UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2019

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 001-38871

Turning Point Therapeutics, Inc.

(Exact name of Registrant as specified in its Charter)

Delaware	**46-3826166**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
10628 Science Center Drive, Ste. 200 San Diego, California	**92121**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (858) 926-5251

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	TPTX	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
Emerging growth company	☒		

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant was approximately $860.2 million as of June 28, 2019 (the last trading day of the Registrant's most recently completed second quarter) based on the closing price of $40.70 as reported on the Nasdaq Global Select Market on such date. Shares of the registrant's common stock held by executive officers, directors, and their affiliates have been excluded from this calculation. This determination of affiliate status is not necessarily a conclusive determination for other purposes. The number of shares of Registrant's Common Stock outstanding as of March 5, 2020 was 35,923,832.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement to be filed with the Securities and Exchange Commission (SEC) subsequent to the date hereof pursuant to Regulation 14A in connection with the Registrant's 2020 Annual Meeting of Stockholders, are incorporated by reference into Part III of this Annual Report on Form 10-K. Such proxy statement will be filed with the SEC not later than 120 days after the conclusion of the registrant's fiscal year ended December 31, 2019.

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PART I

This Annual Report on Form 10-K (Annual Report) may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "may," "plan," "potential," "predict," "project," "targets," "likely," "will," "would," "could," "should," "continue," and similar expressions or phrases, or the negative of those expressions or phrases, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect our beliefs and opinions on the relevant subject and are based upon information available to us as of the date of this Annual Report. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Annual Report, we caution you that these statements are based on information that may be limited or incomplete, our projections of the future that are subject to known and unknown risks and uncertainties and other factors that may cause our actual results, level of activity, performance or achievements expressed or implied by these forward-looking statements, to differ. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements. The sections in this Annual Report entitled "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as other sections in this Annual Report, discuss some of the factors that could contribute to these differences. These forward-looking statements include, among other things, statements about:

- our plans to research, develop and commercialize our drug candidates, including the timing of our ongoing clinical trials of repotrectinib, TPX-0022 and TPX-0046 and our investigational new drug (IND)-enabling studies and IND submission for TPX-0131;
- the success, cost and timing of our product development activities and clinical trials, including whether the Phase 2 portion of TRIDENT-1 will support the approval of repotrectinib in *ROS1*+ advanced non-small-cell lung cancer (NSCLC) and *NTRK*+ advanced solid tumors;
- our ability to obtain and maintain regulatory approval for repotrectinib or any of our other current or future drug candidates, and any related restrictions, limitations, and/or warnings in the label of an approved drug candidate;
- our expectations regarding the size of target patient populations for our drug candidates, if approved for commercial use, and any additional drug candidates we may develop;
- our ability to obtain funding for our operations;
- the commercialization of our drug candidates, if approved;
- our ability to attract collaborators with development, regulatory and commercialization expertise;
- our expectations regarding our ability to obtain, maintain, enforce and defend our intellectual property protection for our drug candidates;
- future agreements with third parties in connection with the commercialization of repotrectinib, or any of our other current or future drug candidates;
- the size and growth potential of the markets for our drug candidates, and our ability to serve those markets;
- the rate and degree of market acceptance of our drug candidates, as well as third-party payor coverage and reimbursement for our drug candidates;
- regulatory and legal developments in the United States and foreign countries;
- the performance of our third-party suppliers and manufacturers;
- the success of competing therapies that are or may become available;
- our ability to attract and retain key scientific or management personnel; and
- the accuracy of our estimates regarding expenses, capital requirements and needs for additional financing.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important cautionary statements in this Annual Report, particularly in the "Risk Factors" section, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

You should read this Annual Report and the documents that we reference in this Annual Report, completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained in this Annual Report are made as of the date of this Annual Report, and we do not assume, and specifically disclaim, any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 1. Business.

Overview

We are a clinical-stage biopharmaceutical company designing and developing novel small molecule, targeted oncology therapies to address key limitations of existing therapies and improve the lives of patients. Our internally developed and wholly owned pipeline of next-generation tyrosine kinase inhibitors (TKIs) targets numerous genetic drivers of cancer in both TKI-naïve and TKI-pretreated patients. The pervasive challenges of intrinsic and acquired treatment resistance often limit the response rate and durability of existing therapies. One of these challenges is the emergence of solvent front mutations, which are a common cause of acquired resistance to currently approved therapies for ROS1, TRK and ALK kinases, and a reported emerging cause of acquired resistance to one of the current investigational RET inhibitors. We have developed a macrocycle platform enabling us to design proprietary small, compact TKIs with rigid three-dimensional structures that potentially bind to their targets with greater precision and affinity than other kinase inhibitors. We believe the TKIs generated from our drug discovery platform have the potential to be best-in-class.

Our lead drug candidate, repotrectinib, is being evaluated in an ongoing Phase 1/2 trial called TRIDENT-1 for the treatment of patients with *ROS1+* advanced NSCLC and patients with *NTRK+* advanced solid tumors. We initiated the multi-cohort Phase 2 registrational portion of TRIDENT-1 in June 2019 and we anticipate reporting early interim data from initial patients from some of the registrational cohorts within the Phase 2 portion of TRIDENT-1 in the second half of 2020. We plan to conduct the Phase 2 portion of the trial in approximately 100 sites in the United States, Europe and Asia-Pacific regions, and to enroll a total of approximately 320 patients. The Phase 2 portion of TRIDENT-1 is a registrational trial for potential approval in *ROS1+* advanced NSCLC and *NTRK+* advanced solid tumors. We also commenced a Phase 1/2 study of repotrectinib in pediatric and young adult patients with *ALK+*, *ROS1+*, or *TRK+* advanced solid tumors in November 2019.

In addition to repotrectinib, our pipeline includes two clinical-stage multi-targeted kinase inhibitors, TPX-0022 (a novel MET/CSF1R/SRC inhibitor) and TPX-0046 (a novel RET/SRC inhibitor), and a preclinical ALK inhibitor, TPX-0131, which is entering IND-enabling studies. We initiated our Phase 1 clinical trial of TPX-0022 in patients with advanced solid tumors harboring genetic alterations in *MET* in July 2019. The Phase 1 trial is designed to evaluate the overall safety profile, pharmacokinetics and preliminary efficacy of TPX-0022 and includes a dose-escalation portion starting at 20 mg daily, or QD, followed by dose expansion cohorts with a targeted enrollment of 120 patients at sites in the United States, Europe, and Asia-Pacific regions. The dose expansion cohorts are planned to enroll MET therapy-naïve and MET therapy-pretreated NSCLC patients with *MET* exon 14 skipping mutations; patients with *MET*-amplified NSCLC, hepatocellular, gastric or gastroesophageal cancer; and patients with other solid tumors harboring *MET* kinase domain mutations or *MET* fusions. We anticipate reporting early interim data from initial patients treated with TPX-0022 in this Phase 1 trial in the second half of 2020.

We initiated our Phase 1/2 clinical trial of TPX-0046 in patients with advanced solid tumors harboring *RET* genetic alterations in the fourth quarter of 2019. The trial is designed to enroll TKI-naïve and TKI-pretreated patients with *RET*-altered non-small-cell lung, thyroid, and other advanced cancers in multiple cohorts to assess safety, tolerability, pharmacokinetics and preliminary clinical activity of TPX-0046, with a targeted enrollment of approximately 50 patients in the Phase 1 dose escalation portion, and approximately 300 patients in the Phase 2 expansion portion at sites in the United States, Europe and Asia-Pacific regions. The study design allows intra-patient dose escalation based on tolerability in both RET TKI- naïve and TKI-pretreated patients within the Phase 1 portion of the study.

As we advance our clinical programs with site activations and patient enrollment across our three clinical stage drug candidates, we are in close contact with our CROs and clinical sites as we navigate and assess the impact of COVID-19 on our studies and current timelines.

Our fourth drug candidate, TPX-0131 is a next-generation preclinical ALK inhibitor. TPX-0131 has been designed with a compact macrocyclic structure and in preclinical studies has been shown to potently inhibit wildtype ALK and numerous ALK mutations, in particular the clinically observed G1202R solvent front mutation and G1202R/L1196M compound mutation. Pending successful completion of IND-enabling studies, we anticipate submitting an IND for TPX-0131 in early 2021.

Our Strategy

Our strategy is to focus on the design, development and commercialization of novel TKIs to address unmet medical needs, with the potential to be best-in-class and to address treatment resistance. Key elements of our strategy include:

- ***Rapidly develop and commercialize our lead drug candidate, repotrectinib, for the treatment of patients with ROS1+ advanced NSCLC and NTRK+ advanced solid tumors, including those with central nervous system (CNS) disease or CNS metastases***. Currently there are no U.S. Food and Drug Administration (FDA)-approved TKIs that can overcome solvent front mutations arising in the ROS1 or TRK kinases, and a high unmet medical need exists due to treatment resistance. In TKI-naïve patients, we believe repotrectinib has the potential to be the best-in-class ROS1 inhibitor and TRK inhibitor based on our preclinical data and preliminary clinical data from TRIDENT-1.
- ***Expand the market opportunity for repotrectinib by pursuing combination therapies.*** We believe our preliminary safety data and antitumor activity from TRIDENT-1 support pursuing combination therapies. Preclinical studies have shown that repotrectinib inhibits JAK2, SRC, and FAK, which leads to modulation of Signal Transducer and Activator of Transcription 3 (STAT3) signaling, one of the major signaling pathways for both intrinsic and acquired treatment resistance.
- ***Leverage our extensive expertise and macrocycle platform to develop and expand our pipeline candidates as single agent therapies and/or in combinations.*** In addition to repotrectinib, we are developing a pipeline of highly potent drug candidates based on our macrocycle platform that we believe can be best-in-class kinase inhibitors and address areas of unmet medical need. We intend to develop our current and future pipeline candidates as single agent therapies as well as in combinations.
- ***Evaluate strategic opportunities to accelerate development timelines and enhance the commercial potential of our drug candidates.*** We have worldwide rights to all of our drug candidates. We will evaluate partnerships and other strategic opportunities that could increase the value of our programs and allow us to leverage the expertise of collaborators.
- ***Establish capabilities to effectively commercialize our drug candidates.*** We intend to build a targeted, specialty sales force in North America to support the commercialization of repotrectinib and our other drug candidates, if approved.

Overview of Kinases and Current Limitations of Kinase Inhibitors

Kinases are enzymes that respond to external stimuli to modulate numerous activities of cells, such as proliferation, survival and migration. ATP is utilized by kinases for phosphorylation, which triggers a signaling process. This phosphorylation process changes a kinase from an inactive conformation (unphosphorylated kinase) to an active conformation (phosphorylated kinase). A kinase often undergoes substitutions of its original amino acids by other amino acids, also known as a mutation. Kinases maintain a controlled equilibrium between the active and inactive conformations, but activating mutations shift the kinase to favor the active conformation, which can lead to aberrant cell proliferation and thus the development of certain cancers. Aberrant activation of a kinase can also occur if the kinase gene, such as *ROS1*, *NTRK* or *ALK*, undergoes a genomic rearrangement resulting in fusion to another gene, leading to the constitutive phosphorylation of the fusion kinase and the development of certain cancers.

Kinase inhibitors are designed to occupy the ATP binding site, thereby preventing the binding of ATP. Most conventional kinase inhibitors are much larger than ATP and have extra motifs that extend beyond the ATP pocket of the kinase in order to enable the kinase to have a stronger interaction with the compound than with ATP. During treatment with

conventional TKIs, an acquired mutation in the kinase domain often occurs. These mutations change the surface of the kinase and block the occupancy of oversized TKIs at the ATP binding site without impacting the binding of ATP. Two or more mutations in the same protein are referred to as compound mutations.

Based on the orientation of the extra motif, kinase inhibitors can be grouped into two types:

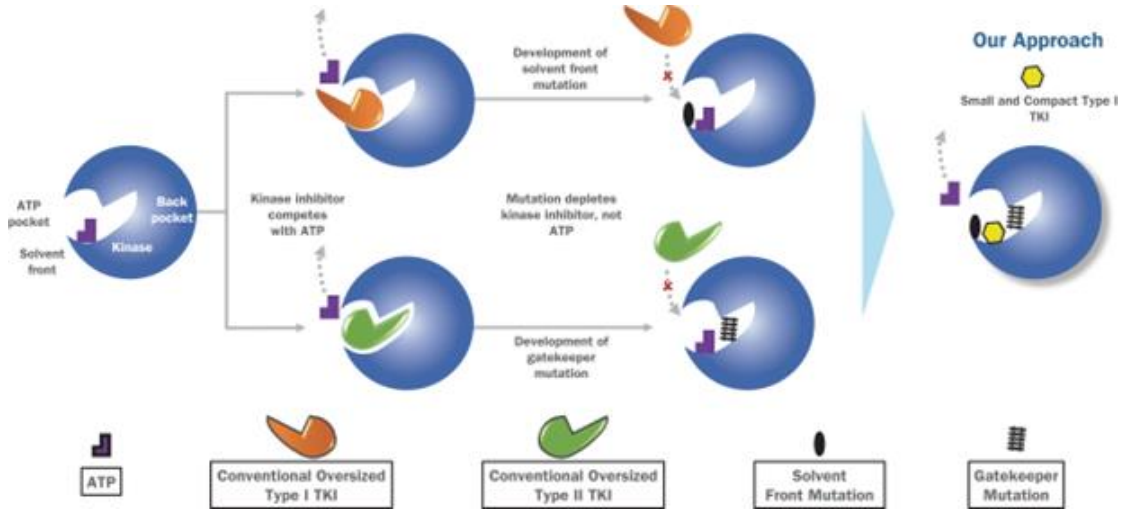
- Type I kinase inhibitors, such as Xalkori (crizotinib), which often have the extra motif extending to the kinase's open solvent front area. The most common treatment acquired resistance to these inhibitors are solvent front mutations.
- Type II kinase inhibitors, such as Gleevec (imatinib), which have the extra motif extending to the back pocket of the kinase. The most common treatment acquired resistance to these inhibitors are gatekeeper mutations.

TKIs have become an important class of cancer therapies due to their ability to interrupt deregulated kinase signaling that leads to unchecked cell growth and tumor progression. Since 2001, the FDA has approved nearly 40 TKIs for the treatment of cancers. In 2017, TKIs represented approximately $20 billion in worldwide drug sales. Despite the success of this drug class, there remains a significant opportunity for a new generation of TKIs that address the shortcomings of current therapies. These shortcomings include the inability to achieve a response or limited durability of response caused by intrinsic or acquired resistance, and toxicities that limit dosage levels and duration of treatment. Many conventional kinase inhibitors are oversized, with bulky side groups and limited chemical structure diversity, and some are associated with safety issues such as QT prolongation (abnormal electrocardiography) and hepatotoxicity (liver damage). Further, the same class of kinase inhibitors often share many binding similarities and therefore often cannot be sequentially administered to effectively overcome common treatment resistant mutations.

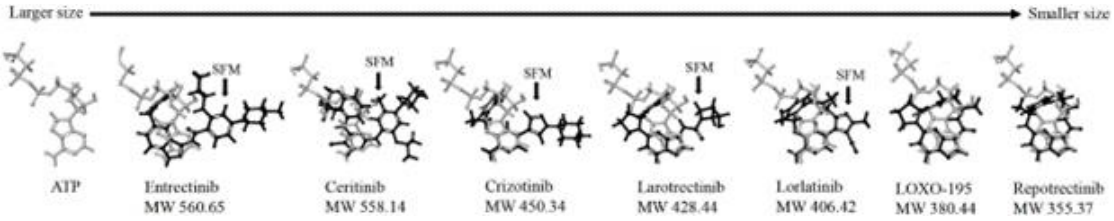
Our Approach

To overcome key limitations of most current TKI therapies and emerging resistance, we are using our macrocycle platform to develop a new generation of orally available proprietary TKIs that we believe will have the ability to maintain or enhance inhibition of the targeted kinase in both TKI-naïve and TKI-pretreated patients. Our strategy is to design small (low molecular weight), compact TKIs with rigid three-dimensional macrocyclic structures that bind inside the ATP pocket of the target kinase. By binding completely inside the ATP pocket, our TKIs can bind to solvent front mutated kinases that sterically exclude conventional TKIs. In addition to potentially addressing resistance that has developed from prior lines of TKI therapy, we believe our TKIs may also prevent or delay the emergence of new resistant mutations. Furthermore, unlike conventional, flat, two-dimensional kinase inhibitor structures, we believe a rigid three-dimensional structure enables our TKIs to target the selected kinases in a highly potent, precise and efficient manner, which provides a base for a favorable kinase selectivity profile. The figure below depicts the binding of conventional oversized TKIs to the ATP pocket in the kinase, the development of resistant mutations (solvent front, gatekeeper), and the binding features of our small, compact TKIs. Our kinase inhibitors bind within the ATP pocket and do not have extra motifs extending beyond the pocket. The

compact design of our TKIs enables them to avoid steric interference from acquired mutations, such as solvent front mutations, and allows for potential activity with our kinase inhibitors despite the presence of a resistant mutation.



