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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED March 31, 2021
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 001-36596

TRILLIUM THERAPEUTICS INC.
(Exact name of registrant as specified in its charter)

British Columbia, Canada	Not Applicable
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
Trillium Therapeutics USA Inc. 100 CambridgePark Drive, Suite 510 Cambridge, Massachusetts, 02140 USA **(Address of principal executive offices)**	N/A **(Zip Code)**

(416) 595-0627
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of exchange on which registered
Common Shares, no par value per share	TRIL	The Nasdaq Capital Market

---

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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. (Check one):

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 Exchange Act). Yes ☐ No ☒

As of May 5, 2021, there were 103,137,173 common shares of the registrant outstanding.

TRILLIUM THERAPEUTICS INC.
FORM 10-Q

TABLE OF CONTENTS

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, or Quarterly Report, contains forward-looking statements that involve risks and uncertainties. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. In some cases, you can identify forward-looking statements by terminology such as “may”, “will”, “should”, “expects”, “intends”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential”, “continue” or the negative of these terms or other comparable terminology.

Any forward-looking statements in this Quarterly Report reflect our current views with respect to future events and with respect to our future financial performance, and involve known and unknown risks, uncertainties and other 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 these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those described under Part II Item 1A, Risk Factors and elsewhere in this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2020 under Part I, Item IA, “Risk Factors”. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

From time to time, we may use our website, our LinkedIn page at www.linkedin.com/company/trillium-therapeutics-inc-, or our Twitter profile at https://twitter.com/trillium_tx to distribute material information. Our financial and other material information is routinely posted to and accessible on the Investors section of our website, available at www.trilliumtherapeutics.com. Investors are encouraged to review the Investors section of our website because we may post material information on that site that is not otherwise disseminated by us. Information that is contained in and can be accessed through our website, our LinkedIn page, or our Twitter profile is not incorporated into, and does not form a part of, this Quarterly Report.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TRILLIUM THERAPEUTICS INC.
Condensed Consolidated Balance Sheets (unaudited)
(amounts in thousands, except share data)

	March 31, 2021 $	December 31, 2020 $
ASSETS		
Current		
Cash and cash equivalents	**247,905**	247,600
Marketable securities	**27,747**	43,565
Accounts receivable	**931**	947
Prepaid expenses	**9,458**	6,417
Total current assets	**286,041**	298,529
Property and equipment, net	**791**	778
Intangible assets	**783**	783
Operating lease right-of-use assets, net	**673**	732
Total non-current assets	**2,247**	2,293
Total assets	**288,288**	300,822
LIABILITIES		
Current		
Accounts payable	**1,314**	7,891
Accrued expenses	**9,610**	9,323
Current portion of operating lease liabilities	**285**	274
Stock option liability	**3,585**	3,930
Total current liabilities	**14,794**	21,418
Operating lease liabilities, net of current portion	**509**	557
Total liabilities	**15,303**	21,975
Commitments and contingencies (Note 9)		
STOCKHOLDERS' EQUITY		
Series I preferred shares, without par value: unlimited shares authorized; no shares issued or outstanding at March 31, 2021 and December 31, 2020	-	-
Series II preferred shares, without par value: unlimited shares authorized; 6,750,000 shares issued and outstanding at March 31, 2021 and December 31, 2020	**15,698**	15,698
Common shares, without par value: unlimited shares authorized; 103,032,563 and 102,925,799 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively	**478,967**	476,561
Additional paid-in capital	**46,159**	43,565
Accumulated other comprehensive loss	**(7,602)**	(7,602)
Accumulated deficit	**(260,237)**	(249,375)
Total stockholders' equity	**272,985**	278,847
Total liabilities and stockholders' equity	**288,288**	300,822

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

TRILLIUM THERAPEUTICS INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss (unaudited)
(amounts in thousands, except share and per share data)

	Three months ended March 31, 2021 $	Three months ended March 31, 2020 $
OPERATING EXPENSES		
Research and development	**5,924**	4,988
General and administrative	**5,390**	11,675
Total operating expenses	**11,314**	16,663
Operating loss	**(11,314)**	(16,663)
Other income (expense)		
Interest income, net	**529**	412
Net foreign currency loss	**(35)**	(24)
Total other income, net	**494**	388
Net loss before income taxes	**(10,820)**	(16,275)
Income tax expense	**42**	23
Net loss and comprehensive loss	**(10,862)**	(16,298)
Net loss per share, basic and diluted	**(0.11)**	(0.25)
Weighted average number of common shares used in computing net loss per share, basic and diluted	**103,004,158**	65,522,274

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

TRILLIUM THERAPEUTICS INC.
Condensed Consolidated Statements of Stockholders' Equity (unaudited)
(amounts in thousands, except share data)

	Common shares		Series II preferred shares		Additional paid-in capital	Accumulated other comprehensive loss	Deficit	Total
	#	$	#	$	$	$	$	$
Balance at December 31, 2020	102,925,799	476,561	6,750,000	15,698	43,565	(7,602)	(249,375)	278,847
Exercise of options	96,764	2,389	-	-	(238)	-	-	2,151
Exercise of warrants	10,000	17	-	-	(7)	-	-	10
Stock-based compensation	-	-	-	-	2,839	-	-	2,839
Net loss	-	-	-	-	-	-	(10,862)	(10,862)
Balance at March 31, 2021	**103,032,563**	**478,967**	**6,750,000**	**15,698**	**46,159**	**(7,602)**	**(260,237)**	**272,985**

	Common shares		Series I preferred shares		Series II preferred shares		Additional paid-in capital	Accumulated other comprehensive loss	Deficit	Total
	#	$	#	$	#	$	$	$	$	$
Balance at December 31, 2019	28,938,831	149,393	17,171,541	2,348	8,868,403	21,485	23,072	(7,602)	(190,029)	(1,333)
Issuance of preferred and common shares, net of issue costs	41,279,090	106,515	-	-	1,250,000	3,225	-	-	-	109,740
Reclassification of warrants from liability to equity	-	-	-	-	-	-	13,370	-	-	13,370
Reclassification of stock options from equity to liability	-	-	-	-	-	-	(225)	-	-	(225)
Exercise of options	340,000	1,859	-	-	-	-	(781)	-	-	1,078
Exercise of warrants	7,684,717	12,858	-	-	1,750,000	2,928	(6,727)	-	-	9,059
Conversion of preferred shares into common shares	4,440,787	11,387	(17,171,541)	(2,348)	(3,868,403)	(9,039)	-	-	-	-
Stock-based compensation	-	-	-	-	-	-	252	-	-	252
Net loss	-	-	-	-	-	-	-	-	(16,298)	(16,298)
Balance at March 31, 2020	**82,683,425**	**282,012**	**-**	**-**	**8,000,000**	**18,599**	**28,961**	**(7,602)**	**(206,327)**	**115,643**

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

TRILLIUM THERAPEUTICS INC.
Condensed Consolidated Statements of Cash Flows (unaudited)
(amounts in thousands)

	Three months ended March 31, 2021 $	Three months ended March 31, 2020 $
Cash flows from operating activities		
Net loss	**(10,862)**	(16,298)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	**3,024**	11,224
Depreciation of property and equipment	**41**	147
Unrealized foreign exchange loss	**11**	192
Changes in operating assets and liabilities		
Accounts receivable	**16**	(121)
Prepaid expenses	**(3,041)**	(2,184)
Operating lease right-of-use assets	**59**	52
Accounts payable	**(6,577)**	(221)
Accrued expenses	**287**	13
Operating lease liabilities	**(37)**	(96)
Net cash used in operating activities	**(17,079)**	(7,292)
Cash flows from investing activities		
Maturities of marketable securities	**15,831**	10,000
Purchases of marketable securities	**(13)**	(13,954)
Net purchases of property and equipment	**(54)**	-
Net cash provided by (used in) investing activities	**15,764**	(3,954)
Cash flows from financing activities		
Exercise of stock options	**1,621**	1,078
Exercise of warrants	**10**	9,059
Issuance of preferred and common shares, net of issuance costs	**-**	109,740
Net cash provided by financing activities	**1,631**	119,877
Impact of foreign exchange rate on cash and cash equivalents	**(11)**	(194)
Net increase in cash and cash equivalents	**305**	108,437
Cash and cash equivalents, beginning of period	**247,600**	14,584
Cash and cash equivalents, end of period	**247,905**	123,021
Supplemental cash flow disclosures		
Cash paid for operating lease payments	**61**	90
Reclassification of warrants from liability to equity	**-**	13,370
Reclassification of stock options from equity to liability	**-**	225
Fair value transfer of stock option liability to equity upon stock option exercise	**530**	**-**

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

1. Description of the business

Trillium Therapeutics Inc. (the "Company" or "Trillium") is a clinical-stage immuno-oncology company developing innovative therapies for the treatment of cancer. The Company's two clinical programs, TTI-621 and TTI-622, target CD47, a "don't eat me" signal that cancer cells frequently use to evade the immune system. The Company is a corporation existing under the laws of the Province of British Columbia.

Since inception, the Company has been primarily involved in research and development activities and has incurred significant net losses. As of March 31, 2021, the Company had an accumulated deficit of $260.2 million. The Company anticipates that it will continue to incur significant expenses and operating losses for the foreseeable future as it continues to develop its product candidates. As a result, the Company will require substantial additional capital to fund its continued operations and pursue its growth strategy. The Company has not generated any product revenues and has financed its operations primarily through public offerings of its equity securities. There can be no assurance that the Company will be able to raise additional funds or enter into such other agreements on favorable terms, or at all. The failure of the Company to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the Company's business, results of operations, and financial condition.

As of March 31, 2021, the Company had cash and cash equivalents and marketable securities of $275.7 million. The Company believes that its existing cash and cash equivalents and marketable securities will enable it to fund its expected operating requirements for at least the next 12 months.

The Company is subject to a number of risks similar to other biopharmaceutical companies in the early stage, including, but not limited to, the need to obtain adequate additional funding, possible failure of preclinical testing or clinical trials, the need to obtain marketing approval for its product candidates, competitors developing new technological innovations, the need to successfully commercialize and gain market acceptance of the Company's products, and protection of proprietary technology. If the Company does not successfully obtain regulatory approval, commercialize or partner any of its product candidates, it will be unable to generate revenue from product sales or achieve profitability.

2. Summary of significant accounting policies

(a) Basis of presentation and consolidation

These accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim reporting and as required by Regulation S-X, Rule 10-01. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. For further information, refer to the audited consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 as filed with the Securities and Exchange Commission ("SEC") on March 18, 2021. These interim condensed consolidated financial statements, in the opinion of management, reflect all normal recurring adjustments necessary for a fair presentation of the Company's financial position and results of operations for the periods presented.

These condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Trillium Therapeutics USA Inc. The financial statements of the subsidiary are prepared for the same reporting period as the Company using consistent accounting policies. Intercompany transactions, balances and gains and losses on transactions between the Company and the subsidiary are eliminated.

(b) Use of estimates

The preparation of these condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements, reported amounts of revenue and expenses during the reporting periods, and related disclosures in the accompanying notes. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, accrued clinical and contract research organization costs, and stock-based compensation expense, including the valuation of the stock option liability. The Company reviews its estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods. Actual results could differ materially from these estimates and assumptions.

COVID-19

Given the ongoing and dynamic nature of the circumstances surrounding the COVID-19 pandemic, it is difficult to predict how significant the impact of COVID-19, including any responses to it, will be on the global economy and the business of the Company or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict, including new information which may emerge about COVID-19 and additional actions which may be taken to contain it. Such developments could have a material adverse effect on the Company's business, financial condition, results of operations and cash flow, and exposure to credit risk. The Company is constantly evaluating the situation and monitoring any impacts or potential impacts to its business.

(c) Recent accounting pronouncements

In June 2016, the FASB issued ASU No. 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new standard changes the impairment model for most financial assets and certain other instruments. Under the new standard, entities holding financial assets and net investment in leases that are not accounted for at fair value through net income are to present them at the net amount expected to be collected. An allowance for credit losses will be a valuation account that will be deducted from the amortized cost basis of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset. The Company believes that the adoption of this standard will not have a material impact on the condensed consolidated financial statements. The new standard will be effective for annual periods beginning on or after December 15, 2022.

3. Fair value measurements

Liabilities measured at fair value on a recurring basis as of March 31, 2021 and December 31, 2020 are as follows (in thousands):

	Total $	Quoted prices in active markets (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $
March 31, 2021				
Stock option liability	3,585	-	-	3,585
Total liabilities	3,585	-	-	3,585
December 31, 2020				
Stock option liability	3,930	-	-	3,930
Total liabilities	3,930	-	-	3,930

There were no changes in valuation techniques or transfers between Levels 1, 2 or 3 during the three months ended March 31, 2021. The Company's stock option liability is measured at fair value on a recurring basis using unobservable inputs that are classified as Level 3 inputs. As of March 31, 2021 and December 31, 2020, the balances of the stock option liability were $3.6 million and $3.9 million, respectively. The change in fair value of the stock option liability for the three months ended March 31, 2021 was as follows (in thousands):

	2021 $
Beginning balance	3,930
Change in fair value of stock option liability	185
Exercises of stock options	(530)
Ending balance	3,585

The change in fair value of the stock option liability is recorded as stock-based compensation expense (recovery) in the statements of operations and comprehensive loss.

The equity-settled stock option liability was determined based on the fair value of the liability at the reporting date using the Black-Scholes model with the following weighted average assumptions:

	March 31, 2021
Expected option life	4.2 years
Risk-free interest rate	0.8%
Dividend yield	0%
Expected volatility	114%

The Black-Scholes option pricing model requires subjective assumptions, including expected volatility and expected option life. The expected volatility is based on the Company's historical stock price volatility. The expected life of the options is estimated considering the vesting period at the grant date, the life of the option and the average length of time similar grants have remained outstanding in the past. The risk-free interest rate is based on the implied yield on a U.S. Government bond with a remaining term equal to the expected term of the option. The dividend yield was excluded from the calculation since it is the present policy of the Company to retain all earnings to finance operations and future growth.

As of March 31, 2021 and December 31, 2020, the Company's marketable securities primarily include guaranteed investment certificates and corporate bonds, are classified as held-to-maturity, and are valued at amortized cost. Because the marketable securities are short-term in nature, with maturity dates of less than one year, carrying value approximates fair value.

4. Leases

The Company has an operating lease (the "2015 Lease"), to lease 22,003 square feet of a Mississauga, Ontario facility. The term of the 2015 Lease commenced on November 1, 2015. The 2015 Lease has an initial term of 10 years from the commencement date, and the Company has an option to extend the initial term for two further terms of five years each. The Company had the option to terminate the lease agreement any time after 5 years (i.e. after October 31, 2020) with a minimum of 9 months prior written notice. If the Company terminates the lease agreement between the 61st to the 84th month, the Company is obligated to pay the unamortized balance of tenant improvement allowance based on a rate of 8%, plus 4 months minimum rent and additional rent. Upon early termination after the 84th month, the Company is obligated to pay the unamortized balance of tenant improvement allowance based on a rate of 8%, plus 2 months minimum rent and additional rent. As part of the determination of its right-of-use assets, the Company assumed that it would terminate this lease at the end of the 84th month. The landlord agreed to pay the Company a lease inducement for the 2015 Lease of $0.2 million to reimburse the Company for leasehold improvements being made to the leased premises and the acquisition of certain equipment.

On April 1, 2019, the Company entered into an operating lease (the "2019 Lease") to lease approximately 3,200 of square feet of office space located in Cambridge, Massachusetts. The 2019 Lease has an initial term of 5 years from the commencement date with no option to extend the initial term. The annual base rent increases on an annual basis from the 13th month to approximately $0.2 million for the fifth year of the lease. The landlord agreed to pay the Company a lease inducement of $0.1 million to reimburse the Company for leasehold improvements being made to the leased premises.

Future minimum lease payments under non-cancellable lease agreements as of March 31, 2021 were as follows (in thousands):

	March 31, 2021 $
2021	284
2022	455
2023	184
2024 and beyond	46
Total minimum lease payments	969
Less: Imputed interest	(175)
Present value of lease liabilities	794

Lease expense is recognized on a straight-line basis over the term of the leases and accordingly the Company records the difference between cash rent payments and the recognition of lease expense against the operating lease right-of-use asset. For the three months ended March 31, 2021 and 2020, variable lease payments relating to the Company's operating leases were $23 thousand and $38 thousand, respectively. Lease expenses during the three months ended March 31, 2021 and 2020 were $0.1 million and $0.1 million, respectively. As of March 31, 2021, the weighted average remaining lease term was 2.3 years and the weighted average incremental borrowing rate used to determine the operating lease liability was 15%.

5. Accrued expenses

The Company's accrued expenses consisted of the following as of March 31, 2021 and December 31, 2020 (in thousands):

	March 31, 2021 $	December 31, 2020 $
Accrued employee compensation	551	1,507
Accrued clinical and contract research organization costs	7,293	5,978
Other accrued expenses	1,676	1,802
Amounts due to related parties	90	36
Total	9,610	9,323

6. Stockholder's equity

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares, Class B shares and First Preferred Shares, in each case without nominal or par value. Common shares are voting and may receive dividends as declared at the discretion of the Board of Directors. Class B shares are non-voting and convertible to common shares at the holder's discretion, on a one-for-one basis. Upon dissolution or wind-up of the Company, Class B shares participate rateably with the common shares in the distribution of the Company's assets. First Preferred Shares have voting rights as decided upon by the Board of Directors at the time of grant. Upon dissolution or wind-up of the Company, First Preferred Shares are entitled to priority over common shares and Class B shares.

The Company has Series I First Preferred Shares that are non-voting, may receive dividends as declared at the discretion of the Board of Directors, and are convertible to common shares at the holder's discretion, on the basis of 30 Series I First Preferred Shares for one common share.

The Company has Series II First Preferred Shares that are non-voting, may receive dividends as declared at the discretion of the Board of Directors, and are convertible to common shares at the holder's discretion, on the basis of one Series II First Preferred Share for one common share.

Holders may not convert Series II First Preferred Shares into common shares if, after giving effect to the exercise of conversion, the holder would have beneficial ownership or direction or control over common shares in excess of 4.99% of the then outstanding common shares. This limit may be raised at the option of the holder on 61 days' prior written notice: (i) up to 9.99%, (ii) up to 19.99%, subject to clearance of a personal information form submitted by the holder to the Toronto Stock Exchange and (iii) above 19.99%, subject to approval by the Toronto Stock Exchange and stockholder approval.

(b) Shares issued – three months ended March 31, 2021

During the three months ended March 31, 2021, 10,000 common shares were issued on the exercise of 10,000 warrants for proceeds of $10 thousand.

7. Net loss per share

Basic net loss per share is calculated by dividing net loss by the weighted average shares outstanding during the period, without consideration for common share equivalents. Diluted net loss per share is calculated by adjusting weighted average shares outstanding for the dilutive effect of common share equivalents outstanding for the period. For purposes of the dilutive net loss per share calculation, preferred shares, warrants, stock options, and deferred share units are considered to be common share equivalents but are excluded from the calculation of diluted net loss per share, as their effect would be anti-dilutive; therefore, basic and diluted net loss per share were the same for all periods presented as a result of the Company's net loss.

The following common share equivalents were excluded from the computation of diluted net loss per share for the periods presented because including them would have had an anti-dilutive effect:

	March 31, 2021	March 31, 2020
Series II First Preferred Shares	6,750,000	8,000,000
Common warrants	1,505,675	3,915,283
Preferred warrants	5,400,000	5,400,000
Stock options	5,239,544	5,002,062
Deferred share units (equity-settled)	2,219,226	-
	21,114,445	**22,317,345**

8. Stock-based compensation

(a) Stock option plans

2020 Omnibus Plan

The 2020 Omnibus Equity Incentive Plan ("Omnibus Plan") was adopted by the Board of Directors on May 6, 2020 and approved by the stockholders at the annual general and special meeting of stockholders held on June 30, 2020. Under the Omnibus Plan, the Company may grant non-statutory and incentive stock options, share appreciation rights, restricted share units, restricted share awards, unrestricted share awards, deferred share units and dividend equivalent rights. The maximum number of common shares issuable under the Omnibus Plan is 13,400,000 common shares. The Omnibus Plan replaces the Company's 2018 Stock Option Plan, the 2016 Cash-Settled DSU Plan and the 2019 Inducement Stock Option Plan (the "Predecessor Plans") as of July 1, 2020. As of March 31, 2021, the Company was entitled to issue an additional 7,996,355 common shares under the Omnibus Plan.

