

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 7, 2022

INNOVIVA, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-30319

(Commission File Number)

94-3265960

(I.R.S. Employer Identification Number)

**1350 Old Bayshore Highway,
Suite 400
Burlingame, California 94010
(650) 238-9600**

(Addresses, including zip code, and telephone numbers, including area code, of principal executive offices)
(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, par value \$0.01 per share	INVA	The Nasdaq Global Select Market

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

Emerging growth company

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

Item 2.01. Completion of Acquisition or Disposition of Assets.

On July 11, 2022, Innoviva, Inc., a Delaware corporation (“Innoviva”), completed its acquisition of Entasis Therapeutics Holdings Inc., a Delaware corporation (“Entasis”), pursuant to that certain Agreement and Plan of Merger, dated as of May 23, 2022 (as amended, restated, supplemented or otherwise modified from time to time, the “Merger Agreement”), by and among Innoviva, Entasis, and Innoviva Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Innoviva (“Purchaser”). Pursuant to the Merger Agreement, Purchaser conducted a tender offer (the “Offer”) for all of the issued and outstanding shares of Entasis’ common stock, par value \$0.001 per share (the “Shares”), other than any Innoviva-Owned Shares and Entasis-Owned Shares (each as defined below), at a purchase price of \$2.20 per Share in cash (the “Offer Price”), without interest and subject to any applicable withholding taxes (the “Merger Consideration”), on the terms and conditions set forth in the Merger Agreement.

The Offer expired at 5:00 P.M., New York City time, on July 7, 2022 as scheduled and was not extended. According to Computershare Trust Company, N.A., the depository for the Offer, 11,671,662 Shares were validly tendered and not withdrawn pursuant to the Offer, which Shares, upon excluding the 56,072 Shares tendered by Manoussos Perros (the “Entasis CEO”), represented approximately 60.45% of the outstanding Shares not beneficially owned by Purchaser, Parent or the Entasis CEO, satisfying the minimum tender condition to the Offer. Each other condition to the Offer was satisfied or waived, and Purchaser irrevocably accepted for payment all Shares that were validly tendered and not validly withdrawn. On July 8, 2022, Innoviva issued a press release announcing the expiration and results of the Offer, a copy of which is attached as Exhibit (a)(5)(F) to Amendment No. 2 to the Schedule TO filed by Innoviva with the Securities and Exchange Commission (the “SEC”) on July 8, 2022 and is filed as Exhibit 99.1 hereto and incorporated herein by reference.

On July 11, 2022, following consummation of the Offer, Purchaser merged with and into Entasis (the “Merger”), with Entasis surviving as a wholly-owned subsidiary of Innoviva. The Merger was completed pursuant to Section 251(h) of the General Corporation Law of the State of Delaware (the “DGCL”), with no vote of the Entasis stockholders required to consummate the Merger. At the effective time of the Merger (the “Effective Time”), each issued and outstanding Share (other than (i) Shares owned at the commencement of the Offer and immediately prior to the Effective Time by Innoviva, Purchaser or any other direct or indirect wholly-owned subsidiary of Innoviva (the “Innoviva-Owned Shares”), (ii) Shares owned immediately prior to the Effective Time by Entasis (or held in Entasis’ treasury) (the “Entasis-Owned Shares”) and (iii) Shares held by stockholders who are entitled to, and who have properly exercised and perfected their respective demands for, appraisal of such Shares in the time and manner provided in Section 262 of the DGCL and, as of the Effective Time, have neither effectively withdrawn their respective demand nor otherwise lost their respective rights to appraisal pursuant to Section 262 of the DGCL), was converted into the right to receive an amount in cash equal to the Merger Consideration, without interest and subject to any applicable withholding of taxes.

The aggregate consideration paid by Innoviva in the Offer and Merger to purchase all outstanding Shares (other than the Shares held by Innoviva or Purchaser or by stockholders of Entasis who have properly exercised and perfected their demands for appraisal under the DGCL), was approximately \$42,395,047.20. Innoviva provided Purchaser with the funds necessary to complete the Offer and the Merger and to pay related transaction fees and expenses at the closing of the Merger.