Our pipeline candidates will be studied as single agents and in combinations that are supported by strong biologic rationale for synergy between the combined agents, while focusing on key areas of unmet medical need including acquired treatment resistance. The figure below depicts the structure of repotrectinib compared to certain approved and investigational TKIs, overlaid on the structure of ATP. The extra motif present in conventional TKIs at the solvent front area may result in the development of solvent front mutations, as illustrated below.

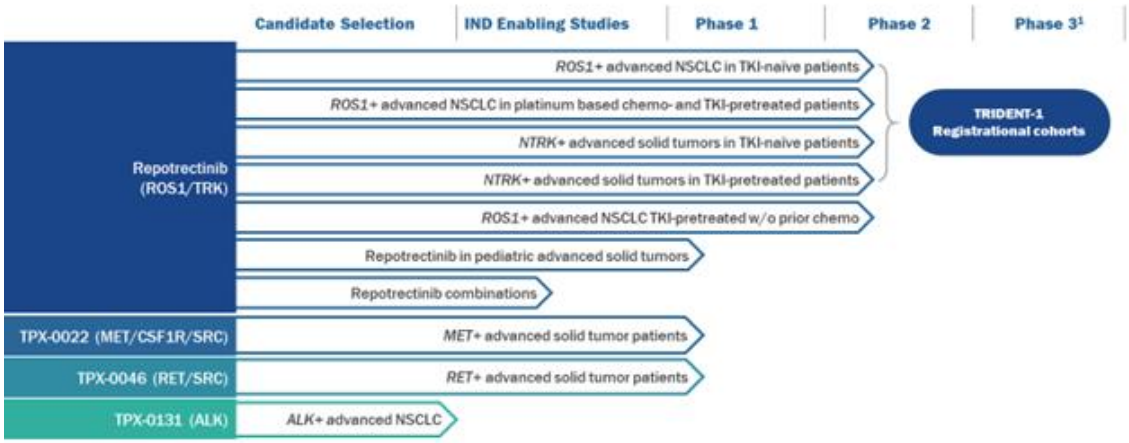


SFM: area that may result in solvent front mutations
MW: molecular weight

Our Pipeline

We are leveraging our macrocycle platform to design a pipeline of highly potent proprietary TKI drug candidates that are structurally different from many existing kinase inhibitors. We believe our TKIs have the potential to be best-in-class and may address the key issues of emerging treatment resistance and toxicities that limit duration of treatment. Our platform allows us to rapidly identify new drug candidates for development. We have global development and commercialization rights to our drug candidates, including our lead drug candidate, repotrectinib. The following chart summarizes our product pipeline.

Turning Point Therapeutics Pipeline



1 *Not required for Phase 2 registrational clinical trials*

The table below reflects biomarker prevalence of the mutations targeted across the indications related to our current pipeline and the corresponding estimated number of patients in the United States, United Kingdom, France, Germany, Spain and Italy (EU5).

	2018 Estimated Annual Number of Patients							
	Repotrectinib		TPX-0022			TPX-0046		TPX-0131
	Advanced NSCLC	Other Advanced Solid Tumors (1)	Gastric	Advanced NSCLC	EGFR Mutated TKI-Resistant Advanced NSCLC(2)	Advanced NSCLC	Thyroid (3)	Advanced NSCLC
U.S. Patients (4), (5)	160,000	520,000	17,500	160,000	12,800	160,000	11,250	160,000
EU5 Patients (4)	117,000	557,900	36,680	117,000	6,230	117,000	11,030	117,000
Biomarker Prevalence (6)	2% *(ROS1)*	0.5% *(NTRK)*	4% *(MET)*	3% *(MET Exon 14)*	12.5% *(MET Amplified)*	2% *(RET)*	16% *(RET)*	7% *(ALK)*

(1) *Reflects other solid tumor indications including Brain, Breast, Colon, Melanoma, NSCLC, Pancreas, Sarcoma, and Thyroid, excluding ROS1+ and ALK+ for NSCLC*
(2) *Does not include first line EGFR mutated advanced NSCLC patients; Assumes ~20%, 15%, 11%, 14%, 17% and 12% EGFR mutation prevalence for U.S., France, Germany, Italy, Spain and the U.K., respectively*
(3) *Includes papillary and medullary thyroid tumors*
(4) *Estimates include Stage III unresectable and metastatic patient populations, adjusted for treatable population and those that are tested for the targeted biomarkers. Assumes 85% biomarker testing rate*
(5) *Based on SEER 2015 five-year diagnosed prevalence, grown at 0.7% in line with U.S. population growth*
(6) *Estimates based on publications and physician and payor interviews in the United States*

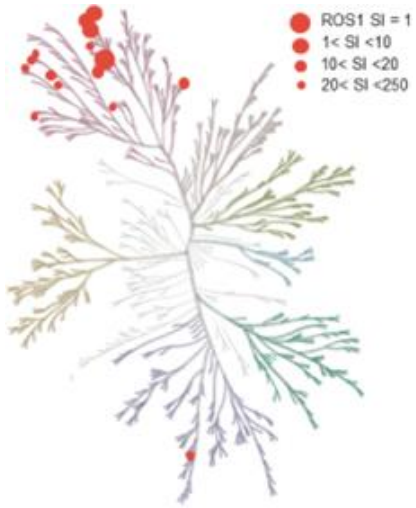
Repotrectinib

We are developing our lead drug candidate, repotrectinib, an orally administered TKI, for the treatment of both TKI-naïve and TKI-pretreated patients with *ROS1+* advanced NSCLC and *NTRK+* advanced solid tumors. As of the July 22, 2019 data cut-off date, preliminary data from a total of 93 patients in the Phase 1 portion of TRIDENT-1 demonstrated clinical proof-of-concept in evaluable patients with *ROS1+* advanced NSCLC (n=40) and *NTRK+* advanced solid tumors (n=5) at well-tolerated dose levels.

We previously completed an End of Phase 1 meeting with the FDA to gain regulatory clarity related to our TRIDENT-1 Phase 2 design and we received the FDA's acceptance of our recommended Phase 2 dose in late July 2019. We initiated the multi-cohort Phase 2 registrational portion of TRIDENT-1 in June 2019 and approximately 40% of our planned clinical trial sites are now active. Additionally, the FDA has granted repotrectinib fast track designation for the treatment of *ROS1+* advanced NSCLC patients who have been previously treated with one prior line of platinum-based chemotherapy and one prior line of a ROS1 TKI.

Mechanism of Action

Repotrectinib is a small (low molecular weight), macrocyclic TKI of ROS1, TRK, and ALK. Repotrectinib was designed to efficiently bind with the active kinase conformation and avoid steric interference from a variety of clinically resistant mutations, especially the solvent front and gatekeeper mutations of the ROS1 and TRK kinases. Repotrectinib has a rigid, three-dimensional structure and is smaller than currently approved or investigational ROS1, TRK and ALK inhibitors. The rigid, three-dimensional structure enables repotrectinib to precisely and efficiently bind to its oncogenic targets with a desirable selectivity profile. We have screened repotrectinib against approximately 400 kinases which indicated repotrectinib is a selective multi-targeted kinase inhibitor that is highly potent against ROS1, TRK, and ALK, and inhibits JAK2, SRC and FAK, as depicted below.



Kinome illustration reproduced courtesy of Cell Signaling Technology, Inc. (CSTI) (www.cellsignal.com). Each branch of the dendogram represents an individual human kinase. The foregoing website is maintained by CSTI

The selectivity index (SI) is defined as the kinase IC_{50} value divided by the lowest IC_{50} value (0.071 nM) from the inhibition against the ROS1 kinase and is depicted by the size of the circles in the figure above. The largest circle is for ROS1 with SI = 1, followed by kinases with 1< SI <10 (TRKA, TRKB and TRKC), 10< SI <20 (ALK, JAK2, and SRC family member FYN), and 20< SI <250 (SRC family members LYN, YES1, FGR and SRC; TXK, ARK5, DDR1 and FAK). Based on the selectivity profile, we believe repotrectinib will be able to target ROS1 and TRK family members with high potency, and target JAK2, some SRC family members and FAK with moderate potency. According to a 2015 review article, selective multi-targeted kinase inhibitors with a favorable safety profile may be more suitable for cancer treatment, which we believe is due to their activity against redundant signaling pathways mediated by different kinases. Repotrectinib inhibits JAK2, SRC and FAK leading to the modulation of STAT3 signaling, one of the major signaling pathways that is common for both intrinsic and acquired resistance. We believe the inhibition of JAK2, SRC and FAK may lead to a longer duration of response for patients treated with repotrectinib.

Market Opportunity

An estimated 1.8 million people were projected to die of lung cancer in 2018, the leading cause of cancer-related death globally. Metastatic NSCLC and advanced solid tumors are serious diseases for which the five-year survival rates range from 5-30% and 3-38%, respectively. While currently approved TKIs have improved the five-year survival rates, there remains a significant opportunity for a new generation of TKIs that address the shortcomings of current therapies. These shortcomings include:

- the inability to achieve a response, or limited durability of response, caused by intrinsic or acquired resistance;
- toxicities that limit dosage levels and duration of treatment; and
- an inability to combine with other anti-cancer agents because of cumulative toxicities.

There are currently two approved TKIs for each of the TKI naïve patient populations targeted by our lead drug candidate, repotrectinib and no approved TKIs for the TKI pre-treated patient populations. Xalkori (crizotinib) and Rozlytrek (entrectinib) are approved for TKI naïve patients with metastatic *ROS1+* NSCLC, and Vitravki (larotrectinib) and Rozyltrek (entrectinib) have received accelerated approval for TKI naïve patients with metastatic solid tumors that have an *NTRK* gene fusion (*NTRK+* advanced solid tumors) without a known acquired resistant mutation. Each of these currently approved TKIs has shown treatment resistance, including emerging resistant mutations, and toxicities that can limit duration of treatment.

Key limitations of crizotinib are its limited activity within the CNS and its overall safety profile. In addition, key limitations of entrectinib for *ROS1+* NSCLC patients include that it has shown to be ineffective in patients who had systemic progression with prior crizotinib treatment and its overall safety profile. Additionally, Grade 3 or Grade 4 ALT or AST elevations have been reported following treatment with many TKIs including crizotinib, entrectinib and larotrectinib.

There continues to be a growing number of acquired resistant mutations in patients previously treated with TKIs. Many of the currently approved or investigational ROS1, TRK, ALK, and RET kinase inhibitors have an extra chemical group, or motif, extending to the solvent front that leaves them susceptible to solvent front mutations. The most common solvent front mutation in the ROS1 kinase, G2032R, was reported in 2017 from a single institution in 41% of biopsy specimens from patients who experienced progressive disease while taking crizotinib. In addition, emerging solvent front mutations, such as TRKA G595R, TRKC G623R and TRKC G623E, have been reported in *NTRK+* solid tumors after treatment with larotrectinib and entrectinib. Currently, there are no FDA-approved TKIs that can overcome solvent front mutations for the ROS1 or TRK kinases. Lorlatinib is currently the only FDA-approved TKI targeting the ALK kinase that has demonstrated clinical activity against the solvent front mutation ALK G1202R. Additionally, recent literature supports the emergence of solvent front mutations in G810X (C/S/R) with one of the investigational RET inhibitors. Given the incidence of these resistant mutations, there continues to be a high unmet medical need to develop novel therapies that can overcome intrinsic and acquired resistance, such as the development of solvent front mutations.

TRIDENT-1 Phase 1/2 Trial

The Phase 1, dose escalation portion of TRIDENT-1, included three parts:

- Phase 1a (completed, n=44);
- Phase 1b (completed, n=28); and
- Phase 1c (completed, n=21).

Repotrectinib was administered in continuous 28-day cycles across multiple dose levels, as set forth in the table below. In Phase 1a, repotrectinib was given under defined fasting conditions. In Phase 1b, the first dose of repotrectinib was given with either a high-fat, high-calorie meal or under defined fasting conditions and then switched to the opposite on the second dose with repotrectinib given either under defined fasting conditions or with a high-fat, high-calorie meal to evaluate the effect of food on the pharmacokinetics of repotrectinib. After the second dose, all other doses were given under defined fasting conditions. In Phase 1c, repotrectinib was given continuously with a standard meal. In parallel, a midazolam drug-drug interaction (DDI) study is ongoing and will enroll six patients at our Phase 2 dose of repotrectinib. Enrollment has been

completed in Phase 1a, 1b and 1c and is ongoing in the midazolam DDI study. A total of 23 patients were still on treatment as of the July 22, 2019 data-cut off.

	Dose	Patients (n)
Phase 1a Completed Enrollment (Fasted Dosing)	40 mg QD	6
	80 mg QD	6
	160 mg QD	8
	240 mg QD	10
	160 mg BID	12
	200 mg BID	2
Phase 1b Completed Enrollment (Single Dose with Food)	40 mg QD	7
	80 mg QD	6
	160 mg QD	15
Phase 1c Completed Enrollment (Dosing Continuously with Food)	120 mg QD	3
	160 mg QD	6
	160 mg QD for one week, 160 mg BID thereafter	12

As of the July 22, 2019 data cut-off, of the 12 patients treated in the last dosing cohort (160 mg QD for one week followed by 160 mg BID), one patient had only one post baseline scan and therefore could not be classified as a confirmed responder at the time of the data cut-off. In addition, six of the 12 patients were not evaluable for response in the efficacy evaluable population by Blinded Independent Central Review (BICR). This included two TKI pretreated patients with *ROS1+* advanced NSCLC and one TKI naïve *TRK+* patient with advanced thyroid cancer who had yet to have a post baseline scan, one *ROS1+* gastric cancer patient, and two *ROS1+* NSCLC patients (one TKI naïve; one TKI pretreated) who discontinued treatment prior to a post baseline scan. The Phase 1 portion of TRIDENT-1 is nearing completion pending completion of enrollment in the midazolam DDI portion of the study.

The primary objective of the Phase 1 portion of TRIDENT-1 was to determine the maximum tolerated dose (MTD), and a recommended Phase 2 dose of repotrectinib. The safety endpoints of the Phase 1 portion included evaluating the DLTs and adverse events. The secondary endpoint of the Phase 1 portion was confirmed objective response rate (ORR) by BICR, using RECIST v1.1.

Key inclusion criteria include: histologically or cytologically confirmed diagnosis of locally advanced or metastatic solid tumors, including non-Hodgkin Lymphoma (Stage IV, as classified by AJCC v.7) that harbor an *ALK*, *ROS1*, *NTRK1*, *NTRK2*, or *NTRK3* gene fusion determined by local testing; Eastern Cooperative Oncology Group (ECOG) Performance Status 0-1 (able to conduct full (0) or light (1) daily activities); Age ≥ 18; prior chemotherapy and/or immunotherapy permitted; at least one measurable target lesion (including central nervous system only) according to RECIST v1.1. Key exclusion criteria include: symptomatic brain metastases; major cardiovascular history in the past six months; or history of prolonged QTc interval.

Solid tumors are measured by CT or MRI scan, as assessed according to RECIST v1.1, at baseline, at the end of the second cycle, after every two cycles up to cycle 18, and then every three cycles up to cycle 36. If an initial response is determined, confirmation of response requires a subsequent CT or MRI scan, generally four weeks later.