2019 Inducement Stock Option Plan

Stock options of the Corporation that were granted and are outstanding under the 2019 Inducement Stock Option Plan ("2019 Inducement Plan") will remain subject to the terms and conditions of the 2019 Inducement Plan; however, no new stock options of the Corporation will be granted under the 2019 Inducement Plan. As of March 31, 2021 there were 1,250,000 stock options outstanding under the 2019 Inducement Plan.

For the three months ended March 31, 2021, 25,000 stock options with a weighted average exercise price of $0.41 per share were exercised.

2018 Stock Option Plan

Stock options that were granted and are outstanding under the 2018 Stock Option Plan ("2018 Plan") will remain subject to the terms and conditions of the 2018 Plan; however, no new stock options of the Corporation will be granted under the 2018 Plan. As of March 31, 2021, there were 1,357,994 stock options outstanding under the 2018 Plan.

For the three months ended March 31, 2021, 71,764 stock options with a weighted average exercise price of $4.42 per share were exercised.

Stock-based compensation expense

Total stock-based compensation expense recorded related to stock options granted to employees and non-employees for the three months ended March 31 were as follows (in thousands):

	2021	2020
	$	$
Research and development	16	864
General and administrative	3,008	921
Total stock-based compensation expense	3,024	1,785

Stock-based compensation expense for employees was $2.7 million and $1.8 million for the three months ended March 31, 2021 and 2020, respectively. For the three months ended March 31, 2021 and 2020, stock-based compensation expense for employees related to stock options accounted for as liability awards was $0.2 million and $1.5 million, respectively.

Stock-based compensation expense for non-employees was $0.3 million and $0 for the three months ended March 31, 2021 and 2020, respectively.

As of March 31, 2021, there was $39.0 million of unrecognized compensation expense related to unvested stock options that is expected to be recognized over a weighted average period of 2.7 years.

Stock option activity during the three months ended March 31, 2021 was as follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in thousands)
Outstanding at December 31, 2020	5,326,708	$ 7.30	9.1	$ 39,670
Granted	9,600	$ 13.15		
Exercised	(96,764)	$ 3.39		
Cancelled/expired	-	-		
Outstanding at March 31, 2021	5,239,544	$ 7.39	8.8	$ 23,250
Exercisable at March 31, 2021	897,546	$ 7.22	7.4	$ 4,082

The basis and assumptions used to measure the fair value of stock options granted in the period are consistent with those of the prior period.

During the three months ended March 31, 2021, amounts that were receivable of $1.3 million related to options that were exercised in the prior year were received.

(b) Deferred share units

2016 Cash-Settled DSU Plan

As noted above, the Board of Directors approved the Omnibus Plan, which was approved by the stockholders on June 30, 2020. The Omnibus Plan will govern the terms of the Company's stock option and DSU grants, and provides for equity settlement of DSUs issued for director compensation. In conjunction with the approval of the Omnibus Plan, each director holding DSUs under the Cash-Settled DSU Plan entered into an agreement with the Company to have their existing DSUs be governed by the Omnibus Plan. No new DSUs will be granted under the 2016 Cash-Settled DSU Plan. The Omnibus Plan provides for equity or cash settlement of DSUs issued for director compensation, at the option of the Company. It is the Company's intention to settle all DSUs by equity. The ratification of the Omnibus Plan on June 30, 2020, which now provides for equity settlement of DSUs issued for director compensation, was treated as a modification under ASC 718 *Compensation – Stock Compensation* and the Company's DSUs were classified as equity instead of as a liability. Accordingly, as of June 30, 2020, the DSUs balance was transferred from a liability to equity.

For the three months ended March 31, 2021 and 2020, there were no DSUs issued. For the three months ended March 31, 2021 and 2020, the DSU expense, comprised of directors' fees paid and the revaluation of the DSU liability, were $0 and $9.4 million, respectively. The number of DSUs outstanding as at March 31, 2021 and 2020 was 2,219,226 and 3,045,821, respectively. During the three months ended March 31, 2021 and 2020, no DSUs were redeemed.

9. Commitments and contingencies

The Company enters into vendor agreements for the provision of goods and services, which includes manufacturing services with contract manufacturing organizations and development services with contract research organizations. These agreements may include certain provisions for purchase obligations and termination obligations that could require payments for the cancellation of committed purchase obligations or for early termination of the agreements. The amounts of the cancellation or termination payments vary and are based on the timing of the cancellation or termination and the specific terms of the agreement and therefore are cancelable contracts.

The Company enters into research, development and license agreements in the ordinary course of business where the Company receives research services and rights to proprietary technologies. Milestone and royalty payments that may become due under various agreements are dependent on, among other factors, clinical trials, regulatory approvals and ultimately the successful development of a new drug, the outcome and timing of which are uncertain. Under the license agreement for SIRPαFc, the Company has future contingent milestones payable of $0.2 million and $0.2 million on the first patient dosed in phase 2 and 3 trials, respectively, regulatory milestones on their first achievement totalling $3.8 million, and royalties on commercial sales.

The Company has two agreements with Catalent Pharma Solutions pursuant to which Trillium acquired the right to use a proprietary expression system for the manufacture of two SIRPαFc constructs. Consideration for each license includes potential pre-marketing approval milestones of up to $0.9 million and aggregate sales milestone payments of up to $28.8 million.

The Company periodically enters into research and license agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken by or on behalf of the Company. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amount has been accrued in the condensed consolidated financial statements with respect to these indemnification obligations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2020 that was filed with the United States Securities and Exchange Commission, or the SEC, on March 18, 2021.

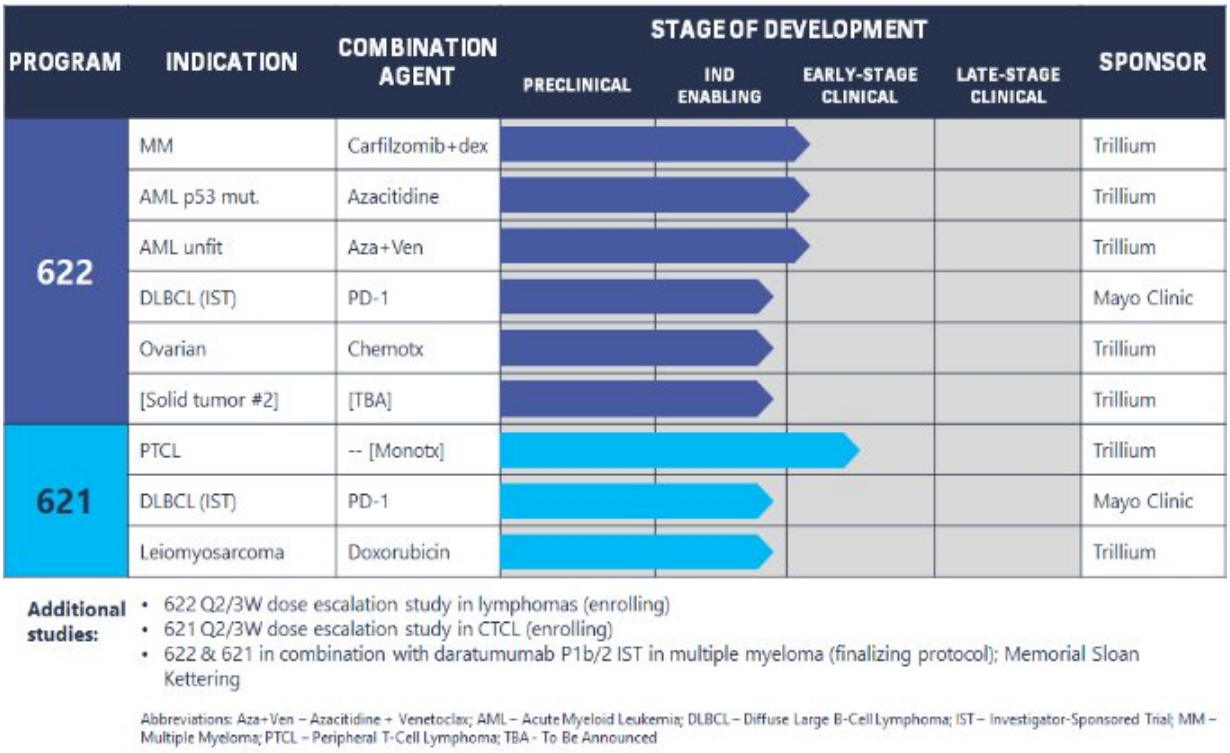
Overview

We are a clinical stage immuno-oncology company developing innovative therapies for the treatment of cancer. Immunotherapy is a rapidly evolving field that is redefining cancer care by harnessing a patient's own immune system to eliminate tumor cells. Our focus is on developing inhibitors of CD47, a checkpoint of the innate immune system. CD47 is emerging as a promising next generation immuno-oncology target following the scientific, clinical and commercial success of T-cell checkpoint inhibitors. We have two product candidates in early stages of clinical development – TTI-622 (a SIRPα-IgG4 Fc fusion protein) and TTI-621 (a SIRPα-IgG1 Fc fusion protein). Both molecules are highly differentiated from the rest of the CD47 field by meaningful monotherapy activity demonstrated across a range of hematologic malignancies, and minimal binding to red blood cells, hence reducing the risk of anemia, a common side effect of some other CD47 agents. In 2021, our immediate goal is to complete ongoing dose escalation studies, and initiate a Phase 1b/2 program across a range of both hematologic and solid tumor malignancies.

Our Product Candidates (SIRPαFc)

Our Pipeline

We have two SIRPαFc fusion proteins, TTI-622 and TTI-621, in clinical development. TTI-622 consists of the CD47-binding domain of human SIRPα linked to the Fc region of IgG4. It is designed to enhance macrophage-mediated phagocytosis and anti-tumor activity by blocking the CD47 "don't eat me" signal and generating a moderate activating "eat" signal via the IgG4 Fc. TTI-621 consists of the same CD47-binding domain as TTI-622 but linked to the Fc region of IgG1, which generates a stronger "eat" signal than IgG4. It is anticipated that the distinct "eat" signals will result in different tolerability profiles, thus achieving different levels of drug exposure and CD47 blockade in patients. Specifically, TTI-622 is expected to achieve a high level of CD47 blockade and deliver a moderate "eat" signal, whereas TTI-621 is expected to achieve a lower level of CD47 blockade but deliver a strong "eat" signal. Both agents have been well tolerated and have demonstrated monotherapy activity in patients with B- and T-cell lymphomas.



Clinical Updates - Phase 1b/2 Programs

On April 28, 2021, we announced the planned initiation of Phase 1b/2 programs with both TTI-622 and TTI-621. We expect that these programs will initially cover seven indications (four hematological cancers, three solid tumors), and study TTI-622 and TTI-621 primarily in combination with other anti-cancer agents.

Specifically, we expect to evaluate TTI-622 in the following settings and combination regimens:

- Relapsed or refractory multiple myeloma, in a combination with carfilzomib + dexamethasone;
- First line p53 mutant acute myeloid leukemia, or AML, in a combination with azacitidine;
- First line elderly or unfit p53 wild type AML patients, in a combination with azacitidine and venetoclax;
- Relapsed or refractory diffuse large B-cell lymphoma, or DLBCL, in a combination with anti-PD-1, in an investigator-sponsored trial at Mayo Clinic;
- Platinum-resistant ovarian cancer, in a combination with chemotherapy; and
- A second solid tumor combination study to be announced later in 2021.

We plan to initiate these studies with 8 mg/kg weekly dosing, or potentially less frequent dosing regimens at higher doses.

On April 28, 2021, we announced that the Phase 1b/2 program for TTI-622 had been initiated with the dosing of a first multiple myeloma patient with TTI-622 in combination with carfilzomib + dexamethasone. Both AML cohorts are open for enrollment.

We expect to evaluate TTI-621 in the following settings and combination regimens:

- Second line peripheral T-cell lymphoma, or PTCL, as a monotherapy;
- Relapsed or refractory DLBCL, in a combination with anti-PD-1, in an investigator-sponsored trial at Mayo Clinic; and
- First line leiomyosarcoma, a subtype of soft tissue sarcoma, in a combination with doxorubicin.

Initial Phase 1b/2 studies are planned to be initiated at two dose levels (0.2 mg/kg and up to 2.0 mg/kg weekly). Different levels may be chosen based on overlapping toxicities with combination agents.

In addition, bi-weekly, or Q2W, and every three weeks, or Q3W, dosing schedules will be evaluated for each molecule in the ongoing monotherapy dose escalation studies.

TTI-622 Ongoing Clinical Development

A two-part, multicenter, open-label, Phase 1a/1b study of TTI-622 in patients with advanced relapsed or refractory lymphoma and multiple myeloma is currently in progress (NCT03530683). In the ongoing Phase 1a dose escalation part, relapsed or refractory lymphoma patients are being enrolled in sequential dose cohorts to receive TTI-622 once weekly to characterize safety, tolerability, pharmacokinetics, and to determine the maximum tolerated dose, or MTD. In the Phase 1b part, patients with advanced relapsed or refractory lymphoma and multiple myeloma will be treated with TTI-622 in combination with other agents.

As of the data cutoff date of April 12, 2021, a total of 42 patients have been enrolled in the ongoing study. Patients received weekly intravenous doses between 0.05 and 18 mg/kg. All dose levels were very well tolerated and an MTD was not reached. The study is continuing, with 3 more patients at 18 mg/kg pending response assessments as of the April 12, 2021 cutoff date.

TTI-621 Ongoing Clinical Development

A Phase 1 multicenter, open-label study in which patients with advanced relapsed or refractory hematologic malignancies receive intravenous TTI-621 is currently in progress (NCT02663518). The ongoing dose escalation Part 4 of the study is enrolling patients with cutaneous T-cell lymphoma, or CTCL.

As of the data cutoff date of April 12, 2021, TTI-621 was well tolerated and an MTD in Part 4 was not reached. The study is continuing, with 3 more patients at 2.0 mg/kg pending response assessments as of the April 12, 2021 cutoff date.

Impact of the Ongoing COVID-19 Pandemic

We continue to carefully monitor the COVID-19 pandemic and its potential impact on our business and have taken important steps to ensure the safety of employees and their families and to reduce the spread of COVID-19. The pandemic may result in a slowdown of the enrollment of patients in our clinical trials, including our planned Phase 1b/2 programs. We have worked closely with our contract research organizations, or CROs, to ensure that our clinical sites are well prepared to address any issues that may arise as a result of the pandemic, including but not limited to, ensuring sufficient drug inventory at clinical sites and ensuring proper steps are undertaken to allow for full remote monitoring of our clinical trials. There have been no significant disruptions to our drug supply chain although some raw materials used in drug production have taken longer to source and we have experienced delays in scheduled manufacturing campaigns due to COVID-19 vaccine production using manufacturing capacity at our contract manufacturing organization, or CMO. We have sufficient drug inventory on hand to complete existing studies and have secured drug manufacturing slots through 2021 that we expect will provide continuity of drug supply, although risks of delays are elevated due to ongoing impacts related to COVID-19.

The impact of the COVID-19 pandemic will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the impact of new strains of the virus, the effectiveness and availability of vaccines, the ability to successfully administer vaccines to populations in the territories in which we operate, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others.

Financial Operations Overview

Since our inception, we have devoted substantial resources to developing our SIRPαFc programs, including activities to manufacture product candidates, undertake preclinical studies and conduct clinical trials, and provide general and administrative support for these operations. We have not generated any revenue from product sales.

We have incurred net losses since inception. Our net loss was $10.9 million for the three months ended March 31, 2021. As of March 31, 2021, we had an accumulated deficit of $260.2 million. Substantially all of our net losses have resulted from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and increasing operating losses over at least the next several years. We expect our expenses will increase substantially in connection with our ongoing activities, as we:

- advance product candidates TTI-622 and TTI-621 into multiple Phase 1b/2 trials;
- manufacture our product candidates in sufficient quantities to supply these expanded trials;
- seek applicable regulatory approvals for our product candidates; and
- add personnel to support our product development efforts.

We expect to significantly expand our staffing in 2021, primarily in chemistry, manufacturing and controls, or CMC, and clinical operations as we intend to initiate multiple Phase 1b/2 combination studies. We will also undertake research, manufacturing and regulatory activities to support the TTI-622 and TTI-621 clinical programs.

Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of TTI-622, TTI-621 and any future product candidates. In addition, if we obtain marketing approval for any product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. We may also incur expenses in connection with the in-licensing or acquisition of additional product candidates.

As a result, we will need substantial additional funding to support our continued operations. To date, we have principally raised capital through registered direct offerings and underwritten public offerings of our common and preferred stock and the exercise of warrants and stock options. As of March 31, 2021, we had approximately $275.7 million in cash and cash equivalents and marketable securities.

Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate revenues from the sale of our products, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce our operations.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for the development of our TTI-622 and TTI-621 product candidates, which include:

- expenses incurred under agreements with third-party contract organizations and investigative clinical trial sites that conduct research and development activities on our behalf;
- costs related to production of clinical materials, including fees paid to contract manufacturers;
- laboratory and vendor expenses related to the execution of clinical trials;
- employee-related expenses, which include salaries, benefits and stock-based compensation;
- costs associated with our regulatory and quality control operations; and
- facilities, depreciation, and other expenses, which include lease expenses and expenses for the maintenance of facilities, information technology, insurance, and other supplies in support of research and development activities.

We expense all research and development costs in the periods in which they are incurred. Costs for certain development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors, clinical sites, and third-party service providers. The costs of intangible assets that are purchased from others for a particular research and development project and that have no alternative future uses are considered research and development costs and are expensed when incurred.

Nonrefundable advance payments for goods or services to be received in future periods for use in research and development activities are deferred and capitalized. The capitalized amounts are then expensed as the related goods are delivered and as services are performed.

The largest component of our operating expenses has historically been our investment in research and development activities related to the clinical development of TTI-622 and TTI-621. We recognize the funds from research and development grants as a reduction of research and development expenses when the related eligible research costs are incurred.

On April 28, 2021, we announced the planned initiation of Phase 1b/2 programs for both TTI-622 and TTI-621. These programs will initially cover seven indications (four hematological cancers, three solid tumors), and study TTI-622 and TTI-621 primarily in combination with other anti-cancer agents. In connection with this announcement, we expect our research and development expenses to increase substantially for the foreseeable future. Additionally, we expect our manufacturing costs to increase in order to supply these product candidates in sufficient quantities to conduct our planned clinical trials. The process of conducting the necessary clinical research to obtain regulatory approval is costly and time-consuming, and the successful development of our product candidates is highly uncertain. As a result, we are unable to determine the duration and completion costs of our research and development projects or when and to what extent we will generate revenue from the commercialization and sale of any of our product candidates.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related costs and professional fees, including legal, human resources, audit and accounting services, insurance, directors' fees, shareholder relations, corporate development, and expenses associated with obtaining and maintaining patents. Personnel-related costs consist of salaries, benefits and stock-based compensation.

We anticipate general and administrative expenses will increase as our research and development advances or expands. These increases will likely relate to additional personnel and increased costs related to finance, legal and intellectual property-related matters along with increased expenses related to operating as a publicly traded company and a domestic issuer, such as fees related to audit, legal, and tax services; and corporate development, regulatory compliance programs, insurance, investor relations, and other related expenses.

Interest income

Interest income consists of interest generated on our cash and cash equivalents and marketable securities.

Results of Operations

Comparison of the three months ended March 31, 2021 and 2020

The following table summarizes our results of operations for the three months ended March 31, 2021 and 2020:

	Three months ended March 31,		
	2021	**2020**	**Change**
		(in thousands)	
Operating expenses			
Research and development	**$ 5,924**	$ 4,988	$ 936
General and administrative	**5,390**	11,675	(6,285)
Total operating expenses	**11,314**	16,663	(5,349)
Operating loss	**(11,314)**	(16,663)	5,349
Interest income, net	**529**	412	117
Net foreign currency loss	**(35)**	(24)	(11)
Total other income, net	**494**	388	106
Net loss before income taxes	**(10,820)**	(16,275)	5,455
Income tax expense	**42**	23	19
Net loss	**(10,862)**	(16,298)	5,436

Research and Development Expenses

Research and development expenses increased by $0.9 million from $5.0 million for the three months ended March 31, 2020, to $5.9 million for the three months ended March 31, 2021. The following table summarizes our research and development expenses, for the three months ended March 31, 2021 and 2020:

	Three months ended March 31,		
	2021	**2020**	**Change**
		(in thousands)	
Program-specific costs			
SIRPαFc (TTI-622 and TTI-621)	**$ 3,547**	$ 2,412	$ 1,135
Non program-specific costs			
Employee and contractor related expenses	**2,053**	1,301	752
Stock-based compensation expenses	**16**	864	(848)
Facility, amortization, technology, and other expenses	**308**	411	(103)
Total research and development expenses	**5,924**	4,988	936

In the first quarter of 2021, all of our resources were focused on the development of TTI-622 and TTI-621, including clinical development, research, manufacturing and regulatory activities, and for working capital and general corporate purposes. The increase in research and development expenses for the three months ended March 31, 2021 was primarily attributable to the following:

- $1.1 million of increased SIRPαFc program expense, mainly due to an increase in manufacturing costs related to higher manufacturing activity to support our expanded clinical operations, and increased clinical trial costs related to higher patient enrollment;
- $0.4 million of increased advisory and consultant expenses, corresponding to and in support of our increased manufacturing and clinical trial activity;
- $0.3 million of increased employee salary and benefits expenses, due to a higher employee headcount in support of our expanded manufacturing and clinical trial activity; and
- These increased costs were partially offset by $0.8 million of decreased stock-based compensation expense, mainly due a decrease in the fair value of stock option liabilities.