As a result of the Merger, (i) each option to purchase Shares (an “Entasis Option”) with an exercise price that was less than the Offer Price that was outstanding immediately prior to the Effective Time was terminated and cancelled immediately prior to the Effective Time and converted into the right to receive a lump sum cash payment equal in amount to (a) the number of Shares underlying such Entasis Option as of immediately prior to the Effective Time, *multiplied by* (b) an amount equal to (x) the Merger Consideration, *minus* (y) the exercise price of such Entasis Option, net of any taxes withheld pursuant to the Merger Agreement; (ii) each Entasis Option with an exercise price greater than or equal to the Offer Price that was outstanding immediately prior to the Effective Time was terminated and cancelled immediately prior to the Effective Time in exchange for no consideration; (iii) each restricted stock unit with respect to the Shares (an “Entasis RSU”) that was outstanding (other than Entasis RSUs held by directors that vested due to the effects of the Merger, which were converted into the right to receive the Merger Consideration) was terminated and cancelled immediately prior to the Effective Time and converted into the right to receive a number of restricted stock units under Innoviva’s 2012 Equity Incentive Plan (rounded up to the nearest whole share) equal to (x) the number of Shares subject to such Entasis RSU immediately prior to the Effective Time, *multiplied by* (y) the Merger Consideration, *divided by* (z) the volume weighted average price for a share of common stock of Innoviva on the Nasdaq Global Select Market for the ten Business Days prior to the Closing Date as displayed on Bloomberg (the “10-day Parent Stock VWAP”) with terms and conditions that are similar to the Entasis RSUs for which they were exchanged, except for certain changes to the vesting schedule and conditions and changes to such terms and conditions as do not adversely impact the rights of the holder thereof; and (iv) each third party warrant to purchase Shares that was issued and outstanding immediately prior to the Effective Time was replaced by a replacement warrant issued by Innoviva at the Effective Time (each, a “Replacement Warrant”).

The foregoing description of the Merger Agreement (including the description of the consideration payable in connection with the Merger) is not complete and is qualified in its entirety by reference to the Merger Agreement, a copy of which was filed as Exhibit 2.1 to the Current Report on Form 8-K filed by Innoviva with the SEC on May 23, 2022, and is incorporated herein by reference.

Item 8.01. Other Events.

On July 11, 2022, Innoviva issued a press release announcing the completion of the Merger. A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

EXHIBIT NO.	DESCRIPTION
2.1	Agreement and Plan of Merger, dated as of May 23, 2022, by and among Innoviva, Inc., Innoviva Merger Sub, Inc., and Entasis Therapeutics Holdings Inc.† (incorporated herein by reference to Exhibit 2.1 to Innoviva’s Current Report filed on May 23, 2022)
99.1	Press Release, dated July 8, 2022, issued by Innoviva, Inc. announcing the expiration and results of the Offer (incorporated herein by reference to Exhibit (a)(5)(F) to Innoviva’s Amendment No. 2 to the Schedule TO filed on July 8, 2022)
99.2	Press Release, dated July 11, 2022, issued by Innoviva, Inc. announcing the completion of the acquisition of Entasis Therapeutics Holdings Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

† Schedules and exhibits omitted pursuant to item 601(b)(2) of Regulation S-K. Innoviva agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon its request.

SIGNATURE

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

Date: July 11, 2022

INNOVIVA, INC.

By: /s/ Pavel Raifeld

Pavel Raifeld
Chief Executive Officer



Innoviva Completes Acquisition of Entasis Therapeutics

BURLINGAME, Calif. – (BUSINESS WIRE) -- July 11, 2022--Innoviva, Inc. (Nasdaq: INVA) (“Innoviva”), a diversified holding company with a portfolio of royalties, today announced the successful completion of its acquisition of Entasis Therapeutics Holdings Inc. (“Entasis”), an advanced late-stage clinical biopharmaceutical company focused on the discovery and development of novel antibacterial products.