As of the July 22, 2019 data cut-off, a total of 93 patients were treated across nine dose cohorts ranging from 40 mg QD to 240 mg QD, 160 mg BID and 200 mg BID, and additional Phase 1c cohorts of 120 mg QD, 160 mg QD, and 160 mg QD with dose escalation to 160 mg BID after 7 days of treatment if no DLTs were observed with repotrectinib given continuously with food. Median age was 54.0 years old (range 18 to 79, 21.5% were 65 years old and over), and 67.7% had ECOG Performance Status of 1. A significant majority (83%) of patients with advanced solid tumors were diagnosed with NSCLC. Other patients with the diagnosis of glioblastoma, renal cell carcinoma, liver cancer, soft tissue sarcoma, melanoma, salivary gland, gallbladder, thyroid, head and neck, uterine, and inflammatory myofibroblastic cancer were also enrolled. All patients with advanced solid tumors had received prior TKIs or chemotherapy treatment without any enrollment restrictions regarding the number of prior therapies. The following table summarizes the disease characteristics of the patients in the Phase 1 portion of TRIDENT-1 as of the July 22, 2019 data cut-off.

Disease Characteristics	
Overall Patient Population	n=93(1)
Number of Patients with Baseline CNS Metastases	n=37(2) (40%)

	# of Prior TKIs Median (Min, Max)	# of Prior Lines of Chemotherapy Median (Min, Max)
ROS1+ Advanced Solid Tumors (n=52)	1 (0, 3)	1 (0, 8)
NTRK+ Advanced Solid Tumors (n=10)	0 (0, 2)	1 (0, 2)
ALK+ Advanced Solid Tumors (n=31)	2 (0, 4)	1 (0, 6)

(1) Overall patient population includes: 52 (56%) ROS1+ patients; 10 (11%) NTRK+ patients; and 31 (33%) ALK+ patients
(2) 50% (20/40) for ROS1+ advanced NSCLC patients by investigators' assessments including measurable and non-measurable CNS metastases

The protocol-defined analysis populations were:

- Safety Analysis Population (n=93): Includes all patients who received at least one dose of repotrectinib; and
- BICR Evaluable Population (n=70): Includes all patients who received at least one dose of repotrectinib; had a baseline tumor assessment with measurable disease; and had at least one post-baseline tumor assessment.

Patient numbers within each of these populations are shown in the following table.

	ROS1+	NTRK+	ALK+	Total
Safety Analysis Population	52	10	31	**93**
Response Evaluation Population (BICR)	43	5	22	**70**
Advanced NSCLC	40	1	19	**60**
Other Advanced Solid Tumors	3	4	3	**10**

Preliminary Clinical Data From TRIDENT-1

In September 2019, we reported preliminary safety, tolerability and efficacy data with repotrectinib in patients with *ROS1+* advanced NSCLC. As of the July 22, 2019 data cut-off, a total of 93 patients had been dosed, 23 patients were still on treatment, and the MTD had not been reached. Of the 93 patients, 40 of 52 with *ROS1+* advanced NSCLC and five of 10 with *NTRK+* advanced solid tumors were evaluable by BICR. All patients received at least one dose of repotrectinib across nine dose cohorts ranging from 40 mg QD to 200 mg BID.

The median age of these 40 *ROS1+* advanced NSCLC evaluable patients was 57.0 years (range, 30 to 79), 65% were female, and 53% were Asian. CNS metastases were reported in 20 (50%) at baseline. The median number of prior ROS1 TKIs in the 29 (73%) pretreated patients was one (range, one to three). Of the 29 patients, 18 were treated with one prior TKI (of which 12 were treated with crizotinib), seven were treated with two prior TKIs, and four were treated with three prior TKIs. There were 34 (85%) patients treated with at least one prior chemotherapy.

The clinical efficacy data summarized below focuses on the results from the *ROS1+* advanced NSCLC patient population and the smaller population of evaluable *NTRK+* advanced solid tumor patients.

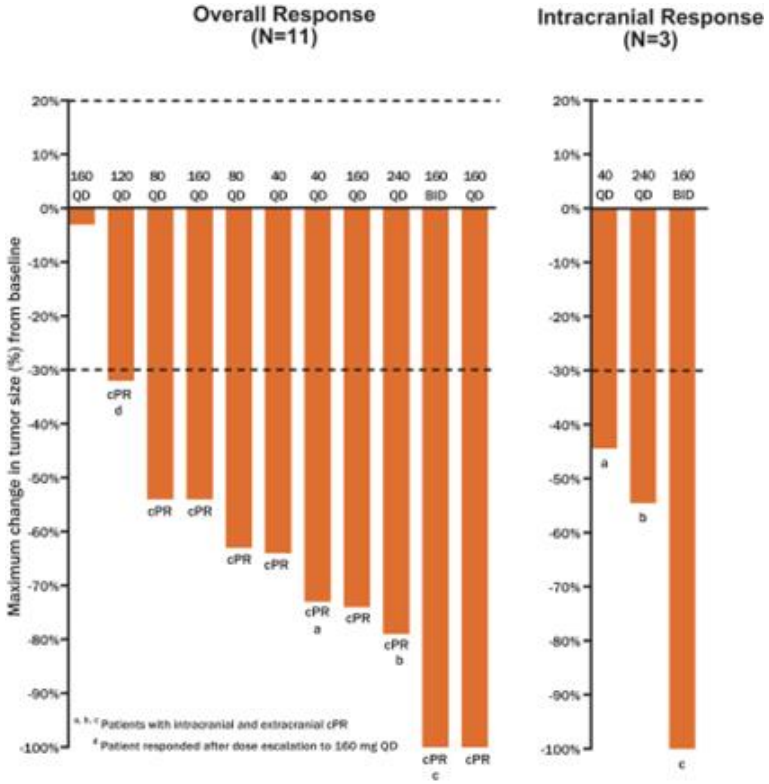
The median follow-up time for the 40 patients with *ROS1+* advanced NSCLC on study was 19.2 months (20.1 months in TKI-naïve; and 7.3 months in TKI-pretreated). All responses observed in this patient population were confirmed partial responses (PR) by RECIST v1.1 (one patient had a confirmatory scan after 23 days). The median time to response for the 40 patients with *ROS1+* advanced NSCLC was 1.7 months (range, 1.5 – 7.0 months) (1.7 months in TKI-naïve; and 1.6 months in TKI-pretreated).

TKI-naïve ROS1+ advanced NSCLC evaluable population (n=11)

In the TKI-naïve *ROS1+* advanced NSCLC evaluable population (11/11 evaluable), 11 patients were treated across six dose escalation cohorts. All patients in this population had prior chemotherapy (ranging from one to three lines of chemotherapy). The confirmed ORR by BICR was 91% (10/11) (95% CI, 59 to 100) across all six dose levels, with six of seven (86%) patients achieving a confirmed PR at our Phase 2 dose of 160 mg QD or above, which includes one patient who initially started repotrectinib at 120 mg QD but escalated to 160 mg QD before responding 21 days later.

The median duration of response for the 10 confirmed responders was not mature to report, with five of 10 (50%) responding patients remaining in response at 3.7+, 14.8+, 16.4+, 17.6+, and 23.3+ months at the time of the data cut-off. Of the five patients no longer in response, four had events of progressive disease, and one patient was censored off treatment prior to progression. The probability of DOR of greater than 18 months was 65% (based on Kaplan-Meier estimation).

Of the 11 TKI-naïve patients, three patients had measurable CNS metastases, and of the three patients, the confirmed IC-ORR was 100% (3/3) (95% CI, 29 to 100), with all three patients with measurable CNS metastases also achieving a confirmed extracranial response. Of these three patients, two remained in a response 14.8+ and 17.6+ months at the time of the data cut-off and one patient progressed at 23.1 months but remained on treatment for 25.7+ months at the time of the data cut-off. The CBR, including those who achieved stable disease for at least two cycles or a confirmed partial or complete response, was 100% (11/11) (95% CI, 72 to 100), as shown below.

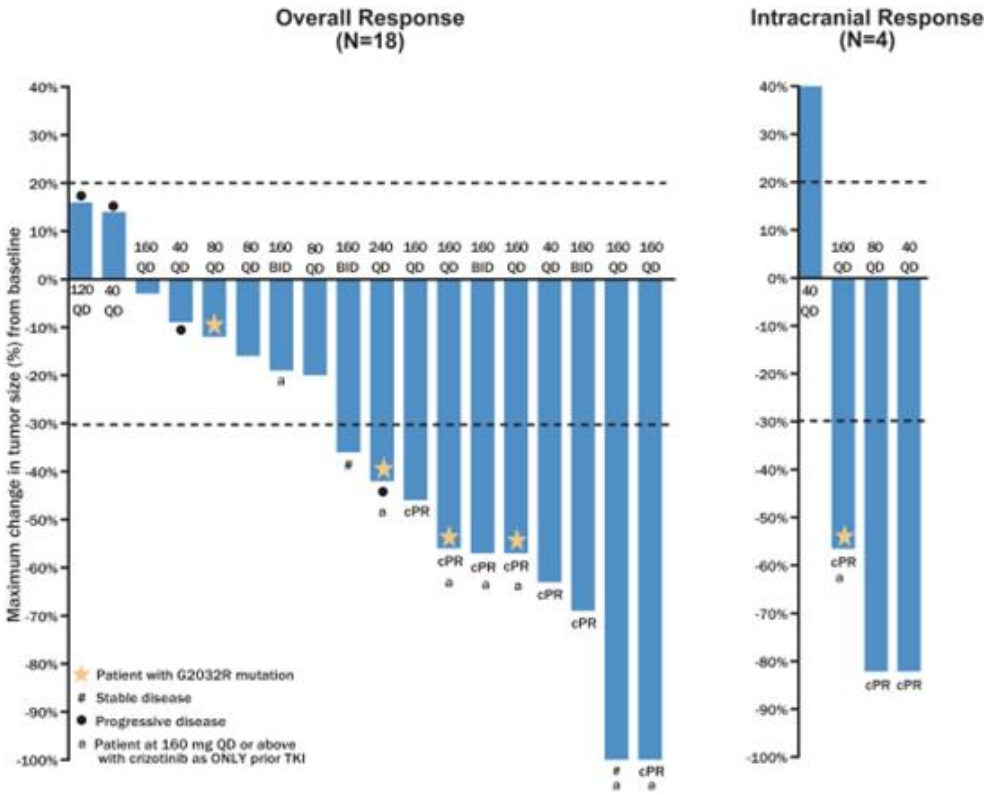


--At and below dashed -30% line represents a response, at and above dashed 20% line represents PD, and the area between the two dashed lines represents stable disease of target lesions

TKI-pretreated ROS1+ advanced NSCLC evaluable population (n=29, which includes patients with up to three prior TKIs)

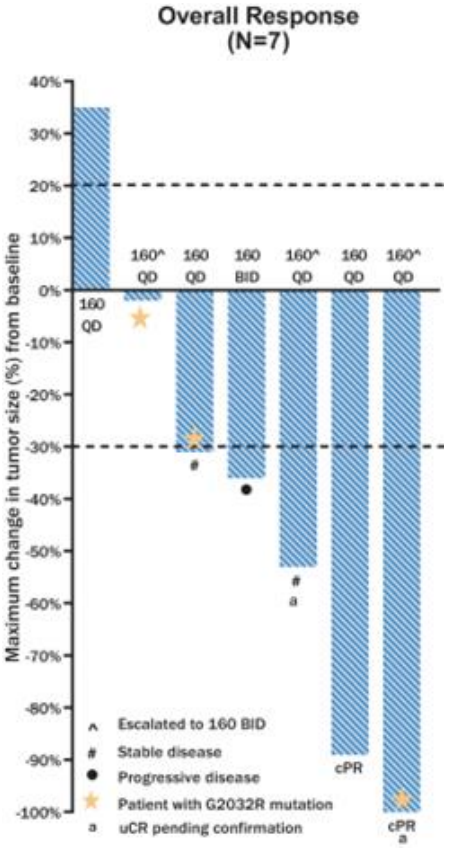
In the TKI-pretreated *ROS1+* advanced NSCLC evaluable population, the confirmed ORR among patients treated with one or two prior TKIs was 36% (9/25) (95% CI, 18 to 57). Twenty-three of 29 patients (79%) had prior chemotherapy either before or after their ROS1 TKI and prior to starting repotrectinib. Eighteen of 29 patients (62%) had one prior TKI, 12 (67%) of which had crizotinib as their only prior TKI.

Across all dose levels, in TKI-pretreated *ROS1+* advanced NSCLC patients treated with one prior TKI, the confirmed ORR was 39% (7/18) (95% CI, 17 to 64). At our Phase 2 dose of 160 mg QD or above, 55% (6/11) of patients previously treated with one prior ROS1 TKI achieved a confirmed PR as shown below. Additionally, 57% (4/7) of patients previously treated with one prior platinum-based chemotherapy regimen and one prior ROS1 TKI at our Phase 2 dose of 160 mg QD or above achieved a confirmed PR.



--At and below dashed -30% line represents a response, at and above dashed 20% line represents PD, and the area between the two dashed lines represents stable disease of target lesions

Of the seven patients treated with two prior TKIs, two (29%) (95% CI, four to 71) achieved a confirmed PR, with both patients treated at 160 mg QD and above and were remaining in response for 3.7+ months at the time of the data cut-off. One of the two responders achieved a complete response (CR) that was yet to confirm and was classified as a confirmed PR. In addition to the two new confirmed responders, one additional patient treated at 160 mg QD initially who dose escalated to 160 mg BID only had one post baseline scan at the time of the data cut-off, which showed a CR and was classified as being in stable disease until a confirmatory scan was performed. Given there are no approved TKIs for patients previously treated with crizotinib or entrectinib, let alone two prior TKIs, this is clinically meaningful despite the small sample size.



--At and below dashed -30% line represents a response, at and above dashed 20% line represents PD, and the area between the two dashed lines represents stable disease of target lesions

Four heavily pretreated patients received three prior *ROS1* TKIs with two patients who achieved stable disease and remained on treatment at 3.6+ and 21.6+ months. These patients are not eligible for the ongoing TRIDENT-1 Phase 2 registrational study.

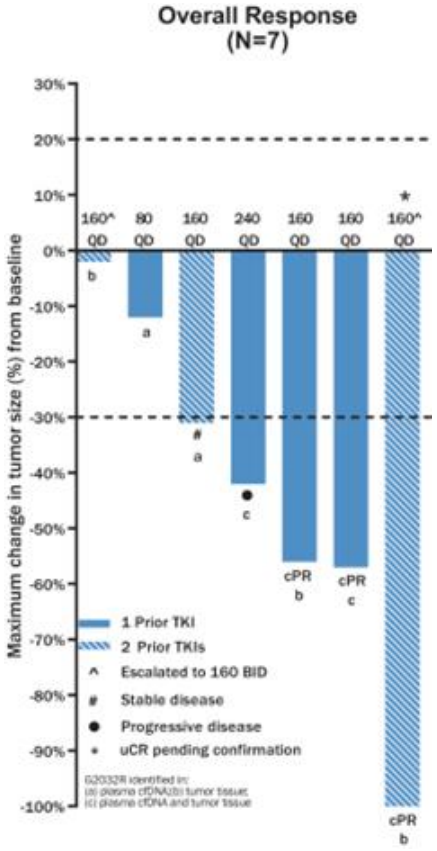
At the time of the data cut-off, of the nine responders within the *ROS1*+ TKI pretreated patient population, two patients had DORs of 4.4 and 13.0 months and despite progression, remained on treatment for 21.2 and 22.0 months, respectively. Two patients were censored early despite remaining in response at the time of discontinuing treatment (one due to clinical progression and one due to withdrawal of consent). The remaining five patients have DORs ranging from 3.7+ months to 11.1 months and remained on treatment ranging from 5.5+ months to 19.3+ months.

Four out of five TKI-pretreated patients with measurable CNS disease at baseline were treated with one prior TKI and the confirmed IC-ORR in these patients was 75% (3/4) (95% CI, 19 to 99), with 80% (4/5) of patients treated with any number of prior TKIs showing tumor regressions. The CBR in ROS1 TKI-pretreated *ROS1*+ advanced NSCLC patients treated with one prior TKI was 78% (14/18) (95% CI, 52 to 94), which is clinically meaningful for patients with limited treatment options.

In the 29 TKI-pretreated *ROS1+* advanced NSCLC evaluable patients, 23 were pretreated with crizotinib. Seven of the 23 (30%) evaluable patients who were crizotinib-pretreated were found to have the common ROS1 G2032R solvent front mutation. Tumor regressions were observed in all seven crizotinib-pretreated patients who had a ROS1 G2032R solvent front mutation. Three of the seven (43%) patients with the ROS1 G2032R solvent font mutation achieved a confirmed PR, each of whom, were treated at 160 mg QD or higher.