General and Administrative

General and administrative expenses decreased by $6.3 million from $11.7 million for the three months ended March 31, 2020 to $5.4 million for the three months ended March 31, 2021. The decrease in general and administrative expenses was primarily attributable to the following:

- $8.9 million of decreased professional fees, mainly due to a revaluation expense of $9.3 million in the prior period related to the cash-settled deferred share unit, or DSU, liability prior to reclassification to equity on June 30, 2020; which was partially offset by increased professional fees related to our change from foreign private issuer to domestic issuer status, increased recruiting expenses, and higher consulting expenses to support our operational and clinical strategy development; and
- The net decrease in professional fees was partially offset by $2.1 million of increased stock-based compensation expense mainly relating to higher weighted average fair values of stock options outstanding and the change in fair value of stock option liabilities; $0.3 million of increased director and officer insurance premiums, and $0.2 million of increased investor relations and exchange filing fees.

Other Income, Net

Net interest income, consisting of interest earned on cash and cash equivalents and marketable securities, increased by $0.1 million from $0.4 million for the three months ended March 31, 2020 to $0.5 million for the three months ended March 31, 2021. The increase in net interest income is attributable to higher cash and cash equivalents and marketable securities balances.

Liquidity and Capital Resources

Since inception, we have financed our operations primarily from sales of equity and proceeds from the exercise of warrants and stock options. Our primary capital needs are for funds to support our scientific research and development activities, including staffing, facilities, manufacturing, preclinical studies, clinical trials, administrative costs and for working capital.

We expect that our existing combined cash and cash equivalents and marketable securities balance as of March 31, 2021 of $275.7 million will enable us to fund our expected operating requirements for at least the next 12 months. The process of drug development can be costly and the timing and outcomes of clinical trials is uncertain. The assumptions upon which we have based our estimates are routinely evaluated and may be subject to change. The actual amount of our expenditures will vary depending upon a number of factors including but not limited to the design, timing and duration of future clinical trials, the progress of our research and development programs, the infrastructure to support a clinical stage organization, and the level of financial resources available.

We have funded our operations principally through registered direct offerings and underwritten public offerings of our common and preferred stock, and the exercise of warrants and stock options as outlined below:

- During the three months ended March 31, 2021, we received gross proceeds of $1.6 million on the exercise of warrants and stock options.

- On March 18, 2021, we filed a shelf registration statement on Form S-3 (File No. 333-25443) with the SEC that provides that we may sell from time to time our common shares, first preferred shares, subscription receipts, warrants and units separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in one or more prospectus supplements.

Cash flows

The following table provides information regarding our cash flows for the three months ended March 31, 2021 and 2020:

	Three months ended	
	2021	**2020**
	(in thousands)	
Cash used in operating activities	**$ (17,079)**	$ (7,292)
Cash provided by (used in) investing activities	**15,764**	(3,954)
Cash provided by financing activities	**1,631**	119,877
Impact of foreign exchange rate on cash and cash equivalents	**(11)**	(194)
Net increase in cash and cash equivalents	**305**	108,437

Cash flows from operating activities

Our cash flows from operating activities are significantly influenced by our use of cash for operating expenses and working capital to support the business. We have historically experienced negative cash flows from operating activities as we develop our SIRPαFc programs.

Net cash used in operating activities was $17.1 million during the three months ended March 31, 2021 compared to $7.3 million during the three months ended March 31, 2020. The increase in cash used in operating activities for the three months ended March 31, 2021 was primarily due to higher non-cash adjustments related to stock-based compensation in the prior period compared to the current period, as well as an increased prepaid expenses balance and a decreased accounts payable balance in the current period.

Net cash used in operating activities for the three months ended March 31, 2021 consisted of a net loss of $10.9 million less non-cash adjustments of $3.1 million and changes in operating assets and liabilities of $9.3 million. Non-cash items primarily included stock-based compensation of $3.0 million. The net change in assets and liabilities was primarily due to an increase in prepaid expenses of $3.0 million related to reservation fees for contract manufacturing, and a decrease in accounts payable of $6.6 million.

Net cash used in operating activities during the three months ended March 31, 2020 consisted of a net loss of $16.3 million less non-cash adjustments of $11.6 million and changes in operating assets and liabilities of $2.6 million. Non-cash items primarily included stock-based compensation of $11.2 million. The net change in assets and liabilities was primarily due to an increase in prepaid expenses of $2.2 million, a decrease in accounts payable of $0.2 million, and an increase in accounts receivable of $0.1 million.

Cash flows from investing activities

Our primary investing activities consist of purchases and maturities of marketable securities, and purchases of property and equipment.

Net cash provided by investing activities for the three months ended March 31, 2021 was $15.8 million, compared to net cash used by investing activities of $4.0 million for the three months ended March 31, 2020. Cash provided by investing activities increased by $19.8 million primarily due to decreased purchases of investments and increased maturities of investments, during the three months ended March 31, 2021 as compared to the three months ended March 31, 2020. Proceeds received from maturities of investments were either reinvested or used to fund operations.

Cash flows from financing activities

We generated net cash from financing activities of $1.6 million during the three months ended March 31, 2021, primarily related to proceeds from the exercise of stock options. We generated net cash from financing activities of $119.9 million during the three months ended March 31, 2020, primarily from net proceeds from our January 2020 common stock and preferred stock offerings of $109.7 million, proceeds from the exercise of warrants of $9.1 million, and proceeds from the exercise of stock options of $1.1 million.

Contractual Obligations

There have been no material changes to our contractual obligations and commitments described under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the SEC on March 18, 2021.

We have entered into agreements in the normal course of business with CROs for clinical trials and contract manufacturing organization for supply manufacturing and with vendors for preclinical research studies and other services and products for operating purposes. These contractual obligations are cancelable at any time by us, generally upon prior written notice to the vendor.

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 under applicable SEC rules.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of these condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements, reported amounts of revenue and expenses during the reporting periods, and related disclosures in the accompanying notes. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, accrued clinical and contract research organization costs, and stock-based compensation expense, including the valuation of the stock option liability. We review our estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods. Actual results could differ materially from these estimates and assumptions.

Our critical accounting policies are those policies which require the most significant judgments and estimates in the preparation of our condensed consolidated financial statements. There were no material changes to our critical accounting policies as reported in our Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the SEC on March 18, 2021.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, or the Exchange Act, and are not required to provide the information under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial and accounting officer), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective at a reasonable assurance level in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (ii) accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure. We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations. We are not currently a party to any material legal proceedings. The outcome of future litigation cannot be predicted with certainty and some lawsuits, claims or proceedings may be disposed of unfavorably to us, which could materially affect our financial condition or results of operations.

Item 1A. Risk Factors

We operate in a rapidly changing environment that involves a number of risks which could materially affect our business, financial condition or future results, some of which are beyond our control. In addition to the other information set forth in this Quarterly Report on Form 10-Q and information filed with Canadian securities regulators, the risks and uncertainties that we believe are most important for you to consider are discussed in Part I Item 1A under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, as filed with the SEC on March 18, 2021. The risk factors set forth below are risk factors containing changes, which may be material, from the risk factors previously disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as filed with the SEC.

Risks Related to Our Business and Our Industry

If we are unable to advance our current or future product candidates through clinical trials, obtain marketing approval and ultimately commercialize any product candidates we develop, or experience significant delays in doing so, our business will be materially harmed.

We are early in our development efforts and our product candidates are in early clinical development. We have invested substantially all of our efforts and financial resources into our clinical studies as well as the identification of targets and preclinical development of our product candidates.

Our ability to generate product revenues, which we do not expect will occur for several years, if ever, will depend heavily on the successful development and eventual commercialization of the product candidates we develop, which may never occur. Our current product candidates, and any future product candidates we develop, will require additional preclinical and clinical development, management of clinical, preclinical and manufacturing activities, marketing approval in the United States and other markets, demonstrating effectiveness to pricing and reimbursement authorities, obtaining sufficient manufacturing supply for both clinical development and commercial production, building of a commercial organization, and substantial investment and significant marketing efforts before we generate any revenues from product sales. The success of our current and future product candidates will depend on several factors, including the following:

- successful completion of clinical trials and preclinical studies;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- acceptance of investigational new drug, or IND, applications for our planned or future clinical trials;
- successful enrollment and completion of clinical trials;
- successful data from our clinical program that supports an acceptable risk-benefit profile of our product candidates in the intended populations;
- receipt of regulatory and marketing approvals from applicable regulatory authorities;
- maintenance of marketing approvals from applicable regulatory authorities;
- establishing agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if our product candidate is approved;
- entry into collaborations to further the development of our product candidates;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- successfully launching commercial sales of our product candidates, if and when approved;
- acceptance of the product candidate's benefits and uses, if and when approved, by patients, the medical community and third-party payors;
- maintaining a continued acceptable safety profile of the product candidates following approval;
- effectively competing with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors; and
- enforcing and defending intellectual property rights and claims.

If we are not successful with respect to one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize the product candidates we develop, which would materially harm our business. If we do not receive marketing approvals for any of our product candidates that we develop, we may not be able to continue our operations.

Our prospects depend on the success of our product candidates which are at early stages of development, and we may not generate revenue for several years, if at all, from these products.

Given the early stage of our product development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the U.S. Food and Drug Administration, or FDA, Health Canada, or HC, or any similar regulatory authority. To obtain regulatory approvals for our product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. While we have commenced clinical trials for TTI-622 and TTI-621, we have not yet completed later stage clinical trials for any of our product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause us or our collaborators to abandon commitments to that program.

The early stage of our product development makes it particularly uncertain whether any of our product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future product candidates into approved products, we will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our products, our financial condition and results of operations may be materially and adversely affected.

Clinical product development involves a lengthy and expensive process, with uncertain outcomes. We may experience delays in completing, or ultimately be unable to complete, the development and commercialization of our current and future product candidates.

To obtain the requisite regulatory approvals to commercialize any of our product candidates, we must demonstrate through extensive preclinical studies and clinical trials that our products are safe, pure and potent or effective in humans. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process and our future clinical trial results may not be successful.

We may experience delays in completing our clinical trials or preclinical studies and initiating or completing additional clinical trials. We may also experience numerous unforeseen events during our clinical trials that could delay or prevent our ability to receive marketing approval or commercialize the product candidates we develop, including:

- regulators or institutional review boards, or IRBs, or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective CROs;
- the number of patients required for clinical trials may be larger than we anticipate;
- it may be difficult to enroll a sufficient number of patients with a predictive biomarker or enrollment in these clinical trials may be slower than we anticipate, or participants may drop out of these clinical trials or fail to return for post-treatment follow-up at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, or may deviate from the clinical trial protocol or drop out of the trial, which may require that we add new clinical trial sites or investigators; and
- the supply or quality of materials for product candidates we develop or other materials necessary to conduct clinical trials may be insufficient or inadequate.

We could encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted or ethics committees, by the Data Safety Monitoring Board, or DSMB, for such trial or by the FDA or other regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval of our product candidates.

If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Significant clinical trial delays could also allow our competitors to bring products to market before we do or shorten any periods during which we have the exclusive right to commercialize our product candidates and impair our ability to commercialize our product candidates and may harm our business and results of operations.

Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates or result in the development of our product candidates being stopped early.

We may expend our limited resources to pursue a particular program, product candidate or indication and fail to capitalize on programs, product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we must focus on a limited number of research programs and product candidates and on specific indications. As a result, we may forego or delay pursuit of opportunities with other programs and product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future discovery and preclinical and clinical development programs and product candidates for specific indications may not yield any commercially viable products.

Interim, "topline," and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary or topline data from our preclinical studies and clinical trials, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline or preliminary results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available.

From time to time, we may also disclose interim data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available or as patients from our clinical trials continue other treatments for their disease. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects. Further, disclosure of interim data by us or by our competitors could result in volatility in the price of our common stock.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate and our company in general. In addition, the information we choose to publicly disclose regarding a particular completed study or clinical trial is typically based on extensive review of information, and certain of our shareholders or other third parties may not agree with what we determine is material or otherwise appropriate information to include in our interim, topline and preliminary disclosures.

If the interim, topline, or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

Positive results from preclinical and early clinical research of TTI-622 and TTI-621 are not necessarily predictive of the results of later clinical trials of TTI-622 or TTI-621. If we cannot replicate the positive results from preclinical and early clinical research in our later clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize TTI-622 or TTI-621.

Positive results of preclinical and early clinical research of TTI-622 and TTI-621 may not be indicative of the results that will be obtained in later-stage clinical trials. For example, our dose escalation trial for TTI-621 is focused on T-cell malignancies based on preliminary results of our intravenous and intratumoral trials. There can be no assurance that the preliminary results we have seen in a small number of T-cell lymphoma patients will be reproducible in a larger population of patients. We can make no assurance that any future studies, if undertaken, will yield favorable results.

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA approval. If we fail to produce positive results in our clinical trials of TTI-622 or TTI-621, including identifying the optimal dosage for TTI-622 or TTI-621, the development timeline and regulatory approval and commercialization prospects for our product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

The outbreak of the novel coronavirus disease, COVID-19, has adversely impacted and we expect will continue to adversely impact our business, including our preclinical studies and clinical trials.

In December 2019, a novel strain of the coronavirus disease, COVID-19, was identified in Wuhan, China. This virus spread globally, including within the United States and in March 2020 the World Health Organization declared COVID-19 a pandemic. The pandemic and government measures taken in response have also had a significant impact, both direct and indirect, on businesses and commerce, as worker shortages have occurred; supply chains have been disrupted; facilities and production have been suspended; and demand for certain goods and services, such as medical services and supplies, has spiked, while demand for other goods and services, such as travel, has fallen. In response to the spread of COVID-19, we have implemented a response designed to maintain our operations despite the outbreak of the virus. We have closed our executive offices with our administrative employees continuing their work outside of our offices and limited the number of staff in any given research and development laboratory. As a result of the COVID-19 pandemic, we have experienced and we expect to continue to experience disruptions that could severely impact our business, preclinical studies and clinical trials. Some factors from the COVID-19 pandemic that could severely impact our business, preclinical studies and clinical trials include:

- delays or difficulties in enrolling and retaining patients in our clinical trials, including TTI-622 and TTI-621;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- delays in receiving authorizations from regulatory authorities to initiate our planned clinical trials;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- interruption of key clinical trial activities, such as clinical trial site data monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others or interruption of clinical trial subject visits and study procedures (such as endoscopies that are deemed non-essential), which may impact the integrity of subject data and clinical study endpoints;

- risk that participants enrolled in our clinical trials will contract COVID-19 while the clinical trial is ongoing, which could impact the results of the clinical trial, including by increasing the number of observed adverse events;
- risk that we are unable to enroll participants in our clinical trials in adequate numbers;
- interruption or delays in the operations of the FDA or other regulatory authorities, which may impact review and approval timelines;
- interruption of, or delays in receiving, supplies of our product candidates from our contract manufacturing organizations due to staffing shortages, production slowdowns or stoppages, raw material shortages, government intervention, lack of availability of production capacity and disruptions in delivery systems;
- interruption of, or delays in receiving, supplies of our product candidates from our contract manufacturing organizations due to government regulations such as the Defense Production Act which could be invoked to require our contract manufacturers to produce COVID-19 vaccines which could cause us to lose access to manufacturing for our product candidates resulting in a lack of drug supply for use in our clinical trials;
- interruptions in preclinical studies due to restricted or limited operations at our laboratory facility or facilities of third parties;
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees;
- changes in local regulations as part of a response to the COVID-19 pandemic, which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, or to discontinue such clinical trials altogether;
- limitations on employee resources that would otherwise be focused on the conduct of our preclinical studies and clinical trials, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people;
- interruption or delays to our sourced preclinical and clinical activities; and
- refusal of the FDA to accept data from clinical trials in affected geographies outside the United States.

The COVID-19 pandemic continues to rapidly evolve. The extent to which the pandemic impacts our business, manufacturing, preclinical studies and clinical trials and results of operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the pandemic, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the disease.

We rely and will continue to rely on third parties to plan, conduct and monitor our preclinical studies and clinical trials, and their failure to perform as required could cause substantial harm to our business.

We rely and will continue to rely on third parties to conduct a significant portion of our preclinical and clinical development activities. Preclinical activities include in vivo studies providing access to specific disease models, pharmacology and toxicology studies, and assay development. Clinical development activities include trial design, regulatory submissions, clinical patient and site recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. We will rely heavily on these third parties to conduct these activities and, as a result, we will have less direct control over the conduct, timing and completion of these preclinical studies and clinical trials and the management of data developed through preclinical studies and clinical trials than would be the case if we were relying entirely upon our own staff. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on third parties does not relieve us of our regulatory responsibilities. We and these third parties are required to comply with good clinical practice, or GCP, requirements, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for product candidates in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of these third parties fail to comply with applicable GCP requirements, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, such regulatory authorities will determine that any of our clinical trials comply with GCP requirements. In addition, our clinical trials must be conducted with pharmaceutical product produced under current good manufacturing practice, or cGMP, requirements and will require a large number of test patients. Our failure or any failure by these third parties to comply with these requirements or to recruit a sufficient number of patients may require us to repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be implicated if any of these third parties violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

Any third parties conducting our clinical trials are not and will not be our employees and, except for remedies available to us under our agreements with such third parties, we cannot control whether or not they devote sufficient time and resources to our ongoing, clinical and non-clinical product candidates. These third parties may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other product development activities, which could affect their performance on our behalf. If these third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to complete development of, obtain regulatory approval of or successfully commercialize our product candidates. As a result, our financial results and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed.

Switching or adding third parties to conduct our preclinical studies and clinical trials involves substantial cost and requires extensive management time and focus. In addition, there is a natural transition period when a new third party commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. If there is any dispute or disruption in our relationship with third parties, or if they are unable to provide quality services in a timely manner and at a feasible cost, our active development programs will face delays. Further, if any of these third parties fails to perform as we expect or if their work fails to meet regulatory requirements, our testing could be delayed, cancelled or rendered ineffective.

We rely on contract manufacturers over whom we have limited control. If we are subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, or any issues related to COVID-19, our business operations could suffer significant harm.

We have limited manufacturing experience and rely on CMOs to manufacture our product candidates for larger preclinical studies and clinical trials, and may continue to rely on third parties for commercial supply if any of our product candidates are approved. We rely on CMOs for manufacturing, filling, packaging, storing and shipping of drug product in compliance with cGMP requirements applicable to our product candidates. The FDA ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP requirements. The cGMP requirements for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packaging of a drug product.

We contracted with Catalent for the manufacture of TTI-622 and TTI-621 proteins to supply drug substance for our clinical trials. The manufacture of recombinant proteins uses well established processes including a protein expression system. Catalent is producing TTI-622 and TTI-621 using their proprietary GPEx® expression system. We believe that Catalent has the capacity, the systems, and the experience to supply drug for our current clinical trials and we may consider using Catalent for manufacturing for later clinical trials. However, since the Catalent manufacturing facility where TTI-622 and TTI-621 are being produced does not support commercial manufacturing, it has not yet been inspected by the FDA. Any manufacturing failures, delays or compliance issues could cause delays in the conduct of our preclinical studies and clinical trials.

We contracted with Althea Ajinomoto for the manufacture of TTI-622 and TTI-621 drug product for our clinical trials. The drug product manufacture uses well established processes and we believe that Althea Ajinomoto has the capacity, the systems, and the experience to supply drug product for our current clinical trials and to support commercial manufacturing. The facility has been inspected by regulatory authorities including the FDA.