Entasis brings to Innoviva an exciting portfolio that includes potentially first- and best-in-class medicines for the treatment of multidrug-resistant Gram-negative bacteria, including lead asset SUL-DUR. The Company expects to submit a New Drug Application for SUL-DUR to the U.S. Food and Drug Administration in the third quarter of 2022.

“We are pleased to announce the completion of this transaction. Through the acquisition of Entasis, Innoviva has gained an exciting pipeline, created a new growth channel and diversified its revenue stream,” said Pavel Raifeld, Chief Executive Officer of Innoviva. “Completing the acquisition marks the start of an exciting new chapter and I look forward to all that we will accomplish as a combined organization.”

Additional Transaction Details

The tender offer by Innoviva for shares of Entasis expired on July 7, 2022. All of the conditions of the offer have been satisfied and Innoviva completed its acquisition of all the issued and outstanding equity securities of Entasis not already owned by Innoviva and its affiliates for \$2.20 per share. As a result of the acquisition, Entasis became a wholly-owned subsidiary of Innoviva. In connection with the acquisition, Entasis’ common stock will be delisted from the Nasdaq Global Market.

For additional background on the acquisition, please read the announcement press release [here](#).

About Innoviva

Innoviva is a diversified holding company with a portfolio of royalties and other healthcare assets. Innoviva’s royalty portfolio includes respiratory assets partnered with Glaxo Group Limited (“GSK”), including RELVAR^(R)/BREO^(R) ELLIPTA^(R) (fluticasone furoate/ vilanterol, “FF/VI”), ANORO^(R) ELLIPTA^(R) (umeclidinium bromide/ vilanterol, “UMEC/VI”) and TRELEGY^(R) ELLIPTA^(R) (the combination FF/UMEC/VI). Under the Long-Acting Beta2 Agonist (“LABA”) Collaboration Agreement, Innoviva is entitled to receive royalties from GSK on sales of RELVAR^(R)/BREO^(R) ELLIPTA^(R) and ANORO^(R) ELLIPTA^(R). Innoviva is also entitled to 15% of royalty payments made by GSK under its agreements originally entered into with us, and since assigned to Theravance Respiratory Company, LLC (“TRC”), relating to TRELEGY^(R) ELLIPTA^(R) and any other product or combination of products that may be discovered and developed in the future under the LABA Collaboration Agreement and the Strategic Alliance Agreement with GSK (referred to herein as the “GSK Agreements”), which have been assigned to TRC other than RELVAR^(R)/BREO^(R) ELLIPTA^(R) and ANORO^(R) ELLIPTA^(R).

ANORO^(R), RELVAR^(R), BREO^(R), TRELEGY^(R) and ELLIPTA^(R) are trademarks of the GlaxoSmithKline group of companies.

Cautionary Statement Regarding Forward Looking Statements

To the extent that statements contained in this press release are not descriptions of historical facts, they are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements include any statements regarding Innoviva's completion of the offering, the anticipated principal amount of securities sold, the final terms of the offering, Innoviva's anticipated use of proceeds, Innoviva's ability to repurchase the 2023 Notes and any other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions. Such forward-looking statements involve substantial risks and uncertainties that could cause the Company's future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements. Forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date hereof. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the Company's business in general, see the "Risk Factors" section of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 28, 2022, which is on file with the SEC and available on the SEC's website at www.sec.gov. In addition to the risks described above and in Innoviva's other filings with the SEC, other unknown or unpredictable factors also could affect Innoviva's results. Past performance is not necessarily indicative of future results. No forward-looking statements can be guaranteed, and actual results may differ materially from such statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. The information in this press release is provided only as of the date hereof, and Innoviva assumes no obligation to update its forward-looking statements on account of new information, future events or otherwise, except as required by law.

Trademark reference: Innoviva and the Innoviva logo are registered trademarks or trademarks of Innoviva, Inc. or its affiliates in the United States and/or other countries. All other trademarks referenced herein are the property of their respective owners.

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