- One of the two patients was previously treated with crizotinib for 13 months and achieved stable disease as the best response while on crizotinib. While on repotrectinib, this patient achieved a confirmed PR and had a DOR of 4.4 months and remained on treatment for 21.2 months.
- The second patient was previously treated with crizotinib for over 20 months (best response unknown) and achieved a confirmed PR while on repotrectinib and had a DOR of 5.5+ months and remains on treatment at 7.6+ months at the time of the data cut-off.
- The third patient who achieved a confirmed PR was treated with two prior TKIs and, while on repotrectinib, had a DOR of 3.7+ months and remained on treatment for 5.6+ months at the time of the data cut-off.

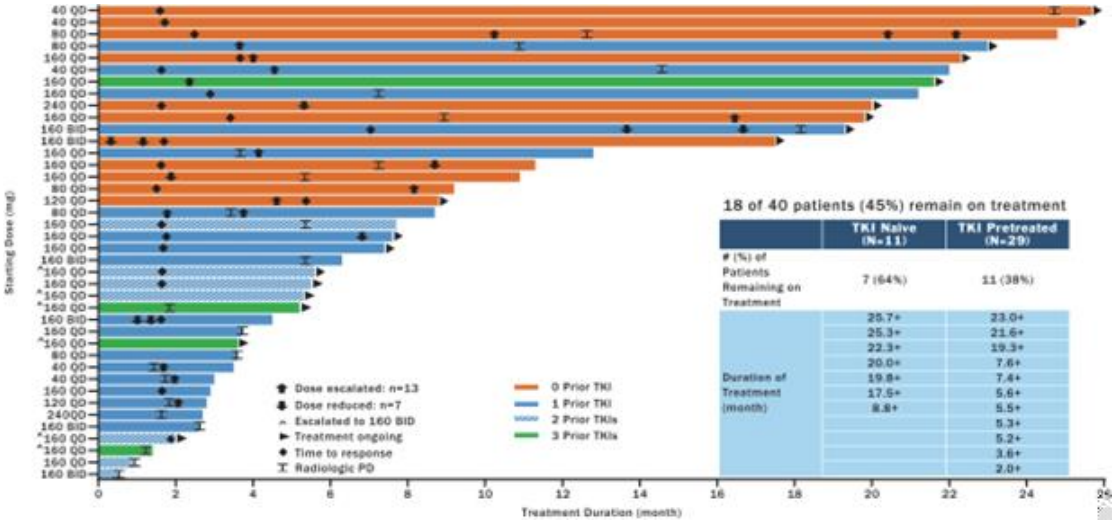
Given the preliminary antitumor activity of repotrectinib in *ROS1+* advanced NSCLC patients and the lack of approved ROS1 targeted therapies in ROS1 TKI-pretreated patients, we believe repotrectinib represents a potential therapeutic option, especially for those patients who have a difficult-to-treat ROS1 G2032R solvent front mutation as shown below.



--*At and below dashed -30% line represents a response, at and above dashed 20% line represents PD, and the area between the two dashed lines represents stable disease of target lesions*

Duration of Treatment with Repotrectinib in ROS1+ Advanced NSCLC Patients

Of the 40 evaluable patients with *ROS1+* advanced NSCLC who received treatment with repotrectinib, 45% (18/40) remained on treatment as of the July 22, 2019 data cut-off. The primary reason for treatment discontinuation was radiologic or clinical disease progression (18 patients). Two patients discontinued repotrectinib due to an adverse event; one was a DLT of Grade 3 hypoxia and dyspnea at a dose of 160 mg BID and the other was a patient with *ROS1+* NSCLC initially treated at 120 mg QD who escalated to 160 mg BID due to disease progression 30 days prior to the event of Grade 5 treatment emergent adverse event (TEAE) of respiratory failure reported as related to disease progression and not treatment related. We believe that the duration of treatment for the *ROS1+* advanced NSCLC patient population, which is shown in the chart below, is supportive of the overall tolerability of repotrectinib given the duration of treatment for many patients (both those who have not yet progressed, and those who have continued repotrectinib after progression).



As of January 6, 2020, seven of 11 (64%) TKI-naïve and seven of 29 (24%) TKI-pretreated patients remained on treatment. All seven TKI-naïve patients have been on treatment for greater than 14 months, including five of seven for greater than 24 months and two of seven for greater than 30 months. All seven TKI-pretreated patients have been on treatment for greater than seven months, including five of seven for greater than 10 months and two of seven for greater than 24 months.

Interim Safety Results

As of the July 22, 2019 data cut-off, repotrectinib continued to be generally well tolerated. The majority of TEAEs were Grade 1 or Grade 2. The following table shows the most common TEAEs (related and unrelated to treatment) occurring in >10% of patients in the total of 93 treated patients, as well as the infrequent Grade 3 treatment related AEs (TRAEs). The most common TEAE reported was dizziness in 54 patients of whom 43 (80%) reported the event at a maximum of Grade 1. There were no reported cases of Grade 4 TRAEs.

	TEAES			TRAEs	
Most common (>10%) (n=93)	**All Grades n (%)**	**Grade 3 n (%)**	**Grade 41 n (%)**	**Grade 3 n (%)**	**Grade 4 n (%)**
Dizziness	54 (58.1)	3 (3.2)		3 (3.2)	—
Dysgeusia	45 (48.4)				
Anemia	28 (30.1)	11 (11.8)		3 (3.2)	
Constipation	28 (30.1)				
Fatigue	28 (30.1)	2 (2.2)			
Dyspnea (shortness of breath)	27 (29.0)	5 (5.4)	1 (1.1)	1 (1.1)	
Paresthesia	27 (29.0)				
Nausea	21 (22.6)	2 (2.2)			
Cough	18 (19.4)				
Pyrexia (fever)	17 (18.3)				
Headache	15 (16.1)	1 (1.1)			
Vomiting	13 (14.0)				
Ataxia	12 (12.9)				
Myalgia	11 (11.8)				
Upper respiratory tract infection	11 (11.8)				
Abdominal pain	10 (10.8)				
Muscular weakness	10 (10.8)	1 (1.1)			
Pain in extremity	10 (10.8)	1 (1.1)			

1 *Additional Grade 4 TEAEs: cerebrovascular accident, influenza, hyperkalemia, bacterial pneumonia, sepsis (n=1 each), respiratory failure (n=2); none were determined to be related to treatment.*

≠ *Grade 5 TEAEs: respiratory failure (n=2), pneumonia, sepsis, sudden death (n=1 each); only the case of sudden death was determined to be possibly related to treatment by Sponsor.*

There have been four DLT events: Grade 2 dizziness (n=1 at 160 mg BID), Grade 3 dizziness (n=2; 1 at 160 mg BID and 1 at 240 mg QD), and Grade 3 dyspnea and hypoxia (breathing difficulty) (n=1 at 160 mg BID). No cases of dizziness have led to treatment discontinuation. There have been no Grade 3 or Grade 4 ALT or AST elevations (elevated ALT and AST levels indicate liver damage). There has been one Grade 5 TEAE which the investigator determined to be unrelated to study treatment, but which we classified as possibly related to study treatment. The event involved a patient with *ALK*+ NSCLC and a past medical history of diabetes, obesity and hypertension who was dosed at 240 mg QD of repotrectinib and experienced a Grade 5 event of sudden death on day 10 of cycle 1. This event occurred in August 2017.

In addition, the table below outlines the overall dose modifications of repotrectinib for both TEAEs and TRAEs, and includes permanent drug discontinuation, dose reductions, and dose interruptions, due to AEs (related and unrelated to treatment) as well as information on Serious Adverse Events (SAEs) in the 93 total treated patients as of the data cut-off. Overall, there is a very low incidence of dose modifications or serious adverse events that have been reported and classified as related to repotrectinib, which is another indication of its overall tolerability.

	(n=93)	
Number of Patients with Treatment-Emergent Adverse Events (n (%))		
• Leading to Discontinuation of Study Drug	12	(12.9)
• Leading to Dose Reduction	12	(12.9)
• Leading to Drug Interruption	18	(19.4)
Number of Patients with Treatment-Related Adverse Events		
• Leading to Discontinuation of Study Drug	3	(3.2)
• Leading to Dose Reduction	11	(11.8)
• Leading to Drug Interruption	5	(5.4)
Number of Patients with Treatment-Emergent Serious Adverse Events	33	(35.5)
Number of Patients with Treatment-Related Serious Adverse Events	3	(3.2)

Preliminary Efficacy Data in Patients with NTRK+ Advanced Solid Tumors Assessed by BICR

Within the Phase 1 portion of TRIDENT-1, the data for the *NTRK*+ advanced solid tumor patient population is limited, yet among the three evaluable *NTRK*+, TRK TKI-pretreated patients, a confirmed PR with a duration of response of 9.8 months was observed in one patient who was diagnosed with advanced salivary gland cancer, and was treated with multiple prior TKIs including crizotinib and entrectinib and developed a TRKC G623E solvent front mutation prior to treatment with repotrectinib. The patient remained on repotrectinib treatment for 17.9 months, and then discontinued treatment due to disease progression and subsequently received additional chemotherapy with no response. In January 2019, the patient began receiving repotrectinib again on a compassionate use basis and as of August 2019 was in an unconfirmed PR per RECIST v1.1 and has remained on repotrectinib for 7.2+ months as of August 13, 2019.

The data within the *NTRK*+ solid tumor patient population that had not received prior TRK TKIs is limited to two evaluable patients: one who had glioblastoma and achieved stable disease as the best response, and since the last data cut-off in March 2019, a TKI naive TRK+ patient with advanced thyroid cancer treated at 160 mg QD who achieved a confirmed PR with a duration of 3.8+ months and who remained on treatment for 5.5+ months at the time of the July 22, 2019 data cut-off. One additional patient with angiosarcoma who had a dramatic initial response on skin lesions but was not evaluable for response due to death from sepsis (not related to treatment) within the second cycle.

Preliminary Efficacy Data in ALK+ Patients Assessed by BICR

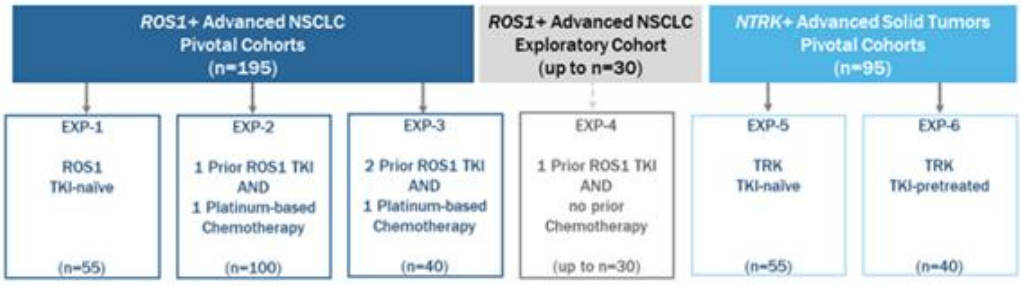
Of the 22 heavily pretreated evaluable *ALK*+ patients, six achieved stable disease as their best response and no PRs were observed. Based on the lack of responses at the evaluated dose levels, we will not enroll *ALK*+ NSCLC patients in the Phase 2 portion of TRIDENT-1.

Repotrectinib Clinical Development Plan

TRIDENT-1 Phase 1/2 Clinical Trial

Repotrectinib is being evaluated in TRIDENT-1, our ongoing Phase 1/2 clinical trial for the treatment of patients with *ROS1*+ advanced NSCLC and *NTRK*+ advanced solid tumors. We initiated the clinical trial in February 2017 at four sites in the United States and three sites in South Korea. A total of 93 patients were enrolled as of the July 22, 2019 data cut-off date. The FDA granted an orphan drug designation in June 2017 for the development of repotrectinib in metastatic NSCLC with adenocarcinoma histology and fast track designation in December 2019 for the treatment of ROS1+ advanced NSCLC patients who have been previously treated with one prior line of platinum-based chemotherapy and one prior line of a ROS1 TKI.

The Phase 2 portion of TRIDENT-1 is our single-arm clinical trial in approximately 320 total patients to support the registration of repotrectinib in patients with *ROS1+* advanced NSCLC and *NTRK+* advanced solid tumors. The trial is evaluating repotrectinib as a single agent at the recommended Phase 2 dose and is enrolling patients across six patient expansion cohorts with *ROS1+* advanced NSCLC (EXP-1, EXP-2, EXP-3 and EXP-4), and *NTRK+* advanced solid tumors (EXP-5 and EXP-6). The trial design for the Phase 2 portion of TRIDENT-1 is illustrated in the following figure.



EXP-1, and EXP-5 will enroll patients who have not been previously treated with a TKI, whereas EXP-2, EXP-3, EXP-4 and EXP-6 will enroll patients who have been previously treated with one or two TKIs. Patients in EXP-2 and EXP-3 need to have had 1 prior platinum-based chemotherapy while patients in EXP-4 will not have had prior chemotherapy. All patients in the Phase 2 portion of TRIDENT-1 will receive repotrectinib orally at a starting dose of 160 mg QD for the first 14 days of treatment, after which the dose may be increased to 160 mg BID based on patient tolerability, for 28 consecutive days in repeated four-week cycles.

The primary objective is to determine the confirmed ORR based on BICR as assessed by RECIST v1.1. Patients will be evaluated by either CT or MRI every two cycles and responses will be confirmed approximately four weeks after initial response determination. A CT or MRI scan will be performed at the end of treatment. Patients are able to continue treatment after documented disease progression, provided the patient is deriving clinical benefit. Patients discontinuing study treatment will enter the survival follow-up period and remain on trial until death, loss of follow-up, or withdrawal of consent, whichever occurs first. The key secondary objectives of the trial include intracranial tumor response and duration of response. In December 2018, we completed an End of Phase 1 Meeting with the FDA during which we received feedback on TRIDENT-1 and guidance on the design of the Phase 2 portion:

- *EXP-1*. The current single-arm design could support either accelerated or standard approval. A minimum duration of follow up of at least 12 months from the onset of response for all responding patients would be required to support standard approval.
- *EXP-2 and EXP-3*. The current single-arm design could support accelerated approval in the context of available therapy at the time of submission.
- *EXP-4*. This cohort has been revised since the End of Phase 1 Meeting with the FDA, but will be an exploratory cohort.
- *EXP-5 and EXP-6*. The current single-arm design could support approval with a minimum of five distinct tumor types evaluated. A minimum duration of follow up of at least 12 months from the onset of response for all responding patients would be required.

Potential approval by the FDA will be based on the totality of the evidence related to ORR and duration of response, as well as overall risk-benefit assessment.

We have developed a prototype companion diagnostic that is being used as a clinical trial assay to confirm the presence of *ROS1+* or *NTRK+* gene fusions in patients enrolled in the Phase 2 portion of TRIDENT-1. We received investigational device exemption from the FDA for our clinical trial assay, in May 2019, which allows its use as an investigational device in the Phase 2 portion of TRIDENT-1 and supports a potential future pre-market approval (PMA) application to the FDA. We are also enrolling patients into the Phase 2 portion of TRIDENT-1 based on the results of select laboratory developed tests (LDTs) and other tests used by the clinical sites

Pediatric Strategy

Beyond TRIDENT-1, we are conducting an open-label Phase 1/2 single arm, multi-center, dose-escalation, safety and pharmacokinetics clinical trial of repotrectinib in pediatric and young adult patients with *ALK+*, *ROS1+*, or *NTRK+* advanced solid tumors. The Phase 1 portion of this trial is a dose finding study in patients aged 4 years to 11 years old. The Phase 2 portion is designed to enroll patients into 3 separate cohorts based on the identified oncogenic driver and prior treatment, (1) *NTRK+* TKI-naïve, (2) *NTRK+* TKI-pretreated and (3) Other NTRK, ALK, ROS1 genetic alterations not otherwise specified.

Combination Strategy

We believe our preliminary safety data and antitumor activity from TRIDENT-1 support pursuing combination therapies for repotrectinib. Preclinical studies have shown that repotrectinib inhibits JAK2, SRC, and FAK, which leads to modulation of Signal Transducer and Activator of Transcription 3 (STAT3) signaling, one of the major signaling pathways for both intrinsic and acquired treatment resistance. We are currently evaluating multiple potential combination regimens for repotrectinib based on preclinical findings that we plan to report in the first half of 2020.

