-Q for the six months ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael Kaseta, Chief Financial 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: August 12, 2025

By: /s/ Michael Kaseta

Name: Michael Kaseta

Title: Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)
