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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 9, 2023**

LIQUIDIA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**001-39724**	**85-1710962**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS 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**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

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

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	LQDA	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Item 1.01 Entry Into a Material Definitive Agreement.

On January 9, 2023, Liquidia Technologies, Inc., a Delaware corporation (the "Company") and a wholly owned subsidiary of Liquidia Corporation (the "Parent") entered into a Revenue Interest Financing Agreement (the "Agreement") with HealthCare Royalty Partners IV, L.P. (the "Investor") and HealthCare Royalty Management, LLC. Pursuant to the Agreement and subject to customary closing conditions, the Investor has agreed to pay the Company an aggregate investment amount of up to $100.0 million (the "Investment Amount"). Under the terms of the Agreement, $32.5 million of the Investment Amount will be funded at the initial closing, which is expected to occur fifteen business days after the date hereof (the "Initial Closing Date"), an additional $7.5 million of the Investment Amount will be funded fifteen business days after a request made by the Company to the Investor to fund any member of the Company Group's (as defined below) acquisition of rights, whether in the form of an acquisition, license, joint venture or similar transaction, to a clinical stage or commercial stage biopharmaceutical product to diagnose, prevent, or treat pulmonary hypertension, an additional $35.0 million of the Investment Amount will be funded fifteen business days after the earlier of regulatory approval of YUTREPIA or a favorable determination relating to the asserted patents in the ongoing patent litigation with United Therapeutics Corporation, and the remaining $25.0 million of the Investment Amount will be funded fifteen business days after the mutual agreement of the Investor and the Company to fund such amount (the "Fourth Investment Amount"). At the Initial Closing Date, approximately $22.3 million of the Investment Amount will be used to satisfy in full and retire each member of the Company Group's indebtedness under the Amended and Restated Loan and Security Agreement (the "SVB Loan") dated as of January 7, 2022, by and among Silicon Valley Bank, as lender, administrative agent, and collateral agent, SVB Innovation Credit Fund VIII, L.P., the Company, the Parent, and Liquidia PAH, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company ("Liquidia PAH" and together with the Parent and the Company, the "Company Group").

As consideration for the Investment Amount and pursuant to the Agreement, the Company has agreed to pay the Investor a tiered royalty on annual net revenue of the Company Group after the first commercial sale of YUTREPIA (the "Revenue Interests"). Except as may otherwise be mutually agreed to in connection with the funding of the Fourth Investment Amount, the applicable tiered percentage will range from 3.60% to 10.00% on the first $250 million on annual net revenue, 1.44% to 4.00% on the next $250 million in annual net revenue, and 0.36% to 1.00% on all annual net revenue in excess of $500 million. The specific royalty rate within such ranges will depend upon the total amount advanced by the Investor and the Company Group's achievement of a certain annual net revenue threshold for the calendar year 2025. The Company will also make certain fixed quarterly payments to the Investor, plus an additional amount on a ratable basis to reflect the funding of additional amounts by the Investor under the Agreement after the Initial Closing Date. The Company will be required to make additional payments to the Investor in the event that the first commercial sale of YUTREPIA does not occur by June 30, 2025 and certain minimum quarterly royalty payments beginning in 2026.

If the Investor has not received cumulative minimum payments from the Company equal to 60% of the amount funded by the Investor to date by December 31, 2026 or 100% of the amount funded by the Investor to date by December 31, 2028, the Company must make a cash payment immediately following each applicable date to the Investor sufficient to gross the Investor up to such minimum amounts after giving full consideration of the cumulative amounts paid to the Investor by the Company through each date. The net sale thresholds described above are not to be interpreted as financial guidance or projections for future net sales of the Company Group.

The Investor's rights to receive the Revenue Interests will terminate on the date on which the Investor has received payments equal to 175% of funded portion of the Investment Amount less the aggregate amount of all payments made to the Investor as of such date (the "Hard Cap"), plus an amount, if any, that the Investor would need to receive to yield an internal rate of return on the funded Investment Amount equal to 18% (the "IRR True-Up Payment"), unless the Agreement is earlier terminated. If a change of control of the Company occurs, the Investor may accelerate payments due under the Agreement up to the Hard Cap, plus the IRR True-Up Payment, plus any other obligations payable under the Agreement. Upon the occurrence of an event of default, the Investor may accelerate payments due under the Agreement up to the Hard Cap, plus the IRR True-Up Payment, plus any other obligations payable under the Agreement. Upon the occurrence of certain material adverse events or the material breach of certain representations and warranties and specified covenants, which will not be considered events of default, the Investor may elect to terminate the Agreement and require the Company to make payments to the Investor equal to the lesser of the Hard Cap, plus any other obligations payable under the Agreement, or the funded portion of the Investment Amount, minus payments received by the Investor in respect of the Revenue Interests, plus the IRR True-Up Payment. If the U.S. Food and Drug Administration grants final approval to an inhaled treprostinil product therapeutically equivalent to YUTREPIA and the Investor has not received 100% of the amount funded by the Investor to date, then the Company will be required to make payments to the Investor equal to 100% of the amount funded by the Investor to date, minus payments received by the Investor in respect of the Revenue Interests.