Key Preclinical Data for Repotrectinib

Repotrectinib demonstrated high potency against fusion ROS1 and emerging resistant mutations

ROS1 fusion genes have been identified as oncogenic drivers in many malignancies, especially NSCLC. Crizotinib and entrectinib are the only approved treatments for metastatic *ROS1+* NSCLC. The efficacy of crizotinib varies among different types of *ROS1* fusion partners in patients with metastatic *ROS1+* NSCLC. The most common fusion, CD74-ROS1, is associated with a higher rate of brain metastases and shorter overall survival. Unfortunately, the emergence of drug resistance to crizotinib and other ROS1-targeted investigational TKIs represents a major treatment limitation. The most common solvent front mutation in the ROS1 kinase, G2032R, was reported in 2017 from a single institution in 41% of biopsy specimens from patients who experienced progressive disease while taking crizotinib. The ROS1 L2026M gatekeeper mutation has also been reported.

The activity of repotrectinib against multiple ROS1 fusions and corresponding resistant mutations was evaluated using our in-house engineered Ba/F3 cell lines, as shown in the table below. Overall, repotrectinib demonstrated a strong inhibition profile, as reflected by low IC_{50} values, against wild-type and mutant ROS1 fusions when compared to many other ROS1 TKIs. IC_{50} represents the concentration needed to inhibit 50% of the activity of targeted tumor cells, with lower numbers reflecting higher potency. These data support the belief that repotrectinib can potentially be a best-in-class ROS1 TKI that effectively targets fusion and mutated fusion ROS1 kinases.

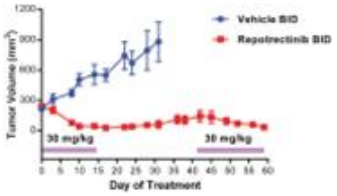
	Ba/F3 Cell Proliferation Assay IC_{50} (nM)									
	No Kinase Domain Mutation				**ROS1 G2032R**				**ROS1 L2026M**	
Inhibitor(1)	**CD74-ROS1**	**SDC4-ROS1**	**EZR-ROS1**	**TPM3-ROS1**	**CD74-ROS1**	**SDC4-ROS1**	**EZR-ROS1**	**TPM3-ROS1**	**EZR-ROS1**	**TPM3-ROS1**
Repotrectinib	**<0.2**	**0.2**	**<0.1**	**<0.1**	**3.3**	**3**	**5**	**16.3**	**<0.2**	**<0.1**
Crizotinib	14.6	19.6	19.4	31.1	266.2	4,661	660	500.6	95.6	236.2
Lorlatinib	0.2	0.3	0.2	0.3	160.7	352.9	190.5	434.9	1.6	1.9
Entrectinib	10.5	ND	1.5	9.4	1,813	ND	2,947	1,093	13.3	40.7
Ceritinib	42.8	59.8	33.1	105	1,391	1,883	885.8	543.7	12.6	66.5
Brigatinib	21	38.7	25.8	61	1,172	1,473	360.6	3,000	24.4	41.3
Cabozantinib	0.5	3	0.4	4.5	11.3	169.4	39.5	60.7	3.4	12.6
Ensartinib	39.5	ND	118.6	433.1	371.8	ND	1,757	4,814	543.3	1,463

ND: Not determined

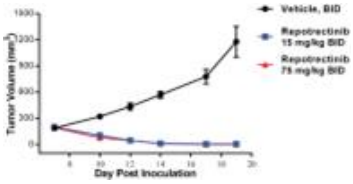
(1) Other than repotrectinib, data based on evaluation of comparable proxy chemical reagent purchased from commercial sources rather than obtained from the pharmaceutical company developing the kinase inhibitor

In addition, in xenograft tumor model studies, repotrectinib resulted in tumor regression in tumors carrying ROS1 fusion genes with or without a solvent front mutations, as depicted in the following figures.

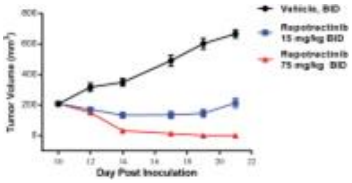
Antitumor effect of repotrectinib in a patient-derived xenograft model of lung cancer with the *CD74-ROS1* fusion gene



Antitumor effect of repotrectinib in a Ba/F3 cell-derived xenograft model with the *CD74-ROS1* fusion gene



Antitumor effect of repotrectinib in a Ba/F3 cell-derived xenograft model with the CD74- ROS1 G2032R mutation



Repotrectinib demonstrated high potency against TRK resistant mutations

Oncogenic TRKA/B/C fusions are identified in multiple cancer types in adults and children. While TRK inhibitors have demonstrated significant efficacy in patients with these cancers, acquired resistant mutations can occur. Next-generation TRK inhibitors targeting both wildtype and mutant TRK fusions can address this unmet need. Repotrectinib was designed to potently inhibit wildtype TRKs and overcome resistant mutations. We compared the anti-proliferative activity of first-generation (larotrectinib/entrectinib) and next-generation (LOXO-195) TRK TKIs to repotrectinib in repeat preclinical studies using our in-house engineered Ba/F3 cells expressing wildtype or mutated TRKs, as shown in the table below. In Ba/F3 cells with NTRK fusion genes, repotrectinib was more potent than both larotrectinib and LOXO-195 against wildtype, solvent front mutations, gatekeeper mutations, and the compound mutation TRKA G595R/F589L (the simultaneous presence of two or more mutations in the same TRK kinase can often lead to resistance and is more difficult to treat).

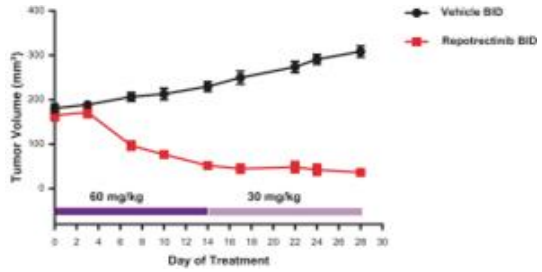
	Ba/F3 Cell Proliferation Assay IC_{50} (nM)										
	LMNA-TRKA					**ETV6-TRKB**		**ETV6-TRKC**			
TRK Inhibitor(1)	**WT**	**G595R**	**G667C**	**F589L**	**G595R/ F589L**	**WT**	**G639R**	**WT**	**G623R**	**G623E**	**F617I**
Repotrectinib	**<0.1**	**0.2**	**9.2**	**<0.2**	**13.7**	**<0.1**	**1.7**	**<0.2**	**1.0**	**0.6**	**<0.2**
LOXO-195	4.6	15.1	94.9	26.5	480.8	1.4	20.8	4.0	23.9	36.1	40.9
Larotrectinib	18.9	2,817	1,863	597	>10000	28.2	2,500	41.4	7,500	1,486	4,000
Entrectinib	0.4	711	186.7	<0.2	1,774	0.6	1,577	0.8	1,670	1,500	54.9

WT: Wildtype

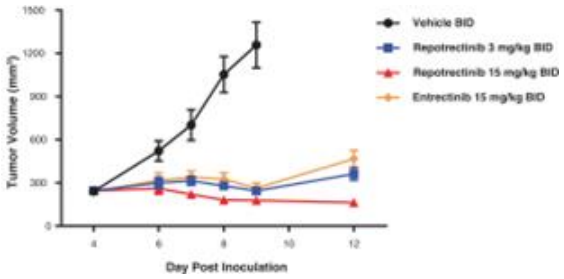
(1) Other than repotrectinib, data based on evaluation of each corresponding proxy chemical compound purchased from commercial sources rather than from the pharmaceutical company commercializing or developing the respective TRK inhibitor

As shown in the figures below, in xenograft tumor models, repotrectinib led to a change in tumor volume in tumors carrying wildtype or mutated TRK fusions and demonstrated greater antitumor activity than entrectinib and LOXO-195 at the same dose level. The difference in the change in tumor volume obtained with 15 mg/kg BID of repotrectinib versus entrectinib at the same dose level was statistically significant (p = 0.01) in the model carrying the wildtype LMNA-TRKA fusion (upper right figure). The change in tumor volume obtained with 30 mg/kg BID of repotrectinib versus LOXO-195 at the same dose level was also statistically significant in the models carrying mutated LMNA-TRKA fusion with the solvent front mutation TRKA G595R or gatekeeper/solvent front compound mutation TRKA F589L/G595R, as shown below (p=0.03, bottom left figure; and p=0.003, bottom right figure).

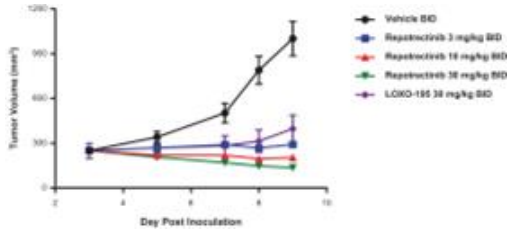
Antitumor effect of repotrectinib in a patient-derived xenograft model with the ETV6-NTRK3 fusion gene



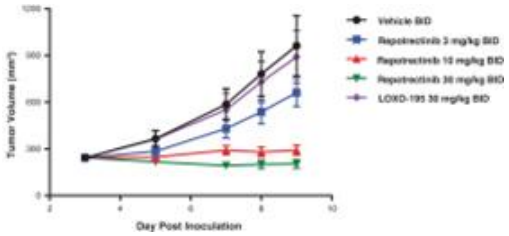
Antitumor effect of repotrectinib and entrectinib in an NIH3T3 cell-derived xenograft model with the LMNA-TRKA fusion



Antitumor effect of repotrectinib and LOXO-195 in an NIH3T3 cell-derived xenograft model with the LMNA-TRKA fusion harboring the G595R solvent front mutation



Antitumor effect of repotrectinib and LOXO-195 in an NIH3T3 cell-derived xenograft model with the LMNA-TRKA fusion harboring the F589L/G595R compound mutation



Other than repotrectinib, data based on evaluation of each corresponding proxy chemical compound purchased from commercial sources rather than from the pharmaceutical company developing the respective kinase inhibitor

TPX-0022—A Novel MET/CSF1R/SRC Inhibitor

TPX-0022 is a multi-targeted (see table below) orally bioavailable Type I TKI with a novel three-dimensional macrocyclic structure that is being developed as a MET, CSF1R, and SRC inhibitor. TPX-0022 is currently being evaluated in an ongoing Phase 1 study in patients with advanced solid tumors harboring genetic alterations in *MET*, which was initiated in July 2019. The study is a standard dose-escalation design, starting at 20 mg daily, to determine the maximum tolerated dose, overall safety profile, and preliminary efficacy of TPX-0022. Upon determination of the recommended Phase 2 dose, the study would then evaluate multiple dose expansion cohorts for a targeted enrollment of approximately 120 patients.

MET is a receptor tyrosine kinase. Hepatocyte growth factor (HGF) is the high-affinity natural ligand of MET. MET alterations, including point mutations, amplifications, fusions, exon 14 skipping, and the generation of HGF-MET autocrine loops have been reported in many cancers. MET amplification has been detected in up to 20% of NSCLC patients with EGFR mutations who acquired resistance to Iressa (gefitinib), Tarceva (erlotinib) or Tagrisso (osimertinib) treatment. In addition, autocrine and paracrine upregulation of HGF can limit the likelihood of response and duration of response achieved with the current investigational MET inhibitors in the clinic.

SRC and STAT3 can act cooperatively as upstream regulators of HGF expression, resulting in establishment of an HGF autocrine/paracrine loop, signal amplification, and an invasive phenotype. SRC inhibition may have the potential to reduce or abolish the upregulation of HGF *via* the modulation of STAT3 signaling.

Targeting CSF1R (colony stimulating factor 1 receptor) leads to the modulation of tumor associated macrophages (TAMs), which is a promising therapeutic strategy for TPX-0022 as a single agent or in combination with standard of care chemotherapy and immunotherapy in various solid tumors. Macrophages are cells in the immune system that generally detect and destroy diseased cells. TAMs, however, are macrophages that have a tumor-promoting function based on their capacity to secrete growth factors and suppress the immune system. Survival of TAMs is mediated by signaling through CSF1R.

As shown by the low IC_{50} values in the table below, TPX-0022 can potently inhibit MET, SRC and CSF1R in enzymatic and cell-based assays.

	Enzymatic IC_{50} (nM)			Cell Proliferation IC_{50} (nM)		
Inhibitor(1)	**MET**	**SRC**	**CSF1R**	**MKN45 (MET)**	**SNU5 (MET)**	**Ba/ F3 ETV6-CSF1R**
TPX-0022	**0.14**	**0.12**	**0.71**	**<0.2**	**<0.2**	**14**
Capmatinib	0.20	ND	ND	<0.2	<0.2	ND
Crizotinib	4.0	ND	ND	10.5	2.8	ND
PLX-3397	ND	ND	ND	ND	ND	581

ND: Not determined

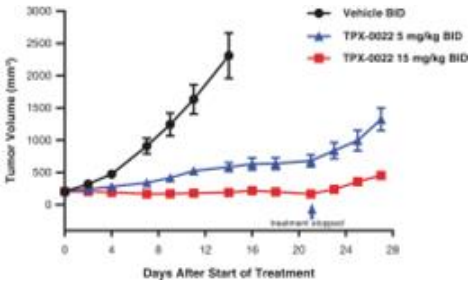
(1) Other than TPX-0022, data based on evaluation of each corresponding proxy chemical compound purchased from commercial sources rather than from the pharmaceutical company commercializing or developing the respective kinase inhibitor

The kinase selectivity profile of TPX-0022 was evaluated against 157 kinases and the IC_{50s} were determined against the hits from the kinase selectivity screen. The kinases with IC_{50} values less than 10 nM are listed below.

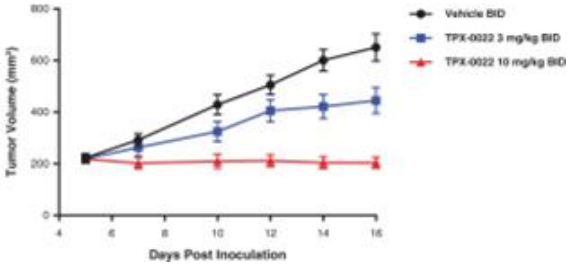
Enzyme	**IC_{50} (nM)**
TRKB	0.085
TRKC	0.13
TRKA	2.56
LCK	2.87
RAF1	2.87
ABL2/AGR	3.75
LYN	7.56
YES/YES1	9.81

In the cancer cell line- and patient-derived xenograft tumor models from gastric (MKN45 model), lung (LU2503 model) and liver (LI0612 model) cancers harboring *MET* amplification or *MET* exon 14 skipping mutations, TPX-0022 demonstrated antitumor activity and inhibition of MET phosphorylation in treated mice, as illustrated in the figures below.