There can be no assurances that CMOs will be able to meet our timetable and requirements. We have not contracted with alternate suppliers for TTI-622 or TTI-621 drug substance or drug product production in the event existing CMOs are unable to scale up production, or if the manufacturing facilities otherwise experience any other significant problems, or have limited production availability due to supply chain constraints, COVID-19 vaccine production or otherwise. The demand for vaccines and potential for manufacturing facilities and materials to be commandeered under the Defense Production Act of 1950, or equivalent foreign legislation, may make it more difficult to obtain materials or manufacturing slots for the product candidates needed for our clinical trials which could lead to delays in these trials.

If any CMO with whom we contract fails to perform its obligations, we may be forced to enter into an agreement with a different CMO, which we may not be able to do on reasonable terms, if at all. In this scenario, our clinical development plans, clinical trials and future commercial supply could be delayed significantly as we establish alternative supply sources. In some cases, the technical skills required to manufacture our products or product candidates may be unique or proprietary to the original CMO and we may have difficulty, or there may be contractual restrictions prohibiting us from, transferring such skills to a back-up or alternate supplier, or we may be unable to transfer such skills at all. In addition, if we are required to change CMOs for any reason, we will be required to verify that the new CMO maintains facilities and procedures that comply with quality standards and with all applicable regulations. We will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce our product candidate according to the specifications previously submitted to the FDA or another regulatory authority. The delays associated with the verification of a new CMO could negatively affect our ability to develop product candidates or commercialize our products in a timely manner or within budget. Furthermore, a CMO may possess technology related to the manufacture of our product candidates that such CMO owns independently. This would increase our reliance on such CMO or require us to obtain a license from such CMO in order to have another CMO manufacture our product candidates. In addition, changes in manufacturers often involve changes in manufacturing procedures and processes, which could require that we conduct bridging studies between our prior clinical supply used in our clinical trials and that of any new manufacturer. We may be unsuccessful in demonstrating the comparability of clinical supplies which could require the conduct of additional clinical trials.

If we are unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, we may be delayed in the development of our product candidates. Further, CMOs must operate in compliance with cGMP and failure to do so could result in, among other things, the disruption of product supplies. Our dependence upon third parties for the manufacture of our products may adversely affect our financial condition and our ability to develop and deliver products on a timely and competitive basis.

We require commercial scale and quality manufactured product to be available for pivotal or registration clinical trials. If we do not have commercial grade drug supply when needed, we may face delays in initiating or completing pivotal trials and our business operations could suffer significant harm.

To date, our product candidates have been manufactured in small quantities for preclinical studies and clinical trials by third-party manufacturers. In order to commercialize our product candidates, we need to manufacture commercial quality drug supply for use in registrational clinical trials. Most, if not all, of the clinical material used in Phase 3/ pivotal/registration studies must be derived from the defined commercial process including scale, manufacturing site, process controls and batch size. If we have not scaled up and validated the commercial production of our product candidates prior to the commencement of pivotal clinical trials, we may have to employ a bridging strategy during the trial to demonstrate equivalency of early stage material to commercial drug product, or potentially delay the initiation or completion of the trial until drug supply is available. We may have to rely on third party manufacturers to enable us to produce the commercial supply necessary to commercialize our products, if approved.

The manufacturing of commercial quality drug product requires significant efforts including, but not limited to scale-up of production to anticipated commercial scale, process characterization and validation, analytical method validation, identification of critical process parameters and product quality attributes, multiple process performance and validation runs, has long lead times and is very expensive. If we do not have commercial drug supply available when needed for pivotal clinical trials, our regulatory and commercial progress may be delayed and we may incur increased product development cost. This may have a material adverse effect on our business, financial condition and prospects, and may delay marketing of the product.

If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we would incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our product candidates in any jurisdiction. Our product candidates may fail to demonstrate efficacy in humans, and particularly across tumor types. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

If the results of our ongoing or future preclinical studies and clinical trials are inconclusive with respect to the safety and efficacy of our product candidates, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with our product candidates, we may be prevented or delayed in obtaining marketing approval for such product candidates. In some instances, there can be significant variability in safety or efficacy results between different preclinical studies and clinical trials of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants.

While we are in early stages of clinical trials with our product candidates, it is likely that there may be side effects associated with their use. Results of our trials could reveal a high and unacceptable severity and prevalence of these or other side effects. In such an event, our trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Further, our product candidates could cause undesirable side effects in clinical trials related to on-target toxicity. If on-target toxicity is observed, or if our product candidates have characteristics that are unexpected, we may need to abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Many compounds that initially showed promise in early stage testing for treating cancer have later been found to cause side effects that prevented further development of the compound.

If we experience delays in clinical testing, we will be delayed in commercializing our product candidates, and our business may be substantially harmed.

We cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. Our product development costs will increase if we experience delays in clinical testing. Significant clinical trial delays could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold;
- patients failing to enroll or remain in our trials at the rate we expect;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of our CMOs to comply with cGMP requirements;
- any changes to our manufacturing process that may be necessary or desired;

- delays or failure to obtain clinical supply from CMOs of our products necessary to conduct clinical trials;
- product candidates demonstrating a lack of safety or efficacy during clinical trials;
- patients choosing an alternative treatment for the indications for which we are developing any of our product candidates or participating in competing clinical trials;
- patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons;
- reports of clinical testing on similar technologies and products raising safety and/or efficacy concerns;
- competing clinical trials and scheduling conflicts with participating clinicians;
- clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;
- failure of our CROs to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities or IRBs or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;
- one or more IRBs or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; or
- failure to reach agreement on acceptable terms with prospective clinical trial sites.

Our product development costs will increase if we experience delays in testing or approval or if we need to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and we may need to amend study protocols to reflect these changes. Amendments may require us to resubmit our study protocols to regulatory authorities or IRBs or ethics committees for re-examination, which may impact the cost, timing or successful completion of that clinical trial. Delays or increased product development costs may have a material adverse effect on our business, financial condition and prospects.

We may not achieve our publicly announced milestones according to schedule, or at all.

From time to time, we may announce the timing of certain events we expect to occur, such as the anticipated timing of results from our clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, timing of the completion of clinical trials, problems with a CMO or a CRO or any other event having the effect of delaying the publicly announced timeline. We undertake no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on our business plan, financial condition or operating results and the trading price of our common shares.

We may not be able to file INDs to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed in a timely manner, or at all.

Prior to commencing clinical trials in the United States for any of our product candidates, we may be required to have an authorized IND for each product candidate and to file additional INDs prior to initiating any additional clinical trials for our product candidates. We believe that the data from previous studies will support the filing of additional INDs, to enable us to undertake additional clinical studies as we have planned. However, submission of an IND may not result in the FDA allowing further clinical trials to begin and, once begun, issues may arise that will require us to suspend or terminate such clinical trials. Additionally, even if relevant regulatory authorities agree with the design and implementation of the clinical trials set forth in an IND, these regulatory authorities may change their requirements in the future. These considerations also apply to new clinical trials we may submit as amendments to existing INDs or to a new IND. Any failure to file INDs on the timelines we expect or to obtain regulatory approvals for our trials may prevent us from completing our clinical trials or commercializing our products on a timely basis, if at all.

Failure to submit or have effective INDs and commence or continue clinical programs will significantly limit our opportunity to generate revenue.

If we have difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled.

As our product candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, we will need to enroll an increasing number of patients that meet our eligibility criteria. The timing of completion of our clinical studies depends in part on the speed at which we can recruit patients to participate in testing our product candidates, and we may experience delays in our clinical trials if we encounter difficulties in enrollment. We may not be able to initiate or continue 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 as required by the FDA or similar regulatory authorities outside the United States. In addition, our ability to enroll patients may be significantly delayed by the evolving COVID-19 pandemic and we do not know the extent and scope of such delays at this point. In addition, some of our competitors have ongoing clinical trials for product candidates that treat the same indications as our product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' product candidates. There is significant competition for recruiting cancer patients in clinical trials, and we may be unable to enroll the patients we need to complete clinical trials on a timely basis or at all.

In addition to the potentially small populations, the eligibility criteria of our planned clinical trials will further limit the pool of available study participants as we will require that patients have specific characteristics that we can measure to assure their disease is either severe enough or not too advanced to include them in a study. Additionally, the process of finding and diagnosing patients may prove costly. We also may not be able to identify, recruit and enroll a sufficient number of patients to complete our clinical studies because of the perceived risks and benefits of the product candidate under study, the availability and efficacy of competing therapies and clinical trials, the proximity and availability of clinical study sites for prospective patients, the availability of genetic sequencing information for patient tumors so that we can identify patients with the targeted genetic mutations, and the patient referral practices of physicians. If patients are unwilling to participate in our studies for any reason, the timeline for recruiting patients, conducting studies and obtaining regulatory approval of our product candidates may be delayed.

The factors that affect our ability to enroll patients are largely uncontrollable and include, but are not limited to, the following:

- size and nature of the patient population;
- eligibility and exclusion criteria for the trial;
- design of the study protocol;
- competition with other companies for clinical sites or patients;
- the perceived risks and benefits of the product candidate under study;
- the patient referral practices of physicians;
- the number, availability, location and accessibility of clinical trial sites; and
- current or potential pandemics that may limit patients, principal investigators or staff or clinical site availability (e.g., the COVID-19 pandemic).

In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as our current and potential future product candidates. This competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such sites. Moreover, because our current and potential future product candidates may represent a departure from more commonly used methods for cancer treatment, potential patients and their doctors may be inclined to use conventional therapies, such as chemotherapy, rather than enroll patients in our ongoing or any future clinical trial.

If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenue from any of these product candidates could be delayed or prevented.

Preclinical development is uncertain. Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these programs on a timely basis or at all, which would have an adverse effect on our business.

In order to obtain FDA approval to market a new biological product we must demonstrate proof of safety, purity and potency and efficacy in humans. To meet these requirements, we will have to conduct adequate and well-controlled clinical trials. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies that support our planned INDs in the United States. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our programs. As a result, we cannot be sure that we will be able to submit INDs or similar applications for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing clinical trials to begin.

Conducting preclinical testing is a lengthy, time-consuming and expensive process. The length of time may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. Delays associated with programs for which we are directly conducting preclinical testing and studies may cause us to incur additional operating expenses. Moreover, we may be affected by delays associated with the preclinical testing and studies of programs that are the responsibility of third parties or our potential future partners over which we have no control. The commencement and rate of completion of preclinical studies and clinical trials for a product candidate may be delayed by many factors, including, for example:

- inability to generate sufficient preclinical or other in vivo or in vitro data to support the initiation of clinical trials;
- delays in reaching a consensus with regulatory agencies on study design; and
- the FDA not allowing us to rely on previous findings of safety and efficacy for other similar but approved products and published scientific literature.

Moreover, even if clinical trials do begin for our preclinical programs, our development efforts may not be successful, and clinical trials that we conduct or that third parties conduct on our behalf may not demonstrate sufficient safety, purity and potency or efficacy to obtain the requisite regulatory approvals for any of product candidates we develop. Even if we obtain positive results from preclinical studies or early clinical trials, we may not achieve the same success in future trials.

If we are unable to successfully develop companion diagnostics for our therapeutic product candidates, or experience significant delays in doing so, we may not achieve marketing approval or realize the full commercial potential of our therapeutic product candidates.

We may develop companion diagnostics for our therapeutic product candidates to identify patient subsets within a disease category who may derive selective and meaningful benefit from our product candidates. Such companion diagnostics would be used during our clinical trials as well as in connection with the FDA approval of our product candidates. We expect that, at least in some cases, regulatory authorities may require the development and regulatory approval of a companion diagnostic as a condition to approving our therapeutic product candidates. Companion diagnostics are subject to regulation by the FDA, HC, and comparable foreign regulatory authorities as medical devices and may require analytical validation and separate regulatory approval or clearance prior to commercialization, if not already approved.

We have limited experience and capabilities in developing or commercializing diagnostics and plan to rely in large part on third parties to perform these functions, including for the design, development and manufacturing of companion diagnostic tests for our product candidates that may require such tests. If we enter into such collaborative agreements, we will be dependent on the sustained cooperation and effort of our future collaborators in developing and obtaining approval for these companion diagnostics. It may be necessary to resolve issues such as selectivity/specificity, analytical validation, reproducibility, or clinical validation of companion diagnostics during the development and regulatory approval processes. Moreover, even if data from preclinical studies and early clinical trials appear to support development of a companion diagnostic for a product candidate, data generated in later clinical trials may fail to support the analytical and clinical validation of the companion diagnostic. We and our future collaborators may encounter difficulties in developing, obtaining regulatory approval for, manufacturing and commercializing companion diagnostics similar to those we face with respect to our product candidates themselves, including issues with achieving regulatory clearance or approval, production of sufficient quantities at commercial scale and with appropriate quality standards, and in gaining market acceptance. If we are unable to successfully develop companion diagnostics for these product candidates, or experience delays in doing so, the development of these product candidates may be adversely affected, these product candidates may not obtain marketing approval, and we may not realize the full commercial potential of any of these product candidates that obtain marketing approval. As a result, our business, results of operations and financial condition could be materially harmed. In addition, a diagnostic company with whom we contract may decide to discontinue selling or manufacturing the companion diagnostic test that we anticipate using in connection with development and commercialization of our product candidates or our relationship with such diagnostic company may otherwise terminate. We may not be able to enter into arrangements with another diagnostic company to obtain supplies of an alternative diagnostic test for use in connection with the development and commercialization of our product candidates or do so on commercially reasonable terms, which could adversely affect and/or delay the development or commercialization of our therapeutic product candidates.

We have not begun to develop companion diagnostics for any of our therapeutic product candidates. If we, or any third parties that we engage to assist us, are unable to successfully develop companion diagnostics for our therapeutic product candidates, or experience delays in doing so, our business may be substantially harmed.

We intend to develop our current product candidates and potentially future product candidates in combination with other agents, which exposes us to additional risks.

We intend to develop our current product candidates, TTI-622 and TTI-621, and likely other future product candidates in combination with one or more other approved or unapproved agents to treat cancer. Even if any product candidate we develop were to receive marketing approval or be commercialized for use in combination with other existing agents, we would continue to be subject to the risks that the FDA, HC or comparable foreign regulatory authorities outside of the United States could revoke approval of the therapy used in combination with our product or that safety, efficacy, manufacturing or supply issues could arise with any of those existing agents. If the agents we use in combination with our product candidates are replaced as the standard of care for the indications we choose for any of our product candidates, the FDA, HC or comparable foreign regulatory authorities may require us to conduct additional clinical trials. The occurrence of any of these risks could result in our own products, if approved, being removed from the market or being less successful commercially.

We also may choose to evaluate our current product candidates or any other future product candidates in combination with one or more agents that have not yet been approved for marketing by the FDA, HC or comparable foreign regulatory authorities. We will not be able to market and sell our current product candidates or any product candidate we develop in combination with an unapproved agent for a combination indication if that unapproved agent does not ultimately obtain marketing approval either alone or in combination with our product. In addition, unapproved cancer therapies face the same risks described with respect to our product candidates currently in development and clinical trials, including the potential for serious adverse effects, delay in their clinical trials and lack of FDA approval.

If the FDA, HC or comparable foreign regulatory authorities do not approve these other products or revoke their approval of, or if safety, efficacy, quality, manufacturing or supply issues arise with, the products we choose to evaluate in combination with our product candidate we develop, we may be unable to obtain approval of or market such combination therapy.

We may in the future conduct clinical trials for product candidates outside the United States, and the FDA and comparable foreign regulatory authorities may not accept data from such trials.

We may in the future choose to conduct one or more clinical trials outside the United States. The acceptance of study data from clinical trials conducted outside the United States or another jurisdiction by the FDA or comparable foreign regulatory authority may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice; and (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the U.S. or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in product candidates that we may develop not receiving approval for commercialization in the applicable jurisdiction.

We may not be successful in our efforts to identify or discover other product candidates and may fail to capitalize on programs or product candidates that may present a greater commercial opportunity or for which there is a greater likelihood of success.

The success of our business depends upon our ability to identify, develop and commercialize product candidates. If we do not successfully develop and eventually commercialize products, we will face difficulty in obtaining product revenue in future periods, resulting in significant harm to our financial position and adversely affecting our share price. Research programs to identify new product candidates require substantial technical, financial and human resources, and we may fail to identify potential product candidates for numerous reasons.

Additionally, because we have limited resources, we may forego or delay pursuit of opportunities with certain programs or product candidates or for indications that later prove to have greater commercial potential. Our estimates regarding the potential market for our product candidates could be inaccurate, and our spending on current and future research and development programs may not yield any commercially viable products. If we do not accurately evaluate the commercial potential for a particular product candidate, we may relinquish valuable rights to that product candidate through strategic collaboration, licensing or other arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate, or we may allocate internal resources to a product candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

If any of these events occur, we may be forced to abandon or delay our development efforts with respect to a particular product candidate or fail to develop a potentially successful product candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Regulatory approval processes are lengthy, expensive and inherently unpredictable. Our inability to obtain regulatory approval for our product candidates would substantially harm our business.

Our development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including the FDA, HC, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. We must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before we can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if we believe results from our clinical trials are favorable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

We could fail to receive regulatory approval for our product candidates for many reasons, including, but not limited to:

- disagreement with the design or implementation of our clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;
- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials of our product candidates to support the submission and filing of a biologics license application, or BLA, or other submission to obtain regulatory approval;
- deficiencies in the manufacturing processes or the failure of facilities of CMOs with whom we contract for clinical and commercial supplies to pass a pre-approval inspection; or
- changes in the approval policies or regulations that render our preclinical and clinical data insufficient for approval.

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. This lengthy approval process as well as the unpredictability of clinical trial results may result in our failing to obtain regulatory approval to market any product candidate we develop, which would significantly harm our business, results of operations and prospects. The FDA, the European Medicines Agency, or EMA, and other comparable foreign authorities have substantial discretion in the approval process and determining when or whether regulatory approval will be obtained for any product candidate that we develop. Even if we believe the data collected from future clinical trials of our product candidates are promising, such data may not be sufficient to support approval by the FDA, the EMA or any other regulatory authority.

If we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with our product candidates that garner approval, the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products.

Obtaining and maintaining regulatory approval of our product candidates in one jurisdiction does not mean that we will be successful in obtaining regulatory approval of our product candidates in other jurisdictions.

Obtaining and maintaining regulatory approval of our product candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory approval in any other jurisdiction, while a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in others. For example, even if the FDA grants marketing approval of a product candidate, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion of the product candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

We may also submit marketing applications in other countries. Regulatory authorities in jurisdictions outside of the United States have requirements for approval of product candidates with which we must comply prior to marketing in those jurisdictions. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

We face competition from other biotechnology and pharmaceutical companies and our financial condition and operations will suffer if we fail to effectively compete.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. We are currently developing therapeutics that will compete, if approved, with other products and therapies that currently exist or are being developed. Products we may develop in the future are also likely to face competition from other products and therapies, some of which we may not currently be aware. We have competitors both in the United States and internationally, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies, universities and other research institutions. Our competitors include large, well-established pharmaceutical companies, biotechnology companies, and academic and research institutions developing cancer therapeutics for the same indications we are targeting and competitors with existing marketed therapies. Smaller and other early stage companies may also prove to be significant competitors. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Many other companies are developing or commercializing therapies to treat the same diseases or indications for which our product candidates may be useful. Although there are no approved therapies that specifically target the CD47 pathway, some competitors use therapeutic approaches that may compete directly with our product candidates. For example, our product candidates are in direct competition with CD47 blocking agents from Gilead Sciences and others.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe effects, are more convenient, have a broader label, are marketed more effectively, are reimbursed or are less expensive than any products that we may develop. Our competitors also may obtain FDA, HC or other marketing approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. Even if the product candidates we develop achieve marketing approval, they may be priced at a significant premium over competitive products if any have been approved by then, resulting in reduced competitiveness.

Many of our competitors have substantially greater financial, technical and human resources than we do and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do. Our ability to compete successfully will largely depend on:

- the efficacy and safety profile of our product candidates relative to marketed products and other product candidates in development;
- our ability to develop and maintain a competitive position in the product categories and technologies on which we focus;
- the time it takes for our product candidates to complete clinical development and receive marketing approval;
- our ability to obtain required regulatory approvals;
- our ability to commercialize any of our product candidates that receive regulatory approval;
- our ability to establish, maintain and protect intellectual property rights related to our product candidates; and
- acceptance of any of our product candidates that receive regulatory approval by physicians and other healthcare providers and payors.