The Agreement includes customary covenants, including a covenant that the Company Group will have cash and cash equivalents of not less than $7.5 million from January 1, 2024 to December 31, 2024, and not less than $15 million from and after January 1, 2025. The Agreement also includes customary events of default upon the occurrence of enumerated events, including non-payment of Revenue Interests, failure to perform specified covenants, the occurrence of insolvency proceedings, certain judgments and certain cross-defaults or certain revocations of the Agreement and the related transaction documents. In addition, the Agreement contains various representations and warranties, information rights, non-financial covenants, indemnification obligations and other provisions that are customary for a transaction of this nature. Each member of the Company Group's obligations under the Agreement will be secured by a first priority perfected security interest in all of the assets and property of each member of the Company Group, subject to limited exceptions.

The foregoing description of the terms of the Agreement is not complete and is qualified in its entirety by reference to the full text of the Agreement, which will be filed as an exhibit to the Parent's next Annual Report on Form 10-K.

Item 1.02 Termination of a Material Definitive Agreement.

The information provided in Item 1.01 of this Current Report on Form 8-K regarding the termination of the SVB Loan is incorporated by reference into this Item 1.02.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure set forth in Item 1.01 is incorporated by reference herein.

Item 8.01 Other Events.

On January 9, 2023, the Parent issued a press release announcing the execution of the Agreement. A copy of the press release is filed as Exhibit 99.1 hereto and is incorporated by reference into this Item 8.01.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	**Exhibit**
99.1	Press Release of Liquidia Corporation, dated January 9, 2023.
104	Cover Page Interactive Data File (the cover page tags are embedded within the Inline XBRL document).

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 hereunto duly authorized.

January 9, 2023

Liquidia Corporation

By: /s/ Michael Kaseta
Name: Michael Kaseta
Title: Chief Financial Officer

Exhibit 99.1

Liquidia Enters Into a Revenue Interest Financing Agreement With HealthCare Royalty for Up to $100 Million

- Extends cash-runway through at least 2024

- Provides flexibility to accelerate launch preparations timed with success in litigation

MORRISVILLE, N.C., January 9, 2023 - Liquidia Corporation (NASDAQ: LQDA) (Liquidia or the Company) announced today that it has entered into a Revenue Interest Financing Agreement with HealthCare Royalty (HCRx) for a total investment amount of up to $100 million. Liquidia intends to use the proceeds from the financing to fund the potential launch of YUTREPIA™ (treprostinil) inhalation powder upon final regulatory approval by the U.S. Food and Drug Administration (FDA), to support the continued clinical development of YUTREPIA, to provide capital for business development activities directed towards expanding Liquidia's product pipeline and for general corporate purposes.

Under the terms of the agreement, Liquidia will receive $32.5 million from HCRx at closing, with the potential to receive three additional tranches of funding: $7.5 million at Liquidia's discretion to support any acquisition of rights to a clinical stage or commercial stage biopharmaceutical product to diagnose, prevent, or treat pulmonary hypertension; $35 million upon a favorable resolution of the ongoing patent litigation with United Therapeutics Corporation or upon earlier, mutual agreement of the parties; and $25 million to be drawn upon the mutual agreement of the parties. Upon closing, Liquidia intends to use approximately $22.3 million from the initial $32.5 million to retire the company's existing term debt with Silicon Valley Bank.

Michael Kaseta, Chief Financial Officer of Liquidia, said: "HealthCare Royalty is a premier investment firm, and we are thrilled with this new investment partnership. Not only does their investment further validate the commercial opportunity for YUTREPIA and our confidence in the path to FDA approval, but it also provides non-dilutive capital that preserves the financial flexibility to potentially accelerate our launch preparations ahead of the resolution of our ongoing litigation. We have never been in a stronger financial position when combining the current cash on-hand, reduced minimum cash requirements, expected sales of Treprostinil Injection and access to capital provided by this agreement."

Clarke Futch, Chairman and Chief Executive Officer of HCRx added: "Having followed Liquidia's progress for several years, we make this investment with confidence that the value of its products will soon be realized. Our extensive diligence on YUTREPIA and the management team lead us to believe that Liquidia will become a significant force in addressing the needs of patients suffering from rare cardio-pulmonary diseases. We are pleased to partner with Liquidia today and to support their planned growth in the immediate and long-term future."