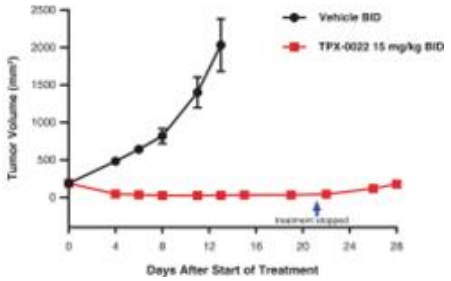
Antitumor effect of TPX-0022 in the LI0612 patient-derived xenograft tumor model of hepatocellular carcinoma with MET gene amplification



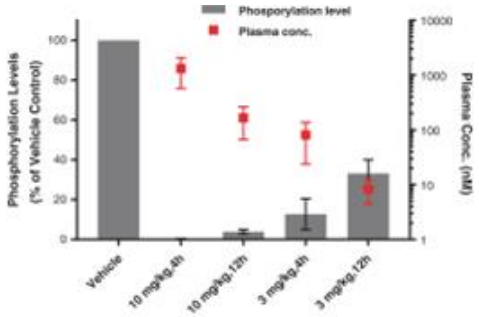
Antitumor effect of TPX-0022 in the MKN45 cell-derived xenograft tumor model of gastric cancer with MET gene amplification



Antitumor effect of TPX-0022 in the LU2503 patient-derived xenograft tumor model of lung cancer with MET gene amplification and Exon 14 deletion



Inhibition of MET phosphorylation by TPX-0022 in the MKN45 cell-derived xenograft tumor model of gastric cancer with MET gene amplification

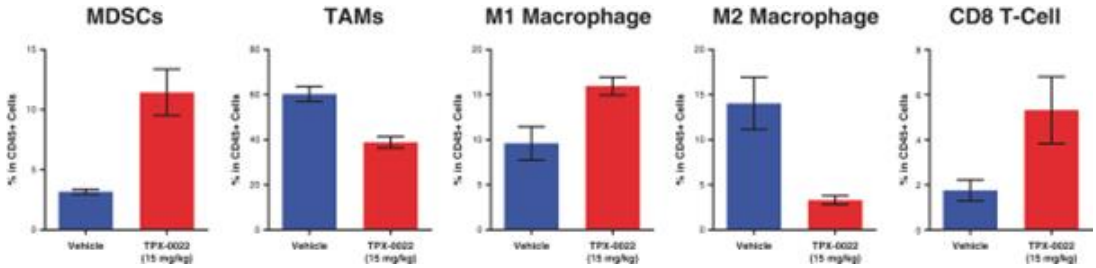


Increased levels of circulating CSF1 have been detected in many different human cancers and during treatment with a CSF1R inhibitor. Currently, there are multiple investigational small molecule CSF1R inhibitors, most of which are Type II TKIs that stabilize the kinase in the inactive conformation. PLX-3397, the most advanced CSF1R inhibitor in development, is one such Type II TKI. We observed in preclinical studies that increased levels of CSF1 reduced the potency of PLX-3397, which we believe may be due to a relative reduction of the presence of an inactive conformation of CSF1R. However, TPX-0022, a Type I TKI, continued to show potency in the presence of CSF1, as shown in the table below, which we believe may result in better antitumor activity.

		Cell Proliferation IC_{50} (nM)						
Inhibitor	**CSF1 (ng/mL)**	**0**	**0.3**	**1.0(1)**	**3.0**	**10.0**	**30.0**	**100**
TPX-0022		**0.3**	**3**	**11.6**	**78.2**	**84.1**	**180.8**	**174.5**
PLX-3397(2)		<0.1	2	146.4	212.5	379.7	594.7	702.3

(1) *A 1 ng/mL concentration mimics typical conditions in advanced tumors*
(2) *Data based on evaluation of corresponding proxy chemical compound purchased from a commercial source rather than from the pharmaceutical company commercializing or developing the inhibitor*

As shown in the figure below, in preclinical MC38 syngeneic tumors in C57BL/6 mice, we have demonstrated potent CSF1R inhibitory activity of TPX-0022, which modulates TAMs and promotes a pro-inflammatory anti-tumor microenvironment.



TPX-0046—A Novel RET/SRC Inhibitor

TPX-0046 is a multi-targeted (see table below) orally bioavailable, Type I TKI with a novel three-dimensional macrocyclic structure that is being developed as a RET and SRC kinase inhibitor. We initiated a Phase 1/2 clinical trial of TPX-0046 in patients with advanced solid tumors harboring RET genetic alterations in the fourth quarter of 2019. The trial will evaluate both RET TKI-pretreated and TKI-naïve patient populations.

RET is a receptor tyrosine kinase (RTK). Constitutive activation of RET through gain-of-function mutations, amplifications and fusions have been found in multiple tumor types, including lung cancer, thyroid cancer and colon cancer. To date, two investigational RET inhibitors, pralsetinib (BLU-667) and selpercatinib (LOXO-292), have shown efficacy in patients with RET fusion positive NSCLC and thyroid cancer (medullary and papillary). In addition, multi-targeted TKIs that inhibit RET have been approved by the FDA in thyroid cancer. Recently, solvent front mutations have been reported as resistant mechanisms to selpercatinib in the clinic, and in our ongoing Phase 1 study we have treated multiple patients with solvent front mutations who were previously treated with selpercatinib or pralsetinib. Due to its novel macrocyclic structure, we believe TPX-0046 has the ability to demonstrate clinical activity in both treatment-naïve patients and in patients that develop solvent front mutations. In addition, TPX-0046 has minimal activity against VEGFR kinases, the inhibition of which is often associated with cardiovascular toxicities such as hypertension.

The inhibition of the SRC kinase has the potential to reduce the recruitment of multiple receptor tyrosine kinases involved in bypass resistance and therefore increase the therapeutic effect seen with RET inhibitors. In addition, SRC family kinases (SFKs) regulate MTC cellular proliferation *in vitro* and mediate growth signals by increasing DNA synthesis and decreasing apoptosis (programmed cell death). Therefore, a dual inhibitor of RET and SRC represents a novel therapeutic strategy to target abnormal RET signaling in cancers.

The broad spectrum of inhibition by TPX-0046 against wildtype and mutated RETs in enzyme-based assays compared with proxy chemical compounds for BLU-667 and LOXO-292 in the same testing panel are summarized in the table below. Overall, TPX-0046 showed comparable or stronger potency against wildtype RET and many mutated RETs, except gatekeeper mutations V804M, V804L, and V804E.

RET Enzyme	TPX-0046 IC_{50} (nM)	BLU-667a IC_{50} (nM)	LOXO-292a IC_{50} (nM)	RET Enzyme	TPX-0046 IC_{50} (nM)	BLU-667a IC_{50} (nM)	LOXO -292a IC_{50} (nM)
RET-NCOA4	0.7	1.5	1.6	RET (G691S)	1.8	2.5	3.1
RET-CCDC6	0.5	0.8	0.9	RET (S904A)	0.9	1.2	1.6
RET-PRKAR1A	0.4	0.8	0.9	RET (L790F)	0.4	0.5	0.4
RET	1.0	1.7	1.9	RET (M918T)	0.3	0.5	0.4
RET (V778I)	0.1	0.3	0.4	RET (Y806H)	2.6	3.7	3.5
RET (Y791F)	0.4	0.8	0.8	RET (R813Q)	1.7	2.5	2.6
RET (S891A)	0.2	0.6	0.8	RET (A883F)	1.2	1.1	1.2
RET (R749T)	0.8	1.0	1.1	RET (V804M)(1)	8.1	2.8	4.6
RET (S904F)	0.5	0.6	0.7	RET (V804L)(1)	6.2	0.8	0.9
RET (E762Q)	1.0	1.6	1.8	RET (V804E)(1)	>1000	8.4	15.1

(1) *Gatekeeper mutation*
[a] *Data for BLU-667 and LOXO-292 based on evaluation of each corresponding proxy chemical compound purchased from commercial sources rather than from the pharmaceutical companies developing the respective kinase inhibitor*

The kinase selectivity profile of TPX-0046 was initially evaluated against 157 kinases and later evaluated against 374 kinases. The IC_{50s} values presented below were determined against the hits from both kinase selectivity screens. The kinases with IC_{50} values less than 10 nM determined as an average of separate studies, are summarized in the table below.

Enzyme	IC_{50} (nM)
PEAK1	0.4
c-Src	0.98
ABL2/ARG	1.4
TXK	1.69
TRKC	1.76
FYN	1.94
FGFR2	1.96
LYN	2.03
MUSK	2.4
YES/YES1	2.64
HCK	2.71
FGR	3.1
FLT3	3.2
BMX/ETK	3.31
TRKB	3.35
DDR1	4.3
LCK	4.4
BTK	4.65
TIE2/TEK	5.6
JAK2	7.67
TRKA	7.77
FGFR1	9.75

In addition, the activity against other selected RTKs are summarized below which indicate TPX-0046 has minimal activity against VEGFR1/2/3.

Enzyme	IC_{50} (nM)
c-Kit	>1000
c-MET	>1000
EGFR	>1000
FLT1/VEGFR1	>1000
KDR/VEGFR2	>1000
FLT4/VEGFR3	513.30
IGF1R	>1000
PDGFRa	>1000
PDGFRb	>1000

TPX-0046 has also been evaluated in our in-house engineered Ba/F3 cell lines, as well as in commercially available TT and LC2/ad cell lines. In these cell-based assays, the approved RET inhibitor cabozantinib was used as a comparator. TPX-0046 potently inhibited the growth of Ba/F3 cells with the KIF5B-RET fusion gene, TT cells with the C634W mutation and LC2/ad cells with the CCDC6-RET fusion gene, as summarized in the table below. TPX-0046 also potently inhibited the proliferation of our in-house engineered Ba/F3 cells with the mutated KIF5B-RET fusion gene harboring the solvent front mutation RET G810R, but had less activity against the mutated KIF5B-RET fusion gene harboring the gatekeeper mutation RET V804M. Recently, solvent front mutations have been reported as resistant mechanisms to selpercatinib in the clinic. Currently there are no FDA-approved RET TKIs that can address resistance that may arise after selpercatinib or pralsetinib.

	Cell Proliferation IC_{50} (nM)				
Inhibitor	**Ba/F3 KIF5B-RET WT**	**Ba/F3 KIF5B-RET G810R (Solvent front mutation)**	**TT(1) (RET C634W)**	**LC2/ad(2) (CCDC6-RET)**	**Ba/F3 KIF5B-RET V804M (Gatekeeper mutation)**
TPX-0046	**1.2**	**15.3**	**0.9**	**1**	**444**
Cabozantinib(3)	142	1,344	399	500	3,400

(1) TT is a stable cancer cell line derived from a human medullary thyroid carcinoma with a C634W mutation
(2) LC2/ad is a stable cancer cell line derived from a human lung adenocarcinoma with the CCDC6-RET fusion gene
(3) Data based on evaluation of corresponding proxy chemical compound purchased from a commercial source rather than from the pharmaceutical company commercializing or developing the kinase inhibitor

We have evaluated in a separate experiment the antiproliferation activities of TPX-0046 and proxy chemical compounds for LOXO-292 and BLU-667 in Ba/F3 cells expressing KIF5B-RET, KIF5B-RET V804M, KIF5B-RET Y806N, KIF5B-RET G810S or KIF5B-RET G810R. The results against the same cell lines by TPX-0046 may vary slightly among different experiments within acceptable experimental variations. Consistent with the RET enzymatic data, TPX-0046 generally showed comparable or stronger potency as compared to the proxy chemical compounds for pralsetinib (BLU-667) and selpercatinib (LOXO-292) in the Ba/F3 KIF5B-RET cell proliferation assay against wildtype RET and many mutated RETs, and less potency against the gatekeeper mutation RET V804M. A recent published preclinical study found the RET Y806N hinge mutation as a common resistance mutation to cabozantinib, lenvatinib and vandetanib. All three molecules (TPX-0046, as well as proxy compounds for LOXO-292 and BLU-667) showed potency against RET Y806N. As it relates to solvent front mutations and specifically G810S or G810R, we believe the ability of RET inhibitors to overcome these mutations will vary based on the size of the RET inhibitor's structural motif at the solvent front area and its interference with the amino acid residues with the solvent front. A recent published study reported that RET G810 solvent front mutations represent the first described recurrent mechanism of resistance to selective RET inhibition with selpercatinib in the clinic. TPX-0046 is shown to be the most potent compound in Ba/F3 KIF5B-RET G810/R/S cell proliferation assays, whereas proxy chemical compounds for BLU-667 and LOXO-292 are shown to have minimal activity against the solvent front mutation RET G810R. The results are summarized below.

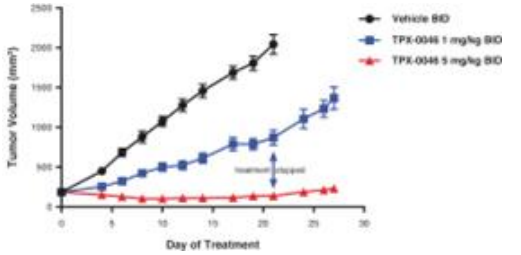
	Cell Proliferation IC_{50} (nM)				
Inhibitor	**Ba/F3 KIF5B-RET WT**	**Ba/F3 KIF5B-RET G810R (Solvent front mutation)**	**Ba/F3 KIF5B-RET G810S (Solvent front mutation)**	**Ba/F3 KIF5B-RET Y806N (Hinge mutation)**	**Ba/F3 KIF5B-RET V804M (Gatekeeper mutation)**
TPX-0046	0.4	16.9	0.4	10.6	533
LOXO-292	0.2	568	72.9	16.3	23.4
BLU-667	0.7	749	6.9	27.9	1.1

Data for BLU-667 and LOXO-292 based on evaluation of each corresponding proxy chemical compound purchased from commercial sources rather than from the pharmaceutical companies developing the respective kinase inhibitor. IC_{50} values for WT, G810R and V804M are from at least 3 independent experiments. The IC_{50} values for G810S and Y806N are from 1 to 2 independent experiments and include at least three independent replicates.

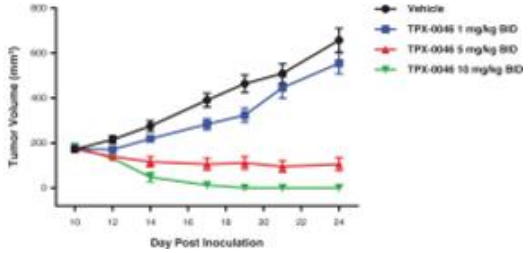
As demonstrated by both the enzyme-based and the cell-based assay data above, TPX-0046 has shown strong potency against wildtype and many mutated RETs, although TPX-0046 is not as potent against RET gatekeeper mutations when compared to wildtype and the solvent front mutation G810R.

In addition, TPX-0046 has shown dose-dependent inhibition of tumor growth in cancer cell- and patient-derived tumor models, as shown in the figures below.

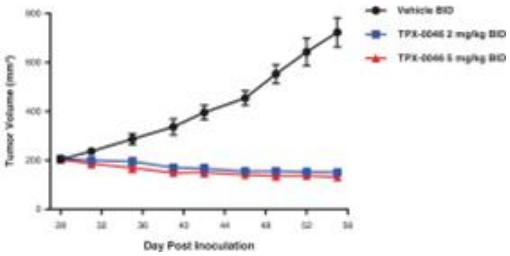
Antitumor effect of TPX-0046 in the CR1520 patient-derived xenograft model of colorectal cancer with the NCOA4-RET fusion gene



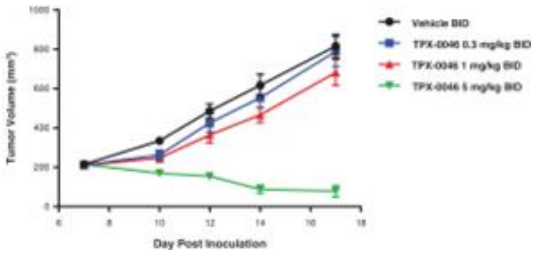
Antitumor effect of TPX-0046 in a Ba/F3 cell-derived xenograft tumor model with the KIF5B-RET fusion harboring the G810R mutation



Antitumor effect of TPX-0046 in a TT cell-derived xenograft tumor model of medullary thyroid carcinoma with the RET C634W mutation



Antitumor effect in a Ba/F3 cell-derived xenograft tumor model of lung cancer with the KIF5B-RET fusion gene



To further support the activity of TPX-0046 against the solvent front mutation G810R, we evaluated TPX-0046 and the proxy chemical compounds LOXO-292 and BLU-667 in a Ba/F3 KIF5B-RET G810R cell-derived tumor model. Consistent with the in vitro cellular and enzymatic data, TPX-0046 has strong activity against the G810R mutation with complete tumor regression in 9 out of 10 mice when dosed at 10 mg/kg twice a day while BLU-667 and LOXO-292 had minimal tumor growth inhibition at the same dose level by percent of tumor growth inhibition.

TPX-0131 – A Next-Generation ALK Inhibitor

TPX-0131 is a next-generation ALK inhibitor which is currently entering IND-enabling studies. TPX-0131 has been designed with a compact macrocyclic structure and in preclinical studies has been shown to potently inhibit wildtype ALK and numerous ALK mutations, in particular the clinically observed G1202R solvent front mutation and G1202R/L1196M compound mutation. Pending successful completion of IND-enabling studies, we anticipate submitting an IND for TPX-0131 in early 2021.