If we are not able to compete effectively against our current and future competitors, our business will not grow and our financial condition and operations will substantially suffer. In addition, the biopharmaceutical industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our product candidates obsolete, less competitive or not economical.

Even if we receive regulatory approval of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our product candidates.

Any regulatory approvals that we receive for our product candidates will require surveillance to monitor the safety and efficacy of the product candidate. The FDA may also require a risk evaluation and mitigation strategy, or REMS, in order to approve our product candidates, which could entail 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. In addition, if the FDA or a comparable foreign regulatory authority approves our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export and recordkeeping for our product candidates will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs, good laboratory practice, or GLP, regulations and GCPs, for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with our product candidates, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of our product candidates, withdrawal of the product from the market or voluntary or mandatory product recalls;
- manufacturing delays and supply disruptions where regulatory inspections identify observations of noncompliance requiring remediation;
- revisions to the labeling, including limitation on approved uses or the addition of additional warnings, contraindications or other safety information, including boxed warnings;
- imposition of a REMS, which may include distribution or use restrictions;
- requirements to conduct additional post-market clinical trials to assess the safety of the product;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us or suspension or revocation of approvals;
- product seizure or detention, or refusal to permit the import or export of our product candidates; and
- injunctions or the imposition of civil or criminal penalties.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative 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.

We may seek Breakthrough Therapy Designation by the FDA for a product candidate that we develop, and we may be unsuccessful. If we are successful, the designation may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our product candidates will receive marketing approval.

We may seek Breakthrough Therapy Designation for any product candidate that we develop. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA are also eligible for accelerated approval and priority review.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe a product candidate we develop meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of Breakthrough Therapy Designation for a product candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if the product candidates we develop qualify as breakthrough therapies, the FDA may later decide that the drugs no longer meet the conditions for qualification and rescind the designation.

We may seek Fast Track Designation by the FDA for a product candidate that we develop, and we may be unsuccessful. If we are successful, the designation may not actually lead to a faster development or regulatory review or approval process.

We may seek Fast Track Designation for the product candidates we develop. If a product is intended for the treatment of a serious or life-threatening condition and preclinical or clinical data demonstrate the potential to address an unmet medical need for this condition, the product sponsor may apply for Fast Track Designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive Fast Track Designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may rescind the Fast Track Designation if it believes that the designation is no longer supported by data from our clinical development program.

We may seek Orphan Drug Designation for other product candidates we develop, and we may be unsuccessful or may be unable to maintain the benefits associated with Orphan Drug Designation, including the potential for market exclusivity.

As part of our business strategy, we may seek Orphan Drug Designation for our other product candidates we develop, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the United States, Orphan Drug Designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers.

Similarly, in Europe, the European Commission grants Orphan Drug Designation after receiving the opinion of the EMA Committee for Orphan Medicinal Products on an Orphan Drug Designation application. Orphan Drug Designation is intended to promote the development of drugs that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions affecting not more than 5 in 10,000 persons in Europe and for which no satisfactory method of diagnosis, prevention, or treatment has been authorized (or the product would be a significant benefit to those affected). Additionally, designation is granted for drugs intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition and when, without incentives, it is unlikely that sales of the drug in Europe would be sufficient to justify the necessary investment in developing the drug. In Europe, Orphan Drug Designation entitles a party to a number of incentives, such as protocol assistance and scientific advice specifically for designated orphan medicines, and potential fee reductions depending on the status of the sponsor.

Generally, if a drug with an Orphan Drug Designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the EMA or the FDA from approving another marketing application for the same drug and indication for that time period, except in limited circumstances. The applicable period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a drug no longer meets the criteria for Orphan Drug Designation or if the drug is sufficiently profitable such that market exclusivity is no longer justified.

Even if we obtain orphan drug exclusivity for our product candidates, that exclusivity may not effectively protect our product candidates from competition because different therapies can be approved for the same condition and the same therapies can be approved for different conditions but used off-label. Even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. Moreover, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process. While we may seek Orphan Drug Designation for applicable indications for our current and any future product candidates, we may never receive such designations. Even if we do receive such designations, there is no guarantee that we will enjoy the benefits of those designations.

We believe that any of our product candidates approved as a biologic product under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider our investigational medicines to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Other aspects of the Biologics Price Competition and Innovation Act of 2009, or BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation. Moreover, the extent to which a biosimilar, once licensed, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biologic products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing.

If competitors are able to obtain marketing approval for biosimilars referencing our products, our products may become subject to competition from such biosimilars, with the attendant competitive pressure and consequences.

We heavily rely on the capabilities and experience of our key executives and scientists and the loss of any of them could affect our ability to develop our products.

Our success will depend in large measure on the ability, expertise, judgment, discretion, integrity and good faith of our key executives and other personnel conducting our business. We have employment agreements with Dr. Skvarka, Dr. Bruns and Dr. Uger, and other key members of our staff. Changes in the leadership team may cause some disruption to our business, and may have an adverse effect on our business, operating results or financial condition.

We also depend on our scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to us. In addition, we believe that our future success will depend in large part upon our ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical, commercial and regulatory personnel, particularly as we expand our activities and seek regulatory approvals for clinical trials. We enter into agreements with our scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of our business. We also enter into agreements with physicians and institutions who will recruit patients into our clinical trials on our behalf in the ordinary course of our business. Notwithstanding these arrangements, we face significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. We cannot predict our success in hiring or retaining the personnel we require for continued growth. The loss of the services of any of our executive officers or other key personnel could potentially harm our business, operating results or financial condition.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we have established, comply with federal and state healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a substantial impact on our business and results of operations, including the imposition of substantial fines or other sanctions.

We may expand our business through the acquisition of companies or businesses or by entering into collaborations or by in-licensing product candidates, each of which could disrupt our business and harm our financial condition.

We have in the past and may in the future seek to expand our pipeline and capabilities by acquiring one or more companies or businesses, entering into collaborations, or in-licensing one or more product candidates. Acquisitions, collaborations and in-licenses involve numerous risks, including, but not limited to:

- substantial cash expenditures;
- technology development risks;
- potentially dilutive issuances of equity securities;
- incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition;
- difficulties in assimilating the operations of the acquired companies;
- potential disputes regarding contingent consideration;
- diverting our management's attention away from other business concerns;
- entering markets in which we have limited or no direct experience; and
- potential loss of our key employees or key employees of the acquired companies or businesses.

We have experience in making acquisitions, entering collaborations, and in-licensing product candidates, however, we cannot provide assurance that any acquisition, collaboration or in-license will result in short-term or long-term benefits to us. We may incorrectly judge the value or worth of an acquired company or business or in-licensed product candidate. In addition, our future success would depend in part on our ability to manage the rapid growth associated with some of these acquisitions, collaborations and in-licenses. We cannot provide assurance that we would be able to successfully combine our business with that of acquired businesses, manage a collaboration or integrate in-licensed product candidates. Furthermore, the development or expansion of our business may require a substantial capital investment by us.

We expect to expand our organization and, as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We expect to significantly expand our staffing in 2021, primarily in clinical development and CMC to support the expansion of our clinical programs. To manage these growth activities, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Our management may need to devote a significant amount of its attention to managing these growth activities. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations, retain key employees, or identify, recruit and train additional qualified personnel. Our inability to manage the expansion of our operations effectively may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could also require significant capital expenditures and may divert financial resources from other projects, such as the development of additional product candidates. If we are unable to effectively manage our expected growth, our expenses may increase more than expected, our ability to generate revenues could be reduced and we may not be able to implement our business strategy, including the successful commercialization of our product candidates.

Negative results from clinical trials or studies of others and adverse safety events involving the targets of our product candidates or of competitors in the field of immuno-oncology may have an adverse impact on our future commercialization efforts.

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our product candidates, or the therapeutic areas in which our product candidates compete, could adversely affect our share price and our ability to finance future development of our product candidates, and our business and financial results could be materially and adversely affected.

In addition, the commercial success of our products will depend in part on public acceptance of the use of cancer immunotherapies. While a number of cancer immunotherapies have received regulatory approval and are being commercialized, there are no approved agents targeting CD47. Adverse events in clinical trials of our product candidates or in clinical trials of others developing similar products and the resulting publicity, as well as any other adverse events in the field of immuno-oncology that may occur in the future, could result in a decrease in demand for any product that we may develop. If public perception is influenced by claims that the use of cancer immunotherapies is unsafe, whether related to our therapies or those of our competitors, our products may not be accepted by the general public or the medical community.

Future adverse events in immuno-oncology or the biopharmaceutical industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our products. Any increased scrutiny could delay or increase the costs of obtaining marketing approval for the product candidates we develop.

Even if a current or future product candidate receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If any current or future product candidate we develop receives marketing approval, whether as a single agent or in combination with other agents, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community. For example, current approved immunotherapies, and other cancer treatments like chemotherapy and radiation therapy, are well established in the medical community, and doctors may continue to rely on these therapies. If the product candidates we develop do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of any product candidate, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments;
- the ability to offer our products, if approved, for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the ability to obtain sufficient third-party coverage and adequate reimbursement, including with respect to the use of the approved product as a combination therapy;

- adoption of a companion diagnostic and/or complementary diagnostic; and
- the prevalence and severity of any side effects.

The market opportunities for any current or future product candidate we develop, if and when approved, may be limited to those patients who are ineligible for established therapies or for whom prior therapies have failed, and may be small.

Cancer therapies are sometimes characterized as first-line, second-line, or third-line, and the FDA often approves new therapies initially only for third-line use. When cancer is detected early enough, first-line therapy, usually chemotherapy, hormone therapy, surgery, radiation therapy or a combination of these, is sometimes adequate to cure the cancer or prolong life without a cure. Second- and third-line therapies are administered to patients when prior therapy is not effective. We expect to initially seek approval of any product candidates we develop as a therapy for patients who have received one or more prior treatments. Subsequently, for those products that prove to be sufficiently beneficial, if any, we would expect to seek approval potentially as a first-line therapy, but there is no guarantee that product candidates we develop, even if approved, would be approved for first-line therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

The number of patients who have the cancers we are targeting may turn out to be lower than expected. Additionally, the potentially addressable patient population for our current programs or future product candidates may be limited, if and when approved. Even if we obtain significant market share for any product candidate, if and when approved, if the potential target populations are small, we may never achieve profitability without obtaining marketing approval for additional indications, including to be used as first-line or second-line therapy.

Inadequate funding for the FDA, the SEC and other government agencies could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of the SEC and other government 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.

Disruptions at the FDA and other agencies may also slow the time necessary for new product candidates to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years the U.S. government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical FDA, SEC and other government employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

Since March 2020 when foreign and domestic inspections of facilities were largely placed on hold, the FDA has been working to resume routine surveillance, bioresearch monitoring and pre-approval inspections on a prioritized basis. The FDA developed a rating system to assist in determining when and where it is safest to conduct prioritized domestic inspections. In April 2021, the FDA issued guidance for industry formally announcing plans to employ remote interactive evaluations, using risk management methods, to meet user fee commitments and goal dates, and in May 2021, announced plans to continue progress toward resuming standard operational levels. Should the FDA determine that an inspection is necessary for approval, an inspection cannot be completed during the review cycle due to restrictions on travel, and the FDA does not determine a remote interactive evaluation to be appropriate, the FDA has stated that it generally intends to issue a complete response letter. Further, if there is inadequate information to make a determination on the acceptability of a facility, the FDA may defer action on the application until an inspection can be completed. In 2020, several companies announced receipt of complete response letters due to the FDA's inability to complete required inspections for their applications. Regulatory authorities outside the U.S. may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic and may experience delays in their regulatory activities. If a prolonged government shutdown or other disruption occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Future shutdowns or other disruptions could also affect other government agencies such as the SEC, which may also impact our business by delaying review of our public filings, to the extent such review is necessary, and our ability to access the public markets.

We face the risk of product liability claims, which could exceed our insurance coverage and produce recalls, each of which could deplete our cash resources.

We are exposed to the risk of product liability claims alleging that use of our product candidates caused an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of our product candidates and may be made directly by patients involved in clinical trials of our product candidates, by consumers or healthcare providers or by individuals, organizations or companies selling our products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product candidate moves through the development pipeline to commercialization. We currently maintain clinical trial liability insurance coverage of $10 million. However, there can be no assurance that such insurance coverage is or will continue to be adequate or available to us at a cost acceptable to us or at all. We may choose or find it necessary under our collaborative agreements to increase our insurance coverage in the future. We may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting from a product liability claim could exceed the amount of our coverage, require us to pay a substantial monetary award from our own cash resources and have a material adverse effect on our business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about our products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

If we are unable to maintain product liability insurance required by our third parties, the corresponding agreements would be subject to termination, which could have a material adverse impact on our operations.

Some of our licensing and other agreements with third parties require or might require us to maintain product liability insurance. If we cannot maintain acceptable amounts of coverage on commercially reasonable terms in accordance with the terms set forth in these agreements, the corresponding agreements would be subject to termination, which could have a material adverse impact on our operations.

Our internal computer systems, or those of our collaborators or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our product development programs.

Our internal computer systems and those of our current and any future collaborators and other contractors or consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we have not experienced any such material system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. For example, the loss of clinical trial data from future 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 were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, our competitive position could be harmed and the further development and commercialization of our product candidates could be delayed.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in the information systems and networks of our company and our vendors, including personal information of our employees and study subjects, and company and vendor confidential data. In addition, outside parties may attempt to penetrate our systems or those of our vendors or fraudulently induce our personnel or the personnel of our vendors to disclose sensitive information in order to gain access to our data and/or systems. Further, having a significant portion of our workforce working from home for extended periods of time due to the COVID-19 pandemic puts us at greater risk of cyber-attacks. We may experience threats to our data and systems, including malicious codes and viruses, phishing and other cyber-attacks. The number and complexity of these threats continue to increase over time. If a material breach of our information technology systems or those of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed and our reputation and credibility could be damaged. We could be required to expend significant amounts of money and other resources to repair or replace information systems or networks. In addition, we could be subject to regulatory actions and/or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive practices. Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have a process to identify and mitigate threats, the development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, despite our efforts, the possibility of these events occurring cannot be eliminated entirely. As we outsource more of our information systems to vendors, engage in more electronic transactions with payors and patients, and rely more on cloud-based information systems, the related security risks will increase and we will need to expend additional resources to protect our technology and information systems. In addition, there can be no assurance that our internal information technology systems or those of our third-party contractors, or our consultants' efforts to implement adequate security and control measures, will be sufficient to protect us against breakdowns, service disruption, data deterioration or loss in the event of a system malfunction, or prevent data from being stolen or corrupted in the event of a cyber-attack, security breach, industrial espionage attacks or insider threat attacks which could result in financial, legal, business or reputational harm.

Risks Related to Our Financial Position and Need for Additional Capital

We expect to incur future losses and we may never become profitable.

We have incurred losses of $10.9 million for the three months ended March 31, 2021, losses of $59.3 million and $38.1 million for the years ended December 31, 2020 and 2019, respectively, and expect to incur an operating loss for the year ending December 31, 2021. We have an accumulated deficit since inception through March 31, 2021 of $260.2 million. We believe that operating losses will continue as we are planning to incur significant costs associated with the clinical development of our product candidates. Our net losses have had and will continue to have an adverse effect on, among other things, our shareholders' equity, total assets and working capital. We expect that losses will fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. We cannot predict when we will become profitable, if at all.

We will require additional capital to finance our operations, which may not be available to us on acceptable terms, or at all. As a result, we may not complete the development and commercialization of our product candidates or develop new product candidates.

As a drug development company, our operations have consumed substantial amounts of cash since inception. We expect to spend substantial funds to continue the research, development and testing of our product candidates and to prepare to commercialize products subject to approval of the FDA, in the U.S. and similar approvals in other jurisdictions. We will also require significant additional funds if we expand the scope of our current clinical plans or if we were to acquire any new assets and advance their development. Therefore, for the foreseeable future, we will have to fund all of our operations and development expenditures from cash on hand, equity or debt financings, through collaborations with other biotechnology or pharmaceutical companies or through financings from other sources. We expect that our existing combined cash and cash equivalents and marketable securities as at March 31, 2021 of $275.7 million will enable us to fund our current operating plan requirements for at least the next twelve months. Additional financing will be required to meet our longer term liquidity needs. If we do not succeed in raising additional funds on acceptable terms, we might not be able to complete clinical trials or pursue and obtain approval of any product candidates from the FDA and other regulatory authorities. It is possible that future financing will not be available or, if available, may not be on favorable terms. The availability of financing will be affected by the achievement of our corporate goals, the results of scientific and clinical research, the ability to obtain regulatory approvals, the state of the capital markets generally and with particular reference to drug development companies, the status of strategic alliance agreements and other relevant commercial considerations. If adequate funding is not available, we may be required to delay, reduce or eliminate one or more of our product development programs, or obtain funds through corporate partners or others who may require us to relinquish significant rights to product candidates or obtain funds on less favorable terms than we would otherwise accept. To the extent that external sources of capital become limited or unavailable or available on onerous terms, our intangible assets and our ability to continue our clinical development plans may become impaired, and our assets, liabilities, business, financial condition and results of operations may be materially or adversely affected.

We currently have no product revenue and will not be able to maintain our operations and research and development without additional funding.

To date, we have generated no product revenue and cannot predict when and if we will generate product revenue. Our ability to generate product revenue and ultimately become profitable depends upon our ability, alone or with partners, to successfully develop our product candidates, obtain regulatory approval, and commercialize products, including any of our current product candidates, or other product candidates that we may develop, in-license or acquire in the future. We do not anticipate generating revenue from the sale of products for the foreseeable future. We expect our research and development expenses to increase in connection with our ongoing activities, particularly as we advance our product candidates through clinical trials.

We may be subject to significant cash payouts in connection with our outstanding warrants in the event of a "Fundamental Transaction".

In the event of a "Fundamental Transaction" (as defined in the related warrant agreement, which generally includes any merger with another entity, the sale, transfer or other disposition of all or substantially all of our assets to another entity, or the acquisition by a person of more than 50% of our common stock), each warrant holder will have the right up to 90 days after the consummation of the Fundamental Transaction to require us to repurchase the warrant for a purchase price in cash equal to the Black-Scholes value (as calculated under the warrant agreement) of the then remaining unexercised portion of such warrant on the date of such Fundamental Transaction, which may materially adversely affect our financial condition and/or results of operations. There can be no assurance that in the event of a Fundamental Transaction we will be able to sufficiently compensate the holders of the warrants in accordance with the terms thereof. The warrant provisions may delay or prevent our ability to undertake a strategic transaction that may be beneficial to shareholders. These restrictions may also adversely affect the market price of our common shares.

We are exposed to the financial risk related to the fluctuation of foreign exchange rates and the degrees of volatility of those rates.

We may be adversely affected by foreign currency fluctuations. To date, we have been primarily funded through issuances of equity, proceeds from the exercise of warrants and stock options and from interest income on funds available for investment, which are denominated both in U.S. and Canadian dollars. Also, a sizeable portion of our expenditures are in Canadian dollars, and we are therefore subject to foreign currency fluctuations which may, from time to time, impact our financial position and results of operations.

Risks Related to Intellectual Property

If we are unable to adequately protect and enforce our intellectual property, our competitors may take advantage of our development efforts or acquired technology and compromise our prospects of marketing and selling our key products.

We control two main patent families relating to SIRPα. One family relates to the use of SIRPα to treat cancer. The other family relates to composition of matter for TTI-622 and TTI-621. We have also filed for patent protection covering additional inventions relating to SIRPα, including anti-cancer drug combination therapies that utilize SIRPαFc, and biomarkers that identify SIRPαFc responders. Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. For example, some of our patent portfolio covers primarily methods of medical use but not compositions of matter. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit our ability to develop and commercialize our products, to conduct our existing research and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds. There is no assurance that our pending patent applications or any that we intend to acquire will be approved in a form that will be sufficient to protect our proprietary technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to us or our respective licensors may be challenged, invalidated or circumvented. To the extent our intellectual property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, we are exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of the United States and Canada.

We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary.

If we lose our licenses from third-party owners we may be unable to continue a substantial part of our business.

We are party to licenses that give us rights to intellectual property that is necessary or useful for a substantial part of our business. Pursuant to our exclusive license agreement with the University Health Network and The Hospital for Sick Children under which we license certain patent rights for our key products and their uses, we are required to use commercially reasonable efforts to commercialize products based on the licensed rights and pay milestone payments, royalties on net sales, and an annual maintenance fee.