In exchange for the total investment, HCRx will receive a tiered royalty on net revenue generated by YUTREPIA and other products marketed by Liquidia. The specific tiered royalty rates range between 0.36% to 10.0%, depending upon the total amount advanced to Liquidia and achievement of certain annual net sales thresholds. Liquidia will also make certain fixed payments to HCRx in amounts and timeframes subject to certain conditions set forth in the agreement. The aggregate payments to HCRx are capped at 175% of the total amounts advanced by HCRx, with the potential for a true-up payment to be made by Liquidia if HCRx's internal rate of return is less than 18% on the date the cap is reached. Additional details can be found in the 8-K filed today with the Securities and Exchange Commission.

About YUTREPIA™ (treprostinil) inhalation powder

YUTREPIA is an investigational, inhaled dry powder formulation of treprostinil delivered through a proven, convenient, palm-sized device. On November 5, 2021, the FDA issued a tentative approval for YUTREPIA, which is indicated for the treatment of pulmonary arterial hypertension (PAH) to improve exercise ability in adult patients with New York Heart Association (NYHA) Functional Class II-III symptoms. YUTREPIA was designed using Liquidia's PRINT® technology, which enables the development of drug particles that are precise and uniform in size, shape, and composition, and that are engineered for optimal deposition in the lung following oral inhalation. Liquidia has completed INSPIRE, or Investigation of the Safety and Pharmacology of Dry Powder Inhalation of Treprostinil, an open-label, multi-center phase 3 clinical study of YUTREPIA in patients diagnosed with PAH who are naïve to inhaled treprostinil or who are transitioning from Tyvaso® (nebulized treprostinil). YUTREPIA was previously referred to as LIQ861 in investigational studies.

Tyvaso® is a registered trademark of United Therapeutics Corporation.

About Treprostinil Injection

Treprostinil Injection is the first-to-file, fully substitutable generic treprostinil for parenteral administration. Treprostinil Injection contains the same active ingredient, same strengths, same dosage form and same inactive ingredients as Remodulin® (treprostinil) and is offered to patients and physicians with the same level of service and support, but at a lower price than the branded drug. Liquidia PAH promotes the appropriate use of Treprostinil Injection for the treatment of PAH in the United States in partnership with its commercial partner, who holds the Abbreviated New Drug Application (ANDA) with the FDA.

About Liquidia Corporation

Liquidia Corporation is a biopharmaceutical company focused on the development and commercialization of products in pulmonary hypertension and other applications of its PRINT® Technology. The company operates through its two wholly owned subsidiaries, Liquidia Technologies, Inc. and Liquidia PAH, LLC. Liquidia Technologies has developed YUTREPIA™ (treprostinil) inhalation powder for the treatment of pulmonary arterial hypertension (PAH). Liquidia PAH provides the commercialization for pharmaceutical products to treat pulmonary disease, such as generic Treprostinil Injection. For more information, please visit www.liquidia.com.

About HealthCare Royalty

HCRx is a leading royalty acquisition company focused on commercial or near-commercial stage biopharmaceutical products. HCRx has $6.3 billion in cumulative capital commitments with offices in Stamford (CT), San Francisco, Boston and London. For more information, visit www.hcrx.com. HEALTHCARE ROYALTY® and HCRx® are registered trademarks of HealthCare Royalty Management, LLC.

Cautionary Statements Regarding Forward-Looking Statements

This press release may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release other than statements of historical facts, including statements regarding our future results of operations and financial position, our strategic and financial initiatives, our business strategy and plans and our objectives for future operations, are forward-looking statements. Such forward-looking statements, including statements regarding clinical trials, clinical studies and other clinical work (including the funding therefor, anticipated capital requirements, anticipated patient enrollment, safety data, study data, trial outcomes, timing or associated costs), regulatory applications and related submission contents and timelines, including the potential for final FDA approval of the NDA for YUTREPIA, the timeline or outcome related to appeals or rehearing requests arising from our patent litigation in the U.S. District Court for the District of Delaware or *inter partes* review proceedings conducted at the PTAB, the issuance of patents by the USPTO and our ability to execute on our strategic or financial initiatives, involve significant risks and uncertainties and actual results could differ materially from those expressed or implied herein. The favorable decisions of the PTAB in the IPRs for the ’793 and ‘901 patents and of the Court in the Hatch-Waxman litigation are not determinative of the outcome of any appeal of those decisions. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “would,” and similar expressions are intended to identify 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 financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks discussed in our filings with the SEC, including, without limitation, the impact of the coronavirus (COVID-19) outbreak on our Company and our financial condition and results of operations, as well as a number of uncertainties and assumptions. Moreover, we operate in a very competitive and rapidly changing environment and our industry has inherent risks. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events discussed in this press release may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Nothing in this press release should be regarded as a representation by any person that these goals will be achieved, and we undertake no duty to update our goals or to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact Information

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