Clinically significant *ALK* gene fusions are oncogenic drivers and have been found in a number of human cancers, especially in NSCLC. *ALK*-driven tumors are estimated to represent up to 7 percent of driver oncogenes in NSCLC. Currently, there are five FDA approved ALK inhibitors available for the treatment of *ALK*+ NSCLC. Sequential therapy with a next-generation selective ALK inhibitors with increased potency and effectiveness against ALK resistance mutations is a key strategy for treating *ALK*+ NSCLC patients. The most common solvent front mutation ALK G1202R confers resistance to the current approved ALK inhibitors with one study showing the prevalence of this specific solvent front mutation in approximately 40% of patients treated with a prior ALK inhibitor who developed a resistant mutation. Lorlatinib is the only approved ALK inhibitor that has demonstrated clinical efficacy in *ALK*+ NSCLC patients who developed the ALK G1202R mutation from a prior ALK TKI. More recently, compound mutations have been reported in patients after treatment with two or three ALK TKIs. One such example is the compound mutation ALK G1202R/L1196M, which confers resistance to currently approved therapies, including lorlatinib.

TPX-0131 showed comparable or stronger potency against wildtype ALK and many mutated forms of ALK in Ba/F3 cell proliferation assays against proxy chemical compounds for other ALK inhibitors as summarized below.

	Ba/F3 Cell Proliferation IC_{50} (nM)					
Inhibitor	**ALK WT**	**ALK G1202R**	**ALK G1202R/ L1196M**	**ALK G1202R/ L1198F**	**ALK G1202R/ C1156Y**	**ALK L1196M/ L1198F**
TPX-0131	<1.0	0.2	<2.0	<0.2	<0.2	<0.2
alectinib	2.8	10000	>10000	1787	2171	837
brigatinib	16	176	1152	1578	925	134
ceritinib	5.1	265	1298	1681	1395	624
lorlatinib	1.3	58	4087	921	435	462
crizotinib	44.8	369	764	135	898	112

Other than TPX-0131, data based on evaluation of each corresponding proxy chemical compound purchased from commercial sources rather than from the pharmaceutical company commercializing or developing the respective kinase inhibitor.

Commercial Operations

For repotrectinib, we intend to establish our own commercial and marketing organization in the United States and to selectively establish partnerships in markets outside the United States. We intend to build a specialist sales force to target physicians who are high prescribers of treatments for solid tumors. We expect that the sales force will be supported by sales management, internal sales support, an internal marketing group and distribution support. Additionally, we expect that the sales and marketing teams will manage relationships with key accounts such as managed care organizations, group purchasing organizations, hospital systems, physician group networks, and government accounts. To develop the appropriate commercial infrastructure, we expect to invest significant amounts of financial and management resources, some of which will be committed prior to approval of repotrectinib, which we may never obtain.

For our other drug candidates, we intend to retain commercialization rights in the United States and leverage our commercial and marketing organization for repotrectinib, assuming we obtain regulatory approval in the United States. For certain drug candidates, we will consider entering into relationships with strategic partners that enable the expansion of the ongoing clinical development, while retaining significant value for our stockholders. These pharmaceutical company partnerships could focus on specific patient populations and their caregivers, on regional development, or on distribution and sales.

Manufacturing and Supply

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We currently rely, and expect to continue to rely for the foreseeable future, on third parties for the manufacture of our drug candidates for preclinical and clinical testing, as well as for commercial manufacture of any drugs that we may commercialize. To date, we have obtained active pharmaceutical ingredients (APIs) and clinical drug supply for repotrectinib and our other drug candidates for our preclinical and ongoing and planned Phase 1 and Phase 2 testing from third-party manufacturers. We obtain our supplies from these manufacturers on a purchase order basis and do not have long-term supply arrangements in place. We do not currently have arrangements in place for redundant supply for APIs and drug product. For all of our drug candidates, we intend to identify and qualify additional manufacturers to provide the APIs and drug product prior to submission of a new drug application to the FDA or other marketing authorization applications to other regulatory authorities.

All our drug candidates are compounds of low molecular weight, generally called small molecules. They can be manufactured from readily available starting materials in reliable and reproducible synthetic processes that are amenable to scale-up and do not require specialized equipment in the manufacturing process. We expect to continue to develop drug candidates that can be produced cost-effectively at contract manufacturing facilities. We generally expect to rely on third parties for the manufacture of any companion diagnostics we may develop.

Competition

The pharmaceutical and biotechnology industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary drugs. We compete in the segments of the pharmaceutical, biotechnology and other related markets that address inhibition of kinases in cancer. While we believe that our technology, development experience and scientific knowledge provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions and governmental agencies and public and private research institutions. Any drug candidates that we successfully develop and commercialize will compete with existing drugs and new drugs that may become available in the future.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient enrollment in clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

We could see a reduction or elimination in our commercial opportunity if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient to administer, are less expensive or with a more favorable label than repotrectinib or any other drugs that we may develop. Our competitors also may obtain FDA or other regulatory approval for their drugs 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. The key competitive factors affecting the success of all of our drug candidates, if approved, are likely to be their efficacy, safety, convenience, price, the effectiveness of companion diagnostics, the level of generic competition and the availability of reimbursement from government and other third-party payors.

Repotrectinib Competition

If we are successful in developing repotrectinib, we expect that repotrectinib will compete against approved drugs, including: crizotinib, which is marketed by Pfizer Inc. under the name Xalkori for the treatment of *ROS1*+ and *ALK*+ NSCLC, entrectinib, which is marketed by F. Hoffman La Roche AG under the name Rozlytrek, for the treatment of *ROS1*+ NSCLC and *TRK*+ solid tumors; and larotrectinib, which is marketed by Bayer AG under the trade name Vitrakvi, for the treatment of *TRK*+ solid tumors. We also expect that repotrectinib will compete against other compounds which are currently in late-stage clinical development, including TKIs in Phase 2, or later, for the treatment of *ROS1*+ NSCLC at companies including Pfizer Inc. (lorlatinib), Novartis Pharmaceuticals Corporation (ceritinib), Betta Pharmaceuticals Co., Ltd. (ensartinib), Exelixis, Inc. (cabozantinib), and AnHeart Therapeutics Company (taletrectinib) and for the treatment of *TRK*+ solid tumors at companies including Bayer AG (LOXO-195) Exelixis, Inc. (cabozantinib) and AnHeart Therapeutics Company (taletrectinib).

TPX-0022 Competition

There are currently no approved drugs targeting MET alterations. If we are successful in developing TPX-0022, our MET/CSF1R/SRC inhibitor, we expect TPX-0022 will compete against Xalkori (crizotinib) and other compounds which are in phase 2 or later clinical development for the treatment of MET+ tumors at companies including Novartis Pharmaceutical Corporation (capmatinib), AstraZeneca (savolitinib), Merck KGaA (tepotinib), and Exelixis, Inc. (cabozantinib).

TPX-0046 Competition

Although there are currently no approved drugs selectively targeting RET, there are two multi-targeted inhibitors that do target RET, namely cabozantinib which is marketed by Exelixis, Inc under the name Cometriq and vandetanib, which is marketed by Sanofi Genzyme under the name Caprelsa, both for the treatment of progressive medullary thyroid cancer (MTC). In addition to these agents, we expect that TPX-0046, would compete against other investigational compounds in last stage clinical development at companies including Blueprint Medicines (pralsetinib) and Eli Lilly and Company (selpercatinib).

Intellectual Property

We strive to protect the proprietary technologies that we believe are important to our business, including pursuing, obtaining and maintaining patent protection intended to cover the composition of matter of our drug candidates, including repotrectinib, their methods of use, related technologies and other inventions that are important to our business. In addition to patent protection, we also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

Our commercial success depends in part upon our ability to obtain and maintain patent and other proprietary protection for our drug candidates and other commercially important technologies, inventions and know-how related to our business, defend and enforce our intellectual property, in particular, our patent rights, preserve the confidentiality of our trade secrets and operate without infringing the valid and enforceable intellectual property and proprietary rights of third parties.

The patent positions for biotechnology and pharmaceutical companies like us are generally uncertain and can involve complex legal, scientific and factual issues. We cannot predict whether the patent applications we are currently pursuing will issue as patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient proprietary protection from competitors. In addition, the coverage claimed in a patent application can be significantly reduced before a patent is issued, and its scope can be reinterpreted and even challenged after issuance. Moreover, many jurisdictions permit third parties to challenge issued patents in administrative proceedings, which may result in further narrowing or even cancellation of patent claims. As a result, we cannot guarantee that any of our drug candidates will be protected or remain protectable by enforceable patents. Moreover, any patents that we hold may be challenged, circumvented or invalidated by third parties. For more information regarding the risks related to our intellectual property, please see “Risk Factors—Risks Related to Our Intellectual Property.”

As of February 15, 2020, we owned two issued patents in the United States directed to repotrectinib and two issued patents in the U.S. directed to structurally related compounds, one of which is also directed towards TPX-0022 and structurally related compounds, as well as issued patents in Australia, China, Columbia, Eurasia, Europe, Japan and Mexico with composition of matter claims directed to repotrectinib, TPX-0022, structurally related compounds and/or their use in the treatment of certain diseases, including cancer. These issued patents are expected to expire between January 2035 and July 2036 depending on the patent and country, without taking into account any possible patent term extension, where applicable. As of February 15, 2020, we also had approximately 96 pending patent applications directed to repotrectinib and its use in the North America, Europe, Asia and other global regions which, if issued, are expected to expire at dates ranging between January 2035 and January 2038, without taking potential patent term extensions into account. As of February 15, 2020, we also had approximately 56 pending patent applications directed to TPX-0022 and its use in North America, South America, Europe, Asia, and other global regions which, if issued, are expected to expire at dates ranging between January 2035 and July 2038, without taking potential patent term extensions into account. In addition, we have pending patent applications directed to composition of matter for TPX-0046 and TPX-0131 and structurally related compounds and their use in treating diseases, including cancer, which if issued are expected to expire at dates ranging between 2038 and 2040, without taking potential patent term extensions into account.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional patent application.

In the United States, the term of a patent covering an FDA-approved drug may, in certain cases, be eligible for a patent term extension under the Hatch-Waxman Act as compensation for the loss of patent term during the FDA regulatory review process. The period of extension may be up to five years, but cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval. Only one patent applicable to an approved drug is eligible for extension and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. Similar provisions are available in Europe and in certain other jurisdictions to extend the term of a patent that covers an approved drug. It is possible that issued U.S. patents covering repotrectinib and TPX-0022, and patents for TPX-0046 and novel ALK inhibitors, if issued, may or will be entitled to patent term extensions. If our drug candidates receive FDA approval, we intend to apply for patent term extensions, if available, to extend the term of patents that cover the approved drug candidates. We also intend to seek patent term extensions in any jurisdictions where they are available; however, there is no guarantee that the applicable authorities, including the FDA, will agree with our assessment of whether such extensions should be granted, and even if granted, the length of such extensions.

In addition to patent protection, we also rely on trade secret protection for our proprietary information that is not amenable to, or that we do not consider appropriate for, patent protection, including certain aspect of our manufacturing processes. However, trade secrets can be difficult to protect. Although we take steps to protect our proprietary information, including restricting access to our confidential information, as well as entering into non-disclosure and confidentiality agreements with our employees, consultants, independent contractors, advisors, contract manufacturers, CROs, hospitals, independent treatment centers, suppliers, collaborators and other third parties, such parties may breach such agreements and disclose our proprietary information including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. In addition, third parties may independently develop the same or similar proprietary information or may otherwise gain access to our proprietary information. As a result, we may be unable to meaningfully protect our trade secrets and proprietary information. For more information regarding the risks related to our intellectual property please see "Risk Factors—Risks Related to Our Intellectual Property."

Government Regulation

The FDA and other regulatory authorities at federal, state, and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring, and post-approval reporting of drug products such as those we are developing. We, along with third-party contractors, will be required to navigate the various preclinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval or licensure of our product candidates.

The process required by the FDA before drug product candidates may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests and animal studies performed in accordance with the FDA's current Good Laboratory Practices (GLP), regulation;
- submission to the FDA of an IND, which must become effective before clinical trials may begin and must be updated annually or when significant changes are made;
- approval by an independent Institutional Review Board, or IRB, or ethics committee at each clinical site before the trial is commenced;
- performance of adequate and well-controlled human clinical trials to establish the safety and efficacy of the proposed drug product candidate for its intended purpose;
- preparation of and submission to the FDA of an NDA after completion of all pivotal clinical trials;
- satisfactory completion of an FDA Advisory Committee review, if applicable;
- a determination by the FDA within 60 days of its receipt of an NDA to file the application for review;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities at which the proposed product is produced to assess compliance with cGMP, and of selected clinical investigation sites to assess compliance with Good Clinical Practices, or GCP; and
- FDA review and approval of the NDA to permit commercial marketing of the product for particular indications for use in the United States.

Preclinical and Clinical Development

Prior to beginning the first clinical trial with a product candidate, we must submit an IND to the FDA. An IND is a request for authorization from the FDA to administer an investigational new drug product to humans. The central focus of an IND submission is on the general investigational plan and the protocol(s) for clinical studies. The IND also includes results of animal and in vitro studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational product. An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the proposed clinical trial. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. There are also requirements governing the reporting of ongoing clinical studies and clinical study results to public registries.

For purposes of NDA approval, human clinical trials are typically conducted in three sequential phases that may overlap.

- Phase 1—The investigational product is initially introduced into healthy human subjects or patients with the target disease or condition. These studies are designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness.
- Phase 2—The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3—The investigational product is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval.

A registrational trial is a clinical trial that adequately meets regulatory agency requirements for the evaluation of a drug candidate’s efficacy and safety such that it can be used to justify the approval of the drug. Generally, registrational trials are Phase 3 trials but may be Phase 2 trials if the trial design provides a reliable assessment of clinical benefit, particularly in situations where there is an unmet medical need.

In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product. These so-called Phase 4 studies may be made a condition to approval of the NDA. Concurrent with clinical trials, companies may complete additional animal studies and develop additional information about the characteristics of the product candidate, and must finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the final product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

NDA Submission and Review

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, nonclinical studies and clinical trials are submitted to the FDA as part of an NDA requesting approval to market the product for one or more indications. The NDA must include all relevant data available from pertinent preclinical and clinical studies, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product’s chemistry, manufacturing, controls, and proposed labeling, among other things. A determination by the FDA within 60 days of the receipt of an NDA to file the application for review for its completeness is initiated at the time of submission. If the FDA determines there is significance to the missing or incomplete information in the context of the proposed drug product, the proposed indication(s), and the amount of time needed to address any given deficiency, it can issue a refusal-to-file letter. The submission of an NDA requires payment of a substantial application user fee to FDA, unless a waiver or exemption applies.

Once an NDA has been submitted, the FDA's goal is to review standard applications within ten months after it accepts the application for filing, or, if the application qualifies for priority review, six months after the FDA accepts the application for filing. In both standard and priority reviews, the review process is often significantly extended by FDA requests for additional information or clarification. The FDA reviews an NDA to determine, among other things, whether a product is safe and effective. The FDA may convene an advisory committee to provide clinical insight on application review questions. Before approving an NDA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

After the FDA evaluates an NDA and conducts inspections of manufacturing facilities where the product will be produced, the FDA may issue an approval letter or a Complete Response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A Complete Response letter will describe all of the deficiencies that the FDA has identified in the NDA. In issuing the Complete Response letter, the FDA may recommend actions that the applicant might take to place the NDA in condition for approval, including requests for additional information or clarification. The FDA may delay or refuse approval of an NDA if applicable regulatory criteria are not satisfied, require additional testing or information and/or require post-marketing testing and surveillance to monitor safety or efficacy of a product.

If regulatory approval of a product is granted, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the NDA with a Risk Evaluation and Mitigation Strategy, or REMS, to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a product and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace. The FDA may require one or more Phase 4 post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies.

Expedited Development and Review Programs

The FDA offers a number of expedited development and review programs for qualifying product candidates. The fast track program is intended to expedite or facilitate the process for reviewing new products that meet certain criteria. Specifically, new products are eligible for fast track designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a fast track product has opportunities for frequent interactions with the review team during product development and, once an NDA is submitted, the product may be eligible for priority review. A fast track product may also be eligible for rolling review, where the FDA may consider for review sections of the NDA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA.

A product intended to treat a serious or life-threatening disease or condition may also be eligible for breakthrough therapy designation to expedite its development and review. A product can receive breakthrough therapy designation if preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the fast track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the product, including involvement of senior managers.