We have also entered into agreements allowing us to manufacture TTI-622 and TTI-621 using Catalent's proprietary GPEx® expression system. The consideration includes payments at the time we successfully reach a series of development and sales milestones. We may also enter into licenses in the future to access additional third-party intellectual property.

If we fail to pay annual maintenance fees, development and sales milestones, or it is determined that we did not use commercially reasonable efforts to commercialize licensed products, we could lose our licenses which could have a material adverse effect on our business and financial condition.

We may require additional third-party licenses to effectively develop and manufacture our key products and are currently unable to predict the availability or cost of such licenses.

A substantial number of patents have already been issued to other biotechnology and pharmaceutical companies. To the extent that valid third-party patent rights cover our products or services, we or our strategic collaborators would be required to seek licenses from the holders of these patents in order to manufacture, use or sell these products and services, and payments under them would reduce our profits from these products and services. We are currently unable to predict the extent to which we may wish or be required to acquire rights under such patents, the availability and cost of acquiring such rights, and whether a license to such patents will be available on acceptable terms or at all. There may be patents in the U.S. or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. Our inability to obtain such licenses may hinder or eliminate our ability to manufacture and market our products.

Changes in patent law and its interpretation could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biotechnology and pharmaceutical companies, our success is heavily dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves technological and legal complexity, and obtaining and enforcing biopharmaceutical patents is costly, time-consuming and inherently uncertain. The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our and our licensors' or collaborators' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the United States Patent and Trademark Office, or USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our and our licensors' or collaborators' ability to obtain new patents or to enforce existing patents and patents we and our licensors or collaborators may obtain in the future.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents, all of which could have a material adverse effect on our business and financial condition.

Litigation regarding patents, patent applications, and other proprietary rights may be expensive, time consuming and cause delays in the development and manufacturing of our key products.

Our success will depend in part on our ability to operate without infringing the proprietary rights of third parties. The pharmaceutical industry is characterized by extensive patent litigation. Other parties may have, or obtain in the future, patents and allege that the use of our technologies infringes these patent claims or that we are employing their proprietary technology without authorization.

In addition, third parties may challenge or infringe upon our existing or future patents. Proceedings involving our patents or patent applications or those of others could result in adverse decisions regarding:

- the patentability of our inventions relating to our key products; and/or
- the enforceability, validity, or scope of protection offered by our patents relating to our key products.

If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action, or challenge the validity of the patents in court. Regardless of the outcome, patent litigation is costly and time consuming. In some cases, we may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, we may:

- incur substantial monetary damages;
- encounter significant delays in bringing our key products to market; and/or
- be precluded from participating in the manufacture, use or sale of our key products or methods of treatment requiring licenses.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them.

Because we rely on third parties to develop our product candidates, we must share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of our collaborators, advisors, employees and consultants to publish data potentially relating to our trade secrets. Our academic and clinical collaborators typically have rights to publish data, provided that we are notified in advance and may delay publication for a specified time in order to secure our intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by us, although in some cases we may share these rights with other parties. We may also conduct joint research and development programs which may require us to share trade secrets under the terms of research and development collaboration or similar agreements. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of these agreements, independent development or publication of information including our trade secrets in cases where we do not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of our trade secrets may impair our competitive position and could have a material adverse effect on our business and financial condition.

Risks Related to Our Common Shares

Our common share price has been volatile in recent years, and may continue to be volatile.

The market prices for securities of biopharmaceutical companies, including ours, have historically been volatile. In the three months ended March 31, 2021, our common shares traded on the Nasdaq at a high of $15.92 and a low of $9.27 per share and on the TSX at a high of CDN $20.21 and a low of CDN $11.79 per share. In the year ended December 31, 2020, our common shares traded on the Nasdaq at a high of $20.96 and a low of $1.05 per share and on the TSX at a high of CDN $27.12 and a low of CDN $1.37 per share. A number of factors could influence the volatility in the trading price of our common shares, including changes in the economy or in the financial markets, industry related developments, the results of product development and commercialization, changes in government regulations, and developments concerning proprietary rights, litigation and cash flow. Our quarterly losses may vary because of the timing of costs for manufacturing, preclinical studies and clinical trials. Also, the reporting of adverse safety events involving our products and public rumors about such events could cause our share price to decline or experience periods of volatility. Each of these factors could lead to increased volatility in the market price of our common shares. In addition, changes in the market prices of the securities of our competitors may also lead to fluctuations in the trading price of our common shares.

We have never paid dividends and do not expect to do so in the foreseeable future.

We have not declared or paid any cash dividends on our common or preferred shares to date. The payment of dividends in the future will be dependent on our earnings and financial condition in addition to such other factors as our Board of Directors considers appropriate. Unless and until we pay dividends, shareholders may not receive a return on their shares. There is no present intention by our Board of Directors to pay dividends on our shares.

Future sales or issuances of equity securities and the conversion of outstanding securities to common shares could decrease the value of the common shares, dilute investors' voting power, and reduce our earnings per share. There are a large number of common shares underlying our outstanding options and warrants and the exercise of these options and/or warrants may depress the market price of our common shares and cause immediate and substantial dilution to our existing stockholders.

As of March 31, 2021, we had 103,032,563 common shares issued and outstanding, outstanding Series II First Preferred Shares convertible into an additional 6,750,000 common shares, outstanding DSUs convertible into an additional 2,219,226 common shares, outstanding options to purchase 5,239,544 common shares, outstanding warrants to purchase 5,400,000 Series II First Preferred Shares which are convertible in 5,400,000 common shares, and outstanding warrants to purchase 1,505,675 common shares. The issuance of common shares upon exercise of our outstanding options and warrants, or the conversion of our preferred shares or redemption of our DSUs, will cause immediate and substantial dilution to our stockholders.

We may sell additional equity securities in future offerings, including through the sale of securities convertible into equity securities, to finance operations, acquisitions or projects, and issue additional common shares if outstanding warrants or stock options are exercised, or preferred shares are converted to common shares, which may result in dilution. In the February 2019 public offering, we issued warrants with a price protection feature that resets the exercise price of the warrant under certain conditions including the issuance of common shares, or securities convertible into common shares, at prices below the exercise price of $0.96.

Our Board of Directors has the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that we will issue additional securities to provide such capital. Such additional issuances may involve the issuance of a significant number of common shares at prices less than the current market price for our common shares.

Sales of substantial amounts of our securities, or the availability of such securities for sale, as well as the issuance of substantial amounts of our common shares upon conversion of outstanding convertible equity securities, could adversely affect the prevailing market prices for our securities and dilute investors' earnings per share. A decline in the market prices of our securities could impair our ability to raise additional capital through the sale of securities should we desire to do so.

U.S. holders of 10% or more of the voting power of our common shares may be subject to U.S. federal income taxation at ordinary income tax rates on undistributed earnings and profits.

There is a risk that we will be classified as a controlled foreign corporation, or CFC, for U.S. federal income tax purposes. We will generally be classified as a CFC if more than 50% of our outstanding shares, measured by reference to voting power or value, are owned (directly, indirectly or by attribution) by "U.S. Shareholders." For this purpose, a "U.S. Shareholder" is any U.S. person that owns directly, indirectly or by attribution, 10% or more of the voting power of our outstanding shares. If we are classified as a CFC, a U.S. Shareholder may be subject to U.S. income taxation at ordinary income tax rates on all or a portion of our undistributed earnings and profits attributable to "subpart F income" and may also be subject to tax at ordinary income tax rates on any gain realized on a sale of common shares, to the extent of our current and accumulated earnings and profits attributable to such shares. The CFC rules are complex and U.S. Shareholders of our common shares are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances.

We are likely a "passive foreign investment company," which may have adverse U.S. federal income tax consequences for U.S. shareholders.

U.S. investors should be aware that we believe we were classified as a passive foreign investment company, or PFIC, during the tax year ended December 31, 2020, and based on current business plans and financial expectations, we believe that we may be a PFIC for the current tax year and may be a PFIC in future tax years. If we are a PFIC for any year during a U.S. shareholder's holding period of our common shares or Series II First Preferred Shares, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of our common shares or Series II First Preferred Shares, or any so-called "excess distribution" received on our common shares or Series II First Preferred Shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective qualified electing fund election, or QEF Election, or a mark-to-market election with respect to our common shares or Series II First Preferred Shares. A U.S. shareholder who makes a QEF Election generally must report on a current basis its share of our net capital gain and ordinary earnings for any year in which we are a PFIC, which may or may not be readily available, whether or not we distribute any amounts to our shareholders. A U.S. shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the common shares over the shareholder's adjusted tax basis therein. A mark-to-market election is not expected to be available with respect to our Series II First Preferred Shares. Each U.S. shareholder should consult its own tax advisors regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership and disposition of our common shares or Series II First Preferred Shares.

Legislation or other changes in U.S. tax law could adversely affect our business and financial condition.

The rules dealing with U.S. federal, state, and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. In recent years, many changes have been made to applicable tax laws and changes are likely to continue to occur in the future. It cannot be predicted whether, when, in what form, or with what effective dates, new tax laws may be enacted, or regulations and rulings may be enacted, promulgated or issued under existing or new tax laws, which could result in an increase in our or our shareholders' tax liability or require changes in the manner in which we operate in order to minimize or mitigate any adverse effects of changes in tax law or in the interpretation thereof.

It may be difficult for non-Canadian investors to obtain and enforce judgments against us because of our Canadian incorporation and presence.

We are a corporation existing under the laws of the Business Corporations Act (British Columbia), or BCBCA. Some of our officers, directors, and experts are Canadian or non-U.S. residents, and many of our assets or the assets of our officers and directors are located outside the United States. We have appointed an agent for service of process in the United States, but it may be difficult for holders of our common shares who reside in the United States to effect service within the United States upon those directors, officers, and experts who are not residents of the United States. It may also be difficult for holders of our common shares who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon our civil liability and the civil liability of our officers and directors under the United States federal securities laws. Investors should not assume that Canadian courts (i) would enforce judgments of United States courts obtained in actions against us or such directors, officers or experts predicated upon the civil liability provisions of the United States federal securities laws or the securities or "blue sky" laws of any state or jurisdiction of the United States or (ii) would enforce, in original actions, liabilities against us or such directors, officers or experts predicated upon the United States federal securities laws or any securities or "blue sky" laws of any state or jurisdiction of the United States. In addition, the protections afforded by Canadian securities laws may not be available to investors in the United States.

Because we are no longer an "emerging growth company" as defined in the JOBS Act, we may incur additional expenses and devote increased management time to compliance with additional disclosures that are applicable to companies that are not emerging growth companies.

While we were an "emerging growth company," as defined in the JOBS Act, we were permitted to take advantage of reduced regulatory and reporting requirements that were otherwise generally available to public companies. These included, without limitation, reduced disclosure obligations regarding executive compensation in our periodic reports and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. Because we ceased to be an emerging growth company effective as of December 31, 2020, we expect to incur additional expenses and to devote increased management time towards insuring compliance with those requirements applicable to companies that are not emerging growth companies.

We qualify as a smaller reporting company, and we will remain a smaller reporting company for so long as (i) our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter. Similar to emerging growth companies, smaller reporting companies are able to provide simplified executive compensation disclosure, are exempt from the auditor attestation requirements of Section 404, and have certain other reduced disclosure obligations, including, among other things, being required to provide only two years of audited financial statements. We cannot predict if investors will find our common shares less attractive because we may rely on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

As a result of our loss of our foreign private issuer status, we are now required to comply with the Exchange Act's domestic reporting regime, which will cause us to incur significant legal, accounting and other expenses.

As of June 30, 2020, we determined that we no longer qualified as a "foreign private issuer," as such term is defined in Rule 405 under the Securities Act, which means that we are required to comply with all the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. As of January 1, 2021, we have been required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers.

We have been required to make changes to our corporate governance practices in accordance with various SEC and Nasdaq rules. As a result of such compliance, the regulatory and compliance costs to us under U.S. Securities laws may be higher than the costs we incurred as a foreign private issuer, and therefore, the loss of our foreign private issuer status will increase our legal and financial compliance costs. For example, we are required under current SEC rules to prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. As a foreign private issuer, we previously prepared our consolidated financial statements in accordance with International Financial Reporting Standards, or IFRS. We expect that the loss of foreign private issuer status will increase our legal and financial compliance costs and will make some activities highly time-consuming and costly. The additional costs could have an adverse impact on our results of operations, financial position and cash flows.

In addition, the transition to being treated as a U.S. domestic issuer may make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could make it more difficult for us to attract and retain qualified members of our Board of Directors. In addition, our officers and directors are no longer exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchase and sale of our securities.

Any failure to maintain an effective system of internal controls may result in material misstatements of our consolidated financial statements or cause us to fail to meet our reporting obligations or fail to prevent fraud; and in that case, our shareholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our common shares.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. If we fail to maintain an effective system of internal controls, we might not be able to report our financial results accurately or prevent fraud; and in that case, our shareholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our common shares. While we believe that we have sufficient personnel and review procedures to allow us to maintain an effective system of internal controls, we cannot provide assurance that we will not experience potential material weaknesses in our internal control. Even if we conclude that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our future reporting obligations.

If we fail to timely achieve and maintain the adequacy of our internal control over financial reporting, we may not be able to produce reliable financial reports or help prevent fraud. Our failure to achieve and maintain effective internal control over financial reporting could prevent us from complying with our reporting obligations on a timely basis, which could result in the loss of investor confidence in the reliability of our consolidated financial statements, harm our business and negatively impact the trading price of our common shares.

Our charter documents and certain Canadian legislation could delay or deter a change of control, limit attempts by our shareholders to replace or remove our current management and limit the market price of our common shares.

Our authorized preferred shares are available for issuance from time to time at the discretion of our Board of Directors, without shareholder approval. Our articles grant our Board of Directors the authority to determine the special rights and restrictions granted to or imposed on any unissued series of preferred shares, and those rights may be superior to those of our common shares. Further, the Investment Canada Act subjects any acquisition of control of a company by a non-Canadian to government review if the value of the assets as calculated pursuant to the legislation exceeds a threshold amount or in other circumstances determined at the discretion of the Canadian government. A reviewable acquisition may not proceed unless the relevant minister is satisfied that the investment is likely to be of net benefit to Canada and the Canadian government is satisfied that no other important concerns arise from the acquisition of control. Any of the foregoing could prevent or delay a change of control and may deprive or limit strategic opportunities to our shareholders to sell their shares.

We may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws health information privacy and security laws, and other health care laws and regulations. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.

Healthcare providers, physicians, and third-party payors will play a primary role in the recommendation and prescription of any products for which we obtain marketing approval. Our business operations and any current or future arrangements with third-party payors, healthcare providers and physicians may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we develop, market, sell and distribute any drugs for which we obtain marketing approval. In the United States, these laws include, without limitation, state and federal anti-kickback, false claims, physician transparency, and patient data privacy and security laws and regulations, including but not limited to those described below.

- The federal Anti-Kickback Statute prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, paying, receiving or providing any remuneration (including any kickback, bribe, or certain rebate), 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, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid; a person or entity need not have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation. Violations are subject to civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment, and exclusion from government healthcare programs. In addition, the government may assert that a claim that includes items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act, or FCA. On December 2, 2020, the Office of Inspector General, or OIG, published further modifications to the federal Anti-Kickback Statute. Under the final rules, OIG added safe harbor protections under the Anti-Kickback Statute for certain coordinated care and value-based arrangements among clinicians, providers, and others. On January 20, 2021, the Biden administration issued a moratorium on all Trump-era rules that have not yet taken effect. We continue to evaluate what effect, if any, these rules will have on our business.

- The federal civil and criminal false claims laws, including the civil FCA prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false, fictitious or fraudulent; knowingly making, using, or causing to be made or used, a false statement or record material to a false or fraudulent claim or obligation to pay or transmit money or property to the federal government; or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay money to the federal government. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. The FCA also permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery. When an entity is determined to have violated the federal civil FCA, the government may impose civil fines and penalties for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs.

- The federal civil monetary penalties laws impose civil fines for, among other things, the offering or transfer or remuneration to a Medicare or state healthcare program beneficiary, if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state health care program, unless an exception applies.

- The Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for knowingly and willfully executing a scheme, or attempting to execute a scheme, to defraud any healthcare benefit program, including private payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, or falsifying, concealing or covering up a material fact or making any materially false statements in connection with the delivery of or payment for healthcare benefits, items or services.

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, impose, among other things, specified requirements on covered entities and their business associates relating to the privacy and security of individually identifiable health information including mandatory contractual terms and required implementation of technical safeguards of such information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates in some cases, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions.

- The Physician Payments Sunshine Act, enacted as part of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the ACA, imposed new annual reporting requirements for certain manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, for certain payments and "transfers of value" provided to physicians (currently defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. In addition, many states also require reporting of payments or other transfers of value, many of which differ from each other in significant ways, are often not pre-empted, and may have a more prohibitive effect than the Sunshine Act, thus further complicating compliance efforts. Effective January 1, 2022, these reporting obligations will extend to include transfers of value made in the previous year to certain non-physician providers such as physician assistants and nurse practitioners.

- Federal consumer protection and unfair competition laws broadly regulate marketplace activities and activities that potentially harm consumers.

- Analogous state and foreign laws and regulations may be broader in scope than the provisions described above and may apply regardless of payor. Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and relevant federal government compliance guidance; require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers; restrict marketing practices or require disclosure of marketing expenditures and pricing information. State and foreign laws may govern the privacy and security of health information in some circumstances. These data privacy and security laws may differ from each other in significant ways and often are not pre-empted by HIPAA, which may complicate compliance efforts.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other related governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, disgorgement, exclusion from government funded healthcare programs, such as Medicare and Medicaid, reputational harm, additional oversight and reporting obligations if we become subject to a corporate integrity agreement or similar settlement to resolve allegations of non-compliance with these laws and the curtailment or restructuring of our operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, they may be subject to similar actions, penalties and sanctions. Ensuring business arrangements comply with applicable healthcare laws, as well as responding to possible investigations by government authorities, can be time- and resource-consuming and can divert a company's attention from its business.

The insurance coverage and reimbursement status of newly-approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for any of our product candidates, if approved, could limit our ability to market those products and decrease our ability to generate revenue.

In the United States and markets in other countries, patients generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors is critical to new product acceptance. Our ability to successfully commercialize our product candidates will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. The availability of coverage and extent of reimbursement by governmental and private payors is essential for most patients to be able to afford treatments. Sales of current or other product candidates that we may identify will depend substantially, both domestically and abroad, on the extent to which the costs of our product candidates will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors. If coverage and adequate reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our product candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment.

There is also significant uncertainty related to the insurance coverage and reimbursement of newly approved products and coverage may be more limited than the purposes for which the medicine is approved by the FDA or comparable foreign regulatory authorities. In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services. CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare and private payors tend to follow CMS to a substantial degree.

Healthcare legislative reform measures may have a material adverse effect on our business and results of operations.

Payors, whether domestic or foreign, or governmental or private, are developing increasingly sophisticated methods of controlling healthcare costs and those methods are not always specifically adapted for new technologies such as gene therapy and therapies addressing rare diseases such as those we are developing. In both the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory changes to the health care system that could impact our ability to sell our products profitably. In particular, in 2010, the Patient Protection and Affordable Care Act, as amended by the ACA, was enacted, which, among other things, subjected biologic products to potential competition by lower-cost biosimilars; addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program; extended the Medicaid Drug Rebate program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations; subjected manufacturers to new annual fees and taxes for certain branded prescription drugs; created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, effective as of January 1, 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D; and provided incentives to programs that increase the federal government's comparative effectiveness research.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. For example, various portions of the ACA are currently undergoing legal and constitutional challenges in the United States Supreme Court. Additionally, the previous administration issued various Executive Orders that eliminated cost sharing subsidies and various provisions that would impose a fiscal burden on states or a cost, fee, tax, penalty or regulatory burden on individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices and Congress has introduced several pieces of legislation aimed at significantly revising or repealing the ACA. We cannot predict what affect further changes to the ACA would have on our business, especially given the new administration.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers up to 2% per fiscal year, and, due to subsequent legislative amendments, will remain in effect through 2030 unless additional Congressional action is taken. Pursuant to the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, as well as subsequent legislation, these reductions have been suspended from May 1, 2020 through March 31, 2021 due to the COVID-19 pandemic. Proposed legislation, if passed, would extend this suspension until the end of the pandemic.

There has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

We expect that the healthcare reform measures that have been adopted and may be adopted in the future may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product and could seriously harm our future revenues. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private third-party payors.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our product. Such reforms could have an adverse effect on anticipated revenue from product candidates that we may successfully develop and for which we may obtain regulatory approval and may affect our overall financial condition and ability to develop product candidates.

Item 6. Exhibits

Exhibit Number	Description
3.1	Articles of Incorporation, effective as of December 18, 2019 (incorporated by reference to Exhibit 99.1 to the Report on 6-K of Trillium Therapeutics Inc., filed on April 21, 2020)
3.2	Notice of Articles, effective as of December 18, 2019 (incorporated by reference to Exhibit 3.2 to the Form 10-K of Trillium Therapeutics Inc., filed on March 18, 2021)
3.3	Certificate of Continuation, effective as of December 18, 2019 (incorporated by reference to Exhibit 3.3 to the Form 10-K of Trillium Therapeutics Inc., filed on March 18, 2021)
4.1	Rights Agreement between Trillium Therapeutics Inc. and Computershare Investor Services Inc. dated September 16, 2013 and amended on June 3, 2014, including the form of rights certificate (incorporated by reference to Exhibit 2.1 to the registrant's registration statement on Form 20-F filed with the SEC on August 12, 2014)
4.2	Form of Subscription Agreement between Stem Cell Therapeutics Corp. and U.S. purchasers who acquired common share units and preferred share units in December 2013 (incorporated by reference to Exhibit 4.2 to the registrant's registration statement on Form F-1/A filed with the SEC on March 31, 2015)
10.1*	Employment Agreement between Trillium Therapeutics Inc. and Benjamin Looker effective April 26, 2021
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer and of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101INS*	XBRL Instance Document
101SCH*	XBRL Taxonomy Extension Schema Document
101CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith

** The certification furnished in Exhibit 32.1 hereto is deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

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.

TRILLIUM THERAPEUTICS INC.

Date: May 7, 2021

By: /s/ Jan Skvarka

Jan Skvarka
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 7, 2021

By: /s/ James Parsons

James Parsons
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement"), effective April 26, 2021 ("Effective Date"), is made between Trillium Therapeutics USA Inc., a Delaware corporation ("Employer" or the "Company"), and Benjamin Looker, Esq. ("Employee"). Employee and the Company are sometimes referred to herein as the "Parties" and individually as a "Party."

RECITALS

A. Employer is an immuno-oncology company in the business of discovering and developing cancer therapies.

B. Employer desires to obtain the services of Employee as its General Counsel, in which capacity Employee will have access to Employer's Confidential Information (as hereinafter defined), and to obtain assurance that Employee will protect Employer's Confidential Information and will not solicit its employees during the term of employment and for a reasonable period of time after termination of employment pursuant to this Agreement, and Employee is willing to agree to these terms.

C. Employee desires to be assured of the salary, bonus opportunity and other benefits in this Agreement and, as additional consideration, to obtain the stock options that Employer is willing to grant.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement, and other good and valuable consideration, the Parties, intending to be legally bound, agree as follows:

1. Employment. Employer hereby employs Employee, and Employee agrees to be employed as its General Counsel, commencing on the Effective Date. In this role, Employee will report directly to the Chief Executive Officer ("CEO") and will have such responsibilities, duties and authority commensurate with the position at similar companies. Employee will devote his full business time and attention to the Employee's duties. Employee will comply with all written/known rules, policies and procedures of Employer as modified from time to time. Employee will perform all of Employee's responsibilities in compliance with all applicable laws and will ensure that the operations that Employee manages are in compliance with all applicable laws. When the Company re-opens its office as a result of the Covid-19 pandemic, Employee will work primarily from Employer's office in Massachusetts, USA.

2. Term of Employment. The term of employment will not be for a definite period, but rather continue indefinitely until terminated in accordance with the terms and conditions of this Agreement.

3. Compensation and Stock Options. For the duration of Employee's employment under this Agreement, the Employee will be entitled to compensation which will be computed and paid pursuant to the following subparagraphs.

3.1. **Base Salary**. Employer will pay to Employee a base salary ("Base Salary") at an annual rate of three hundred sixty thousand U.S. Dollars ($360,000), payable in installments on the Company's regular payroll dates for executives (but in no event less than monthly), subject to withholdings and deductions as required or permitted by law. Employee's Base Salary will be reviewed annually by the Employer and may be adjusted in the sole discretion of Employer based on such review, but will not be reduced by Employer unless the Employer reduces Employee's then-current Base Salary by no more than 10% in connection with a similar, across-the-board reduction in the base salaries of similarly-situated executives at the Company.

3.2. **Incentive Bonus**. Employee shall be eligible for a bonus of up to thirty percent (30%) at target of Employee's then-current Base Salary (for calendar year 2021, the bonus amount shall be prorated for the period commencing on the Effective Date and ending on December 31, 2021), based on achievement of criteria and objectives set annually by Employer's Board of Directors. The determinations of the Board with respect to Employee's incentive bonus will be final and binding. Employee must be in good standing on the bonus payout date, which shall be no later than March 15 of the calendar year following the calendar year to which the bonus relates. The bonus is not considered to be earned until the bonus payout date. If, for any reason, Employee is no longer an employee of the Company on the bonus payout date, Employee will not be eligible for, or entitled to receive, a bonus payment. Employee may also participate in other bonus or incentive plans adopted by Employer that are applicable to Employee's position, as they may be changed from time to time, but nothing herein shall require the adoption or maintenance of any such plan.

3.3. **Stock Options**. As a material inducement to the Employee entering into this Agreement and becoming an employee of the Company, and subject to approval by the Board or Compensation Committee, the Company will grant the Executive an option to purchase one hundred ninety thousand (190,000) shares of the Company's common stock ("New Hire Award"), in accordance with the Company's 2020 Omnibus Equity Incentive Plan, and an award agreement between the parties issued thereunder. The New Hire Award shall vest over four years, with twenty-five percent of the New Hire Award vesting on the one-year anniversary of the Effective Date and the remaining shares vesting in thirty-six equal monthly installments following the one-year anniversary of the Effective Date, subject to the Executive's continued service relationship with the Company.

In the event that the Company terminates Employee's employment due to a Change of Control, such termination shall be deemed to constitute termination without Cause pursuant to Section 5.2, and all of the Employee's options (subject to any performance conditions and all other conditions of the operative Stock Option Plan), will vest immediately prior to the termination date. Such vested options may be exercised until the earlier of (a) 120 days following the date of expiry of the notice period in connection with such termination (or, if there is no such notice period, 120 days following the actual termination date); or (b) the normal expiry date of the option rights. Upon the expiration of such period, all unexercised option rights of Employee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to Employee under the Stock Option Plan. For the purposes of this Agreement "Change of Control" shall mean any one or a combination of:

(i) any transaction at any time and by whatever means pursuant to which (A) Trillium Therapeutics Inc. (hereinafter, the "Corporation") goes out of existence by any means, except for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of Corporation voting securities immediately prior to such corporate transaction or reorganization or (B) any person or any group of two or more persons acting jointly or in concert (other than the Corporation, a wholly-owned subsidiary (as defined in the Securities Act (Ontario)) of the Corporation, an employee benefit plan of the Corporation or of any of its wholly-owned subsidiaries, including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined by the Business Corporations Act (Ontario)) of, or acquires the right to exercise control or direction over, securities of the Corporation representing 50% or more of the Corporation's then issued and outstanding securities in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a person other than a wholly-owned subsidiary of the Corporation;

(iii) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more persons which were wholly-owned subsidiaries of the Corporation immediately prior to such event;

(iv) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, arrangement or otherwise by any other person (other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of the Corporation); or

(v) the Board of Directors passes a resolution to the effect that, for the purposes of some or all of the option agreements issued under the applicable Stock Option Plan, an event set forth in (i), (ii), (iii) or (iv) above has occurred.

4. Other Benefits.

4.1. Vacations, Holidays and Expenses. For the duration of Employee's employment hereunder, Employee will accrue up to four weeks of paid vacation each calendar year, which may be used in accordance with the Company's vacation policy in effect from time to time. Employer will reimburse Employee in accordance with company policies and procedures for reasonable expenses necessarily incurred in the performance of duties hereunder against appropriate receipts and vouchers indicating the specific business purpose for each such expenditure.

4.2. **Health and Welfare Benefits**. Employee is eligible to participate in the Company's 401(k) Plan, as may be amended by the Company from time to time. The Company currently offers a hundred percent match on contributions to the 401(k) Plan up to five percent of Employee's Base Salary or such lessor amount as may be required under applicable law. Employee shall also be entitled to participate in the Company's group health, life insurance, disability insurance and other plans, as may be provided by the Company from time to time. Employee hereby acknowledges that he will not be eligible to participate in any group health, welfare, life insurance or other plans maintained by the Parent Company.

4.3. **Right of Set-off**. By accepting this Agreement, Employee consents to a deduction from any amounts Employer owes Employee from time to time (including amounts owed to Employee as wages or other compensation, fringe benefits, or vacation pay, as well as any other amounts owed to Employee by Employer), to the extent of the clear and established amounts, if any, that Employee owes to Employer. Whether or not Employer elects to make any set-off in whole or in part, if Employer does not recover by means of set-off the full amount Employee owes it, calculated as set forth above, Employee agrees to pay immediately upon Employer's demand, the unpaid balance to Employer.

4.4. **Indemnification**. Employee will receive indemnification coverage pursuant to the terms and conditions of any applicable by-laws and/or Directors and Officers insurance policy that the Company makes available to its officer and directors. The Company agrees to maintain Director and Officer insurance coverage consistent with past practice. Any renewal Director and Officer insurance policy shall cover the periods of Employee's employment with the Company, both as an active and a former employee of the Company and shall not decrease Employee's protections thereunder.

In addition, the Company will enter into an Indemnification Agreement with Employee in a form mutually agreeable to the Company and Employee as of the Effective Date.

5. **Termination By Employer**.

5.1. **For Cause**. Employer will have the right to immediately terminate Employee's employment under this Agreement for Cause. "Cause" means the reasonable and good faith belief by the CEO that any of the following has occurred: (a) any material breach of a material provision of this Agreement by Employee, including, without limitation, Employee's covenants in Sections 7, 8, 9 and 10; (b) Employee's willful and continued failure to substantially perform Employee's material responsibilities reasonably assigned to him by the CEO (other than such a failure as a result of a Disability); (c) Employee's willful failure to comply with lawful and reasonable directives of the CEO; (d) commission of a felony or misdemeanor or failure to contest prosecution for a felony or misdemeanor; (e) Employee willfully engaged in a violation of any statute, rule or regulation, any of which in the judgment of Employer is harmful to the business or to Employer's reputation; (f) Employee willfully engaged in unethical practices, dishonesty or disloyalty that materially injures the Company or its business reputation; *provided*, that before terminating Employee's employment for "Cause" under subsections (a), (b) or (c), the Employer shall provide Employee with written notice of the circumstances giving rise to a termination for Cause and a 30-day opportunity to cure such grounds, if curable. If cured, such events or grounds shall no longer be deemed a basis for a termination of Employee for "Cause," at any time during Employee's employment.

Upon termination of Employee's employment hereunder for Cause, Employer shall pay the Employee's accrued Base Salary, any accrued but unused vacation and any other amounts earned through the termination date under an applicable company plan or policy, within the time period required by law but in no event more than 30 days after the termination date (the "Accrued Obligations"). Employee will have no rights to any unvested benefits or any other compensation or payments after the termination date except for the Accrued Obligations.

5.2. Without Cause. Employer may terminate Employee's employment under this Agreement without Cause and without advance notice; provided, however, that in addition to the Accrued Obligations, Employer will continue to pay Employee, as severance pay ("Severance Pay"), Employee's Base Salary at the rate in effect on the termination date through the date that is six (6) months from the termination date; provided, further, that if Employee's termination is due to a Change of Control (as defined in Section 3.3 above), then in lieu of the foregoing, Employer will continue to pay, as severance pay, Employee's Base Salary at the rate in effect on the termination date through the date that is nine (9) months from the termination date. Furthermore, upon a termination by Employer without Cause and subject to an Employee's election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, Employer will pay to Employee a lump sum amount equal to three (3) times the employer paid portions of the monthly premiums in effect at the termination date for medical, dental and vision coverage in which the Employee participated as of the termination date (the "Health Benefit Payment"). Employee shall only be entitled to the Severance Pay and Health Benefit Payment if Employee signs (and then Employee does not rescind, as may be permitted by law) a general release of claims in favor of Employer in a form acceptable to Employer (the "Release"), provided, however, that such release of claims shall only require Employee to release Employer from claims relating directly to Employee's employment and the termination thereof, and shall not require Employee to release claims relating to vested employee benefits or relating to other matters, including, but not limited to, claims relating to his rights as a shareholder of the Company or any rights to indemnification which Employee possesses as of the separation date. The Severance Pay will be made at usual and customary pay intervals of Employer beginning on the first payroll period after the release of claims becomes effective and will be subject to all appropriate deductions and withholdings. The Health Benefit Payment will be made with the first payment of Severance Pay and will be subject to all appropriate deductions and withholdings. Employee shall only be entitled to Severance Pay and the Health Benefit Payment under this Agreement if Employee signs (and does not rescind) the Release with the applicable rescission period having expired within 60 days following Employee's separation from service (or such shorter period as set forth in the Release), and if such sixty (60) day period spans two calendar years, payments will in all cases commence in the later calendar year. Upon termination, Employee will have no rights to any unvested benefits or any other compensation or payments except as stated in this paragraph and, if applicable, in Section 3.3.

5.3. Death or Disability

Employee's employment shall terminate automatically upon Employee's death during his employment. Either Employer or Employee may terminate Employee's employment in the event of Employee's Disability during his employment. If Employer determines in good faith that the Disability of Employee has occurred (pursuant to the definition of Disability set forth below), it shall give to Employee a written notice of its intention to terminate Employee's employment. In such event, Employee's employment with Employer shall terminate effective on the 30th day after receipt of such notice by Employee (the Disability Effective Date), provided that, within the 30 days after such receipt, Employee shall not have returned to full-time performance of Employee's duties. For purposes of this Agreement, "disability" means the inability of Employee, whether due to accident, sickness or otherwise, as determined by a medical doctor acceptable to the CEO and confirmed in writing by such doctor, to perform the essential functions of Employee's position under this Agreement, with or without reasonable accommodation (provided that no accommodation that imposes undue hardship on Employer will be required) for an aggregate of ninety (90) days during any period of one hundred eighty (180) consecutive days, or such longer period as may be required under disability law. Upon termination in the event of Employee's death or Disability, Employer shall pay to Employee's estate or Employee the Accrued Obligations. Employee's estate or Employee will have no right to any unvested benefits or any other compensation or payments except as stated in this paragraph and in Section 3.3

6. Resignation By Employee.

6.1 Resignation by Employee Other than for Good Reason. Employee may terminate Employee's employment under this Agreement for any reason provided that Employee gives Employer at least sixty (60) days' notice in writing. Employer may, at its option, accelerate such termination date to any date at least two (2) weeks after Employee's notice of termination. Employer may also, at its option, relieve Employee of all duties and authority after notice of termination has been provided. Employer will provide Employee with the Accrued Obligations, and all compensation, payments and unvested benefits will cease on the termination date.

6.2 Resignation by Employee for Good Reason. Furthermore, Employee may terminate this Agreement at any time upon written notice to the Employer for "Good Reason", defined as (a) a material diminution of Employee's authority, duties or responsibilities; (b) a material reduction in Employee's Base Salary (except for a reduction of no more than 10% of Employee's Base Salary consistent with section 3.1 above); (c) relocation of Employee's principal workplaces, referring to Boston-metro area, by more than 50 miles, unless such relocation reduces Employee's regular commuting time (and excluding Employee's typical travel as set forth in this Agreement); (d) any breach by the Company of Section 4.4 above; or (e) a material breach of a material provision of this Agreement; *provided*, that before resigning for "Good Reason" under subsections (a), (b), (c) or (e), the Employee shall (i) provide Employer with written notice of the circumstances giving rise to a termination for Good Reason (which notice must be provided by Employee within 90 days of the Employee learning of the existence of the condition(s) giving rise to such Good Reason) and a 30-day opportunity to cure such grounds; and (ii) if the Employer did not cure such grounds, Employee ends his employment within 60 days after providing such notice to the Employer. If Employee terminates employment under this Agreement for Good Reason, in addition to the Accrued Obligations, Employee shall also be entitled to the "Severance Pay" and "Health Benefit Payment" as defined in Section 5.2 above, subject to the Release requirement and the timing of the payments described therein.

7. Restrictive Covenants.

7.1. Noncompetition Covenant. Employee agrees that during his employment with the Company and for a period of one (1) year following Employee's termination of employment for any reason other than a termination by the Company without Cause, as "Cause" is defined in Section 5.1 of the Agreement or by the Employee for Good Reason ("Restricted Period"), Employee shall not, anywhere the Company conducts business or is known by Employee to contemplate conducting business as of the termination date (the "Restricted Territory"), directly or indirectly (whether for compensation or without compensation), as principal, agent, owner, partner, employee, consultant, shareholder, member, director, manager or officer, as the case may be, or otherwise howsoever, own, operate, be engaged in or connected with the operation of or have any financial interest in or advance, lend money to, guarantee the debts or obligations of or permit Employee's name or part thereof to be used or employed in any operation, whether a proprietorship, partnership, joint venture, company or other entity, legal or otherwise, whatsoever, or otherwise carry on or engage in any activity or business involving the field of innate immune system checkpoint inhibitors; provided, however, that such restrictions shall not preclude Employee from owning up to 1% of the totally outstanding stock of a publicly traded entity. It is mutually agreed upon by Employee and the Company that the grant of the New Hire Award shall serve as consideration for Employee's compliance with this Section (in lieu of any post-employment garden leave payments), and that Employee would not receive the New Hire Award but-for Employee's agreement to these restrictions on competition. Employee acknowledges that Employee has the right to consult with counsel prior to executing this Agreement. Employee further acknowledges that this Agreement is the formal offer of employment and that it was delivered to Employee at least ten (10) business days before the commencement of Employee's employment with the Company. Nothing in this Section shall restrict the right of the Employee to practice medicine in any geographic area for any period of time during the Restricted Period.

7.2. **Non-solicitation Covenant**. During the period commencing on the Effective Date and terminating on the first anniversary of the termination date, regardless of the reason for termination, Employee shall not, directly or indirectly (whether for compensation or without compensation), as principal, agent, owner, partner, employee, consultant, shareholder, member, director, manager or officer, as the case may be (other than as the holder of an ownership interest of not more than 1% of the total outstanding stock of a publicly traded entity):

(i) solicit, or attempt to obtain business from, accept business from or contact any current or former customer of the Company regarding activity or business that is competitive with the business activities of the Company as they existed during the period that Employee provided services to the Company; or

(ii) induce or attempt to induce any Company employee to terminate employment with the Company, hire or participate in the hiring of any Company employee or independent contractor, or interfere with or attempt to disrupt the relationship, contractual or otherwise, between the Company and any Company employee or independent contractor (other than advertising not specifically targeted at the Company's employees or contractors and serving as a reference upon request). For purposes of this paragraph, a Company employee or independent contractor means any person employed or contracted by the Company during the twelve (12) month period prior to the termination date.

7.3. **Outside Employment**. While employed by the Company, Employee is expected to devote his full-time efforts and energy to his job with the Company. The following types of outside employment (which includes paid consulting engagements) are strictly prohibited:

(i) Employment that conflicts with Employee's work schedule, duties and responsibilities;

(ii) Employment that creates a conflict of interest or is incompatible with Employee's employment with the Company;

(iii) Employment that interferes with the protection of the Company's proprietary or confidential information;

(iv) Employment that impairs or has a detrimental effect on Employee's work performance with the Company;

(v) Employment that requires Employee to conduct work or related activities for outside employment on the Company's property during the Employee's working hours or using the Company's facilities and/or equipment in relation to the Employee's outside employment; and

(vi) Employment that directly or indirectly competes with the business or the interests of the Company.

If Employee wishes to engage in outside employment, he must submit a written request to the Company explaining the details of the outside employment. No work related to Employee's outside employment may be performed during Company time, with Company property or equipment, or on Company premises. The Company shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of outside employment. Authorization to engage in outside employment can be revoked at any time. Volunteer/pro bono engagements are permitted by the Company so long as such engagements do not interfere with Employee's work for the Company. Failure to adhere to this policy may result in discipline up to and including termination.

8. Confidential Information. Employee recognizes that Employer's business and continued success depend upon the use and protection of confidential and proprietary business information, including, without limitation, the information and technology developed by or available through licenses to Employer, to which Employee has access (all such information being "Confidential Information"). For purposes of this Agreement, the phrase "Confidential Information" includes, for Employer and its current or future subsidiaries and affiliates, without limitation, and whether or not specifically designated as confidential or proprietary: all business plans and marketing strategies; information concerning existing and prospective markets and customers; financial information; information concerning the development of new products and services; information concerning any personnel of Employer (including, without limitation, skills and compensation information); and technical and non-technical data related to software programs, designs, specifications, compilations, inventions, improvements, methods, processes, procedures and techniques; provided, however, that the phrase does not include information that (a) was lawfully in Employee's possession prior to disclosure of such information by Employer; (b) was, or at any time becomes, available in the public domain other than through a violation of this Agreement; (c) is documented by Employee as having been developed by Employee outside the scope of Employee's employment and independently; or (d) is furnished to Employee by a third party not under an obligation of confidentiality to Employer.

Employee agrees that during Employee's employment and after termination of employment irrespective of cause, Employee will use Confidential Information only for the benefit of Employer and will not directly or indirectly use or divulge, or permit others to use or divulge, any Confidential Information for any reason, except as authorized by Employer. Employee's obligation under this Agreement is in addition to any obligations Employee has under state or federal law. Employee agrees to deliver to Employer immediately upon termination of Employee's employment, or at any time Employer so requests, all tangible items containing any Confidential Information (including, without limitation, all memoranda, photographs, records, reports, manuals, drawings, blueprints, prototypes, notes taken by or provided to Employee, and any other documents or items of a confidential nature belonging to Employer) whether in hard copy, electronic, or other format, together with all copies of such material in Employee's possession or control. Employee agrees that in the course of Employee's employment with Employer, Employee will not violate in any way the rights that any entity has with regard to trade secrets or proprietary or confidential information.

Employee's obligations under this Section 8 are indefinite in term and shall survive the termination of Employee's employment and/or this Agreement. However, Employee further understands that nothing in this Agreement prohibits Employee from reporting to any governmental authority information concerning possible violations of law or regulation and that Employee may disclose Confidential Information to a government official or to an attorney and use it in certain court proceedings without fear of prosecution or liability, provided Employee files any document containing Confidential Information under seal and does not disclose the Confidential Information, except pursuant to court order. Employee understands that in the event it is determined that the disclosure of Company trade secrets was not done in good faith pursuant to the above, Employee will be subject to substantial damages, including attorneys' fees.

Employee acknowledges that certain whistleblower laws permit Employee to communicate directly with governmental or regulatory authorities, including communications with the U.S. Securities and Exchange Commission about possible securities law violations, without the Company's permission or notification, and that the Company will not consider such communications to violate this or any other agreement between Employee and the Company or any Company policy.

Employee acknowledges that under U.S. Defend Trade Secrets Act of 2016, Employee will not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of a trade secret that is made in confidence to government officials, either directly or indirectly, or to an attorney, in each case solely for the purpose of reporting or investigating a suspected violation of law, or in a complaint or other document filed in a lawsuit or other proceeding, provided such filing is made under seal. If Employee has any questions as to what comprises such confidential or proprietary information or trade secrets, or to whom if anyone it may be disclosed, Employee will consult with the Company. Employee understands that in the event it is determined that the disclosure of Company trade secrets was not done in good faith, Employee will be subject to substantial damages, including punitive damages and attorneys' fees.

9. Work Product and Copyrights. Employee agrees that all right, title and interest in and to the materials resulting from the performance of Employee's duties at Employer and all copies thereof, including works in progress, in whatever media, (the "Work"), will be and remain in Employer upon their creation. Employee will mark all Work with Employer's copyright or other proprietary notice as directed by Employer. Employee further agrees:

9.1. To the extent that any portion of the Work constitutes a work protectable under the copyright laws of the United States (the "Copyright Law"), that all such Work will be considered a "work made for hire" as such term is used and defined in the Copyright Law, and that Employer will be considered the "author" of such portion of the Work and the sole and exclusive owner throughout the world of such copyright; and

9.2. If any portion of the Work does not qualify as a "work made for hire" as such term is used and defined in the Copyright Law, that Employee hereby assigns and agrees to assign to Employer, without further consideration, all right, title and interest in and to such Work or in any such portion of such Work and any copyright in such Work and further agrees to execute and deliver to Employer, upon request, appropriate assignments of such Work and copyright in such Work and such other documents and instruments as Employer may request to fully and completely assign such Work and copyright in such Work to Employer, its successors or nominees, and that Employee appoints Employer as attorney-in-fact to execute and deliver any such documents on Employee's behalf in the event Employee should fail or refuse to do so within a reasonable period following Employer's request.

10. Inventions and Patents. For purposes of this Agreement, "Inventions" includes, without limitation, information, inventions, contributions, improvements, ideas, or discoveries, whether protectable or not, and whether or not conceived or made during work hours. Employee agrees that all Inventions conceived or made by Employee during the period of employment with Employer belong to Employer, provided they grow out of Employee's work with Employer or are related in some manner to the Employer's business, including, without limitation, research and product development, and projected business of Employer or its affiliated companies. Accordingly, Employee will:

10.1. Make adequate written records of such Inventions, which records will be Employer's property;

10.2. Assign to Employer, at its request, any rights Employee may have to such Inventions for the U.S. and all foreign countries;

10.3. Waive and agree not to assert any moral rights Employee may have or acquire in any Inventions and agree to provide written waivers from time to time as requested by Employer; and

10.4. Assist Employer (at Employer's expense) in obtaining and maintaining patents or copyright registrations with respect to such Inventions. Employee understands and agrees that Employer or its designee will determine, in its sole and absolute discretion, whether an application for patent will be filed on any Invention that is the exclusive property of Employer, as set forth above, and whether such an application will be abandoned prior to issuance of a patent.

Employer will pay to Employee, either during or after the term of this Agreement, the following amounts if Employee is sole inventor, or Employee's proportionate share if Employee is joint inventor: $750 upon filing of the initial application for patent on such Invention; and $1,500 upon issuance of a patent resulting from such initial patent application, provided Employee is named as an inventor in the patent.

Employee further agrees that Employee will promptly disclose in writing to Employer during the term of Employee's employment and for one (1) year thereafter, all Inventions whether developed during the time of such employment or thereafter (whether or not Employer has rights in such Inventions) so that Employee's rights and Employer's rights in such Inventions can be determined. Employee represents and warrants that Employee has no Inventions, software, writings or other works of authorship useful to Employer in the normal course of the business, which were conceived, made or written prior to the date of this Agreement and which are excluded from the operation of this Agreement.

NOTICE: This Section 10 does not apply to Inventions for which no equipment, supplies, facility, or trade secret information of Employer was used and which was developed entirely on Employee's own time, unless: (a) the Invention relates (i) directly to the business of Employer or (ii) to Employer's actual or demonstrably anticipated research or development, or (b) the Invention results from any work performed by Employee for Employer.

11. Remedies. Notwithstanding other provisions of this Agreement regarding dispute resolution, Employee agrees that Employee's violation of any of Sections 7, 8, 9 or 10 of this Agreement might cause Employer irreparable harm which would not be adequately compensated by monetary damages and that an injunction may be granted by any court or courts having jurisdiction, restraining Employee from violation of the terms of this Agreement, upon any breach or threatened breach of Employee of the obligations set forth in any of Sections 7, 8, 9 or 10. The preceding sentence shall not be construed to limit Employer from any other relief or damages to which it may be entitled as a result of Employee's breach of any provision of this Agreement, including Sections 7, 8, 9 or 10.

12. Dispute Resolution. Except for the right of Employer and Employee to seek injunctive relief in court, any controversy, claim or dispute of any type arising out of or relating to Employee's employment or the provisions of this Agreement shall be resolved in accordance with this Section 12 regarding resolution of disputes, which will be the sole and exclusive procedure for the resolution of any disputes. This Agreement shall be enforced in accordance with the Federal Arbitration Act, the enforcement provisions of which are incorporated by this reference. Matters subject to these provisions include, without limitation, claims or disputes based on statute, contract, common law and tort and will include, for example, matters pertaining to termination, discrimination, harassment, compensation and benefits. Matters to be resolved under these procedures also include claims and disputes arising out of statutes such as the Fair Labor Standards Act, Title VII of the Civil Rights Act, the Age Discrimination in Employment Act, and all state laws related to employment. Nothing in this provision is intended to restrict Employee from submitting any matter to an administrative agency with jurisdiction over such matter.

12.1. Mediation. Employer and Employee will make a good faith attempt to resolve any and all claims and disputes by submitting them to mediation before resorting to arbitration or any other dispute resolution procedure. The mediation of any claim or dispute must be conducted in Massachusetts in accordance with the then-current JAMS procedures for the resolution of employment disputes by mediation, by a mediator who has had both training and experience as a mediator of general employment and commercial matters. If the Parties to this Agreement cannot agree on a mediator, then the mediator will be selected by JAMS in accordance with JAMS' strike list method. Within thirty (30) days after the selection of the mediator, Employer and Employee and their respective attorneys will meet with the mediator for one mediation session of at least four hours. If the claim or dispute cannot be settled during such mediation session or mutually agreed continuation of the session, either Employer or Employee may give the mediator and the other Party to the claim or dispute written notice declaring the end of the mediation process. All discussions connected with this mediation provision will be confidential and treated as compromise and settlement discussions. Nothing disclosed in such discussions, which is not independently discoverable, may be used for any purpose in any later proceeding. The mediator's fees shall be paid entirely by the Company.

12.2. Arbitration. If any claim or dispute has not been resolved in accordance with Section 12.1, then the claim or dispute will be determined by arbitration in accordance with the then-current JAMS employment arbitration rules and procedures, except as modified herein, said arbitration to occur in Massachusetts. Employee understands that Employee may only bring such claims in Employee's individual capacity, and not as a plaintiff or class member in any purported class proceeding or any purported representative proceeding. The arbitration will be conducted by a sole neutral arbitrator who has had both training and experience as an arbitrator of general employment and commercial matters and who is and for at least ten (10) years has been, a partner, a shareholder, or a member in a law firm. If Employer and Employee cannot agree on an arbitrator, then the arbitrator will be selected by JAMS in accordance with Rule 15 of the JAMS employment arbitration rules and procedures. No person who has served as a mediator under the mediation provision, however, may be selected as the arbitrator for the same claim or dispute. Reasonable discovery will be permitted and the arbitrator may decide any issue as to discovery. The arbitrator may decide any issue as to whether or as to the extent to which any dispute is subject to the dispute resolution provisions in Section 12 and the arbitrator may award any relief permitted by law. The arbitrator must base the arbitration award on the provisions of Section 12 and applicable law and must render the award in writing, including an explanation of the reasons for the award. Judgment upon the award may be entered by any court having jurisdiction of the matter, and the decision of the arbitrator will be final and binding. The statute of limitations applicable to the commencement of a lawsuit will apply to the commencement of an arbitration under Section 12.2. The arbitrator's fees shall be paid entirely by the Company.

13. Disclosure to Future or Potential Employers. Employee agrees to reveal the terms of this Agreement as it relates to non-solicitation, confidentiality, inventions and patents and work product and copyrights to any future employer or potential employer of Employee and authorizes Employer, at its election, to make disclosure regarding said provisions.

14. Representation of Employee. Employee represents and warrants to Employer that Employee is free to enter into this Agreement and has no contract, commitment, arrangement or understanding to or with any party that restrains or is in conflict with Employee's performance of the covenants, services and duties provided for in this Agreement. Employee agrees to indemnify Employer and to hold it harmless against any and all liabilities or claims arising out of any unauthorized act or acts by Employee that, the foregoing representation and warranty to the contrary notwithstanding, are in violation, or constitute a breach, of any such contract, commitment, arrangement or understanding.

15. Conditions of Employment. Employer's obligations to Employee under this Agreement are conditioned upon Employee's timely submission of satisfactory proof of Employee's legal authorization to work in the United States, as required by United States immigration laws.

16. Assignability. During Employee's employment, this Agreement may not be assigned by either Party without the written consent of the other. However, Employer may assign its rights and obligations under this Agreement without Employee's consent to a successor by sale, merger or liquidation, if such successor carries on the business substantially in the form in which it is being conducted at the time of the sale, merger or liquidation. This Agreement is binding upon Employee, Employee's heirs, personal representatives and permitted assigns and on Employer, its successors and assigns. The Employer shall assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which Employee is principally involved and shall require such person or entity to assume the Employer's rights and obligations hereunder. For the avoidance of doubt, if Employee remains employed or becomes employed by the Employer, the purchaser or any of their affiliates in connection with any such transaction, then Employee shall not be entitled to any severance pay or benefits pursuant to Section 5.2 or 6.2 of this Agreement solely as a result of such transaction.

17. Notices. Any notices required or permitted to be given hereunder are sufficient if in writing and delivered by hand, or email, by registered or certified mail, or by overnight courier, to Employee at his current address on file with the Company and benjamin.looker@gmail.com, or to Employer at Trillium Therapeutics USA Inc. c/o Trillium Therapeutics Inc., 2488 Dunwin Drive, Mississauga, Ontario, L5L 1J9. Notices shall be deemed to have been given (i) upon delivery, if delivered by hand, (ii) seven days after mailing, if mailed, (iii) one business day after delivery, if delivered by courier, and (iv) one business day following receipt of an appropriate electronic confirmation, if by email.

18. Severability. If any provision of this Agreement or compliance by any of the Parties with any provision of this Agreement constitutes a violation of any law, or is or becomes unenforceable or void, then such provision, to the extent only that it is in violation of law, unenforceable or void, shall be deemed modified to the extent necessary so that it is no longer in violation of law, unenforceable or void, and such provision will be enforced to the fullest extent permitted by law. The Parties shall engage in good faith negotiations to modify and replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces. If such modification is not possible, said provision, to the extent that it is in violation of law, unenforceable or void, shall be deemed severable from the remaining provisions of this Agreement, which provisions will remain binding on the Parties.

19. Waivers. No failure on the part of either Party to exercise, and no delay in exercising, any right or remedy hereunder will operate as a waiver thereof; nor will any single or partial waiver of a breach of any provision of this Agreement operate or be construed as a waiver of any subsequent breach; nor will any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by law.

20. Governing Law and Venue. The validity, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts without regard to the conflicts of law provisions of such laws. To the extent that any court action is permitted consistent with Section 11 of this Agreement or to enforce Section 12 of this Agreement, a court of competent jurisdiction in Massachusetts shall have exclusive jurisdiction and venue of any such lawsuit, and Employee and Employer consent to such venue and personal jurisdiction.

21. Section 280G Safe Harbor Cap. If it shall be determined that any payment or distribution or any part thereof of any type to or for the benefit of Employee whether pursuant to this Agreement or any other agreement between Employee and Employer, or any person or entity that acquires ownership or effective control of Employer, or ownership of a substantial portion of Employer's assets (within the meaning of Section 280G of the Code) whether paid or payable or distributed or distributable pursuant to the terms of the Agreement or any other agreement, (the "Total Payments"), is or will be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced to the maximum amount that could be paid to Employee without giving rise to the Excise Tax (the "Safe Harbor Cap"), if the net after-tax payment to Employee after reducing Employee's Total Payments to the Safe Harbor Cap is greater than the net after-tax (including the Excise Tax) payment to Employee without such reduction.

The reduction of the amounts payable hereunder, if applicable, shall be made by reducing payments that trigger the excise tax, and such reductions will be first the payment made pursuant to the Agreement and then to payments pursuant to any other agreements that are not subject to Section 409A of the Code, and finally to payments pursuant to any other agreements that are subject to Section 409A of the Code, provided that Employee shall have no ability to designate the order of such reductions. All mathematical determinations, and all determinations as to whether any of the Total Payments are "parachute payments" (within the meaning of Section 280G of the Code), that are required to be made under this Section 21, including determinations as to whether the Total Payments to Employee shall be reduced to the Safe Harbor Cap and the assumptions to be utilized in arriving at such determinations, shall be made by a nationally recognized accounting firm selected by Employer (the "Accounting Firm").

If the Accounting Firm determines that the Total Payments to Employee shall be reduced to the Safe Harbor Cap (the "Cutback Payment") and it is established pursuant to a final determination of a court or an Internal Revenue Service (the "IRS") proceeding which has been finally and conclusively resolved, that the Cutback Payment is in excess of the limitations provided in this Section 11 (such excess amount hereinafter referred to as an "Excess Payment"), such Excess Payment shall be deemed for all purposes to be an overpayment to Employee made on the date such Employee received the Excess Payment. Employer or Employee, as applicable, shall notify the other within 30 days of its receipt of such final determination of the amount of the Excess Payment, along with a copy of the final determination, and Employee shall repay the Excess Payment amount to Employer within 30 days of such notification; provided, however, if Employee shall be required to pay an Excise Tax by reason of receiving such Excess Payment (regardless of the obligation to repay Employer), Employee shall provide Employer with written evidence of such requirement to pay an Excise Tax amount, and shall then be required to repay the Excess Payment reduced by such Excise Tax amount (or if already paid by Employee, Employer shall reimburse Employee within 10 days of proof of payment).

22. 409A Savings Clause. The intent of the Parties is that payments and benefits under this Agreement will be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. For purposes of Code Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Employee and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Employee by Code Section 409A or damages for failing to comply with Code Section 409A. Notwithstanding anything herein to the contrary, a termination of employment shall be deemed to have occurred at the time such termination constitutes a "separation from service" within the meaning of Code Section 409A for purposes of any provision of this Agreement providing for the payment of any amounts or benefits in connection with a termination of employment and that is subject to Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean a "separation from service." If a payment obligation under this Agreement arises on account of Employee's separation from service while Employee is a " specified employee" (as defined under Code Section 409A(a)(2)(B)(i) and determined in good faith by the Company), any payment of "deferred compensation" (as defined under Treasury Regulation Section l .409A-l (b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-l(b)(3) through (b)(l2)) that is scheduled to be paid within six (6) months after such separation from service shall accrue without interest and shall be paid within 15 days after the end of the six:-month period beginning on the date of such separation from service or, if earlier, within 15 days after the Employee's death. Notwithstanding any other provision to the contrary, in no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

23. Counterparts. This Agreement may be executed in counterpart in different places, at different times and on different dates, and in that case all executed counterparts taken together collectively constitute a single binding agreement.

24. Withholding; Tax Effect. All payments made by the Company to the Employee under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Employee for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

25. Costs and Fees Related to Negotiation and Execution of Agreement. Employee has read this Agreement carefully and understands each of its terms and conditions. Employee acknowledges and agrees that he has been advised to seek the advice of independent legal counsel to the extent Employee deems such advice necessary in connection with the review and execution of this Agreement. Each Party shall be responsible for the payment of its own costs and expenses, including legal fees and expenses, in connection with the negotiation and execution of this Agreement. Neither Party will be liable for the payment of any commissions or compensation in the nature of finders' fees or brokers' fees, gratuity or other similar thing or amount in consideration of the other Party entering into this Agreement to any broker, agent or third party acting on behalf of the other Party.

26. Entire Agreement. This instrument contains the entire agreement of the Parties with respect to the relationship between Employee and Employer and supersedes all prior agreements and understandings, and there are no other representations or agreements other than as stated in this Agreement related to the terms and conditions of Employee's employment. This Agreement may be changed only by an agreement in writing signed by the Party against whom enforcement of any waiver, change, modification, extension or discharge is sought, and any such modification will be signed by Employer. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Employee's employment to the extent necessary to effectuate the terms contained herein.

IN WITNESS WHEREOF, the Parties have duly signed and delivered this Agreement as of the day and year first above written.

EMPLOYER

By: /s/ Jan Skvarka
Name: Jan Skvarka
Title: President and CEO

EMPLOYEE

Signature: /s/ Benjamin Looker
Name: Benjamin Looker

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
RULE 13a-14(a) / RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Jan Skvarka, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2021 of Trillium Therapeutics Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

/s/ Jan Skvarka
Jan Skvarka
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) / RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, James Parsons, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2021 of Trillium Therapeutics Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

/s/ James Parsons
James Parsons
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATIONS OF CEO AND CFO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q of Trillium Therapeutics Inc. (the "Company") for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, Jan Skvarka, President and Chief Executive Officer (Principal Executive Officer) of the Company, and James Parsons, Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, hereby certifies, pursuant to 18 U.S.C. (section) 1350, as adopted pursuant to (section) 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2021

/s/ Jan Skvarka
Jan Skvarka
President and Chief Executive Officer
(Principal Executive Officer)

/s/James Parsons
James Parsons
Chief Financial Officer
(Principal Financial and Accounting Officer)