Any product is eligible for priority review if it has the potential to provide a significant improvement in the treatment, diagnosis or prevention of a serious disease or condition compared to marketed products. For products containing new molecular entities, priority review designation means the FDA's goal is to take action on the marketing application within six months of the 60-day filing date (compared with ten months under standard review).

Additionally, products studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled post-marketing clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. In addition, the FDA currently requires, as a condition for accelerated approval, pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States for which there is no reasonable expectation that the cost of developing and making available in the United States a drug or biologic for this type of disease or condition will be recovered from sales in the United States for that drug or biologic. Orphan drug designation must be requested before submitting an NDA. After the FDA grants orphan drug designation, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. The orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review or approval process.

If a product that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusive approval (or exclusivity), which means that the FDA may not approve any other applications, including a full NDA, to market the same drug for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Orphan drug exclusivity does not prevent the FDA from approving a different drug or biologic for the same disease or condition, or the same drug or biologic for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the application user fee.

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. In addition, exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

Post-Approval Requirements

Any products manufactured or distributed by us pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing user fee requirements, under which FDA assesses an annual program fee for each product identified in an approved NDA. Drug manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP, which impose certain procedural and documentation requirements upon us and our third-party manufacturers. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of a product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of existing product approvals;
- product seizure or detention, or refusal of the FDA to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA closely regulates the marketing, labeling, advertising and promotion of biologics and drugs. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA approved labeling. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Such off-label uses are common across medical specialties. Physicians may believe that such off-label uses are the best treatment for patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products.

FDA Regulation of Companion Diagnostics

A therapeutic product may rely upon an *in vitro* companion diagnostic for use in selecting the patients that will be more likely to respond to that therapy. If an in vitro diagnostic is essential to the safe and effective use of the therapeutic product, then the FDA generally will require approval or clearance of the diagnostic at the same time that the FDA approves the therapeutic product. According to FDA guidance, a companion diagnostic device used to make treatment decisions in clinical trials of a drug generally will be considered an investigational device unless it is employed for an intended use for which the device is already approved or cleared. If used to make critical treatment decisions, such as patient selection, the diagnostic device generally will be considered a significant risk device under the FDA's Investigational Device Exemption, or IDE, regulations. Thus, the sponsor of the diagnostic device will be required to comply with the IDE regulations. According to the guidance, if a diagnostic device and a drug are to be studied together to support their respective approvals, both products can be studied in the same investigational trial, if the trial meets both the requirements of the IDE regulations and the IND regulations. The guidance provides that depending on the details of the trial plan and subjects, a sponsor may seek to submit an IND alone, or both an IND and an IDE.

Pursuing FDA approval of an in vitro companion diagnostic would require either a pre-market notification, also called 510(k) clearance, or a pre-market approval, or PMA, for that diagnostic. The review of companion diagnostics involves coordination of review with the FDA's Center for Devices and Radiological Health.

The PMA process, including the gathering of clinical and nonclinical data and the submission to and review by the FDA, can take several years or longer. The applicant must prepare and provide the FDA with reasonable assurance of the device's safety and effectiveness, including information about the device and its components regarding, among other things, device design, manufacturing and labeling. PMA applications are subject to an application fee. In addition, PMAs for devices must generally include the results from extensive preclinical and adequate and well-controlled clinical trials to establish the safety and effectiveness of the device for each indication for which FDA approval is sought. In particular, for a diagnostic, the applicant must demonstrate that the diagnostic produces reproducible results. As part of the PMA review, the FDA will typically inspect the manufacturer's facilities for compliance with the Quality System Regulation, or QSR, which imposes elaborate testing, control, documentation and other quality assurance requirements.

U.S. Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of the FDA approval of our drug candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years beyond the normal expiration of the patent, limited to the approved indication (or any additional indications approved during the period of extension), as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA plus the time between the submission date of an NDA and the approval of that application. Only one patent applicable to an approved drug is eligible for extension and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended and the application for the extension must be submitted prior to the expiration of the patent. The USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we intend to apply for restoration of patent term for one of our currently owned patents, and if eligible for such restoration, to add patent term beyond its current expiration date, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant NDA.

Marketing exclusivity provisions under the United States Federal Food, Drug, and Cosmetic Act (FDCA) can also delay the submission or the approval of certain marketing applications for competing products. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to obtain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application, or ANDA, or a 505(b)(2) NDA submitted by another company for another drug based on the same active moiety, regardless of whether the drug is intended for the same indication as the original innovator drug or for another indication. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement to one of the patents listed with the FDA by the innovator NDA holder. The FDCA also provides three years of marketing exclusivity for an NDA, or supplement to an existing NDA, if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the modification for which the drug received approval on the basis of the new clinical investigations and does not prohibit the FDA from approving ANDAs or 505(b)(2) applications for drugs containing the active agent for the original indication or condition of use. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness. Orphan drug exclusivity, as described below, may offer a seven-year period of marketing exclusivity, except in certain circumstances. Pediatric exclusivity is another type of regulatory market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric trial in accordance with an FDA-issued "Written Request" for such a trial.

European Drug Development

In Europe, our future drugs will also be subject to extensive regulatory requirements. As in the United States, medicinal products can only be marketed if a marketing authorization from the competent regulatory agencies has been obtained.

Similar to the United States, the various phases of preclinical and clinical research in Europe are subject to significant regulatory controls. Although the EU Clinical Trials Directive 2001/20/EC has sought to harmonize the European Union clinical trials regulatory framework, setting out common rules for the control and authorization of clinical trials in the European Union, the European Union Member States have transposed and applied the provisions of the Directive differently. This has led to significant variations in the member state regimes. Under the current regime, before a clinical trial can be initiated it must be approved in each of the European Union countries where the trial is to be conducted by two distinct bodies: the National Competent Authority, or NCA, and one or more Ethics Committees, or ECs. Under the current regime all suspected unexpected serious adverse reactions to the investigated drug that occur during the clinical trial have to be reported to the NCA and ECs of the Member State where they occurred.

In 2014, a new Clinical Trials Regulation 536/2014, replacing the current Directive, was adopted. The new Regulation will become directly applicable in all EU Member States (without national implementation) once the EU Portal and Database are fully functional. It is expected that the Regulation will apply in 2020. The new Regulation seeks to simplify and streamline the approval of clinical trials in the European Union. For example, the sponsor shall submit a single application for approval of a clinical trial via the EU Portal. As part of the application process, the sponsor shall propose a reporting Member State, who will coordinate the validation and evaluation of the application. The reporting Member State shall consult and coordinate with the other concerned Member States. If an application is rejected, it can be amended and resubmitted through the EU Portal. If an approval is issued, the sponsor can start the clinical trial in all concerned Member States. However, a concerned Member State can in limited circumstances declare an "opt-out" from an approval. In such a case, the clinical trial cannot be conducted in that Member State. The Regulation also aims to streamline and simplify the rules on safety reporting, and introduces enhanced transparency requirements such as mandatory submission of a summary of the clinical trial results to the EU Database.

European Drug Review and Approval

In the European Economic Area, or EEA, which is comprised of the 27 Member States of the European Union plus Norway, Iceland and Liechtenstein, medicinal products can only be commercialized after obtaining a Marketing Authorization, or MA. There are two types of marketing authorizations:

The Community MA, which is issued by the European Commission through the Centralized Procedure, based on the opinion of the Committee for Medicinal Products for Human Use, or CHMP, of the EMA and which is valid throughout the entire territory of the EEA. The Centralized Procedure is mandatory for certain types of drugs, such as medicines derived from biotechnology, such as genetic engineering, orphan medicinal drugs, advanced-therapy medicines such as gene-therapy, somatic cell-therapy or tissue-engineered medicines, and medicinal drugs containing a new active substance indicated for the treatment of HIV/AIDS, cancer, neurodegenerative disorders, diabetes, auto-immune and other immune dysfunctions, and viral diseases. The Centralized Procedure is optional for drugs containing a new active substance not yet authorized in the EEA, for drugs that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the European Union.

National MAs, which are issued by the competent authorities of the Member States of the EEA and only cover their respective territory, are available for drugs not falling within the mandatory scope of the Centralized Procedure. Where a drug has already been authorized for marketing in a Member State of the EEA, this National MA can be recognized in other Member States through the Mutual Recognition Procedure. If the drug has not received a National MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the Decentralized Procedure. Under the Decentralized Procedure an identical dossier is submitted to the competent authorities of each of the Member States in which the MA is sought, one of which is selected by the applicant as the Reference Member State, or RMS. The competent authority of the RMS prepares a draft assessment report, a draft summary of the drug characteristics, or SPC, and a draft of the labeling and package leaflet, which are sent to the other Member States (referred to as the Concerned Member States, or CMS) for their approval. If the CMS raise no objections, based on a potential serious risk to public health, to the assessment, SPC, labeling, or packaging proposed by the RMS, the drug is subsequently granted a national MA in all the Member States (i.e. in the RMS and the CMS).

Under the above described procedures, before granting the MA, the EMA or the competent authorities of the Member States of the EEA make an assessment of the risk-benefit balance of the drug on the basis of scientific criteria concerning its quality, safety and efficacy.

European Data and Marketing Exclusivity

In Europe, new active substances, qualify for eight years of data exclusivity upon marketing authorization and an additional two years of market exclusivity. This data exclusivity, if granted, prevents regulatory authorities in the European Union from referencing the innovator's data to assess a generic application for eight years, after which generic marketing authorization can be submitted, and the innovator's data may be referenced, but not approved for two years. The overall ten-year period will be extended to a maximum of 11 years if, during the first eight years of those ten years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies.

Brexit and the Regulatory Framework in the United Kingdom

On June 23, 2016, the electorate in the United Kingdom, or UK, voted in favor of leaving the EU, commonly referred to as "Brexit" and the United Kingdom officially withdrew from the EU on January 31, 2020. The United Kingdom and the EU are currently in a transition period during which the United Kingdom and the EU are negotiating additional arrangements, including their future trading arrangement. The United Kingdom has stated that it wants the transition period to expire, and the future trading terms to be agreed, by December 31, 2020.

Since the regulatory framework for pharmaceutical products in the United Kingdom covering quality, safety and efficacy of pharmaceutical products, clinical trials, marketing authorization, commercial sales and distribution of pharmaceutical products is derived from EU directives and regulations, immediately following Brexit, it is expected that the United Kingdom's regulatory regime will remain aligned with EU regulations. It remains to be seen how, if at all, Brexit will impact regulatory requirements for product candidates and products in the United Kingdom. In the longer term, Brexit could materially impact the future regulatory regime which applies to products and the approval of product candidates in the United Kingdom.

European Union General Data Protection Regulation

In addition to EU regulations related to the approval and commercialization of our products, we may be subject to the EU's General Data Protection Regulation (GDPR). The GDPR went into effect on May 25, 2018. The GDPR introduced new data protection requirements in the European Union, as well as potential fines for noncompliant companies of up to the greater of €20 million or 4% of annual global revenue. The regulation imposes numerous new requirements for the collection, use and disclosure of personal information, including more stringent requirements relating to consent and the information that must be shared with data subjects about how their personal information is used, the obligation to notify regulators and affected individuals of personal data breaches, extensive new internal privacy governance obligations and obligations to honor expanded rights of individuals in relation to their personal information (e.g., the right to access, correct and delete their data). In addition, the GDPR includes restrictions on cross-border data transfer. The GDPR will increase our responsibility and liability in relation to personal data that we process, and we may be required to put in place additional mechanisms to ensure compliance with the new EU data protection rules. Further, the United Kingdom's withdrawal from the EU, often referred to as Brexit, has created uncertainty with regard to data protection regulation in the United Kingdom. In particular, it is unclear whether the United Kingdom will enact data protection legislation equivalent to the GDPR and how data transfers to and from the United Kingdom will be regulated.

Rest of the World Regulation

For other countries outside of the European Union and the United States, such as certain countries in Eastern Europe, Latin America or Asia, the requirements governing the conduct of clinical trials, drug licensing, pricing and reimbursement vary from country to country. In all cases the clinical trials must be conducted in accordance with GCP requirements and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki.

If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Coverage and Reimbursement

Sales of our drugs will depend, in part, on the extent to which our drugs will be covered by third-party payors, such as government health programs, commercial insurance and managed healthcare organizations. These third-party payors are increasingly reducing reimbursements for medical drugs and services. Additionally, the containment of healthcare costs has become a priority of federal and state governments, and the prices of drugs have been a focus in this effort. The U.S. government, state legislatures and foreign governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic drugs.

There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside of the United States. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, intellectual property, manufacture, sale and distribution expenses. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies, but also have their own methods and approval process apart from Medicare determinations.

We plan to develop, either by ourselves or with collaborators, in vitro companion diagnostic tests for our drug candidates for certain indications. We, or our collaborators, will be required to obtain coverage and reimbursement for these tests separate and apart from the coverage and reimbursement we seek for our product candidates, once approved.

In addition, in some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, the European Union provides options for its member states to restrict the range of medicinal drugs for which their national health insurance systems provide reimbursement and to control the prices of medicinal drugs for human use. A member state may approve a specific price for the medicinal drug or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal drug on the market. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical drugs will allow favorable reimbursement and pricing arrangements for any of our drugs. Historically, drugs launched in the European Union do not follow price structures of the United States and generally tend to be significantly lower.

Healthcare Reform

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of drug candidates, restrict or regulate post-approval activities and affect a biopharmaceutical company's ability to profitably sell any approved drugs.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) established the Medicare Part D program to provide a voluntary prescription drug benefit to Medicare beneficiaries. Under Part D, Medicare beneficiaries may enroll in prescription drug plans offered by private entities that provide coverage of outpatient prescription drugs. Unlike Medicare Part A and B, Part D coverage is not standardized. Part D prescription drug plan sponsors are not required to pay for all covered Part D drugs, and each drug plan can develop its own drug formulary that identifies which drugs it will cover and at what tier or level. However, Part D prescription drug formularies must include drugs within each therapeutic category and class of covered Part D drugs, though not necessarily all the drugs in each category or class. Any formulary used by a Part D prescription drug plan must be developed and reviewed by a pharmacy and therapeutic committee. Government payment for some of the costs of prescription drugs may increase demand for drugs for which we obtain marketing approval. However, any negotiated prices for our drugs covered by a Part D prescription drug plan will likely be lower than the prices we might otherwise obtain. Moreover, while the MMA applies only to drug benefits for Medicare beneficiaries, private third-party payors often follow Medicare coverage policy and payment limitations in setting their own payment rates. Any reduction in payment that results from the MMA may result in a similar reduction in payments from non-governmental third-party payors.

The American Recovery and Reinvestment Act of 2009 provides funding for the federal government to compare the effectiveness of different treatments for the same illness. The plan for the research was published in 2012 by the U.S. Department of Health and Human Services (HHS), the Agency for Healthcare Research and Quality and the National Institutes for Health, and periodic reports on the status of the research and related expenditures are made to Congress. Although the results of the comparative effectiveness studies are not intended to mandate coverage policies for public or private third-party payors, it is not clear what effect, if any, the research will have on the sales of our drug candidates, if any such drug or the condition that they are intended to treat are the subject of a trial. It is also possible that comparative effectiveness research demonstrating benefits in a competitor's drug could adversely affect the sales of our drug candidate. If third-party payors do not consider our drugs to be cost-effective compared to other available therapies, they may not cover our drugs after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our drugs on a profitable basis.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the ACA) enacted in March 2010, has had a significant impact on the healthcare industry. The ACA expanded coverage for the uninsured while at the same time containing overall healthcare costs. With regard to pharmaceutical products, the ACA, among other things, 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 manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs, and a new Medicare Part D coverage gap discount program, in which manufacturers must now agree to offer 70% 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.

There remain judicial and Congressional challenges as well as efforts by the current U.S. President's administration to repeal or replace certain aspects of the ACA. Since January 2017, the current U.S. President has signed two Executive Orders and other directives designed to delay the implementation of certain provisions of the ACA or otherwise circumvent some of the requirements for health insurance mandated by the ACA. Concurrently, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, it has enacted laws that modify certain provisions of the ACA such as removing penalties, starting January 1, 2019, for not complying with the ACA's individual mandate to carry health insurance, delaying the implementation of certain ACA-mandated fees, and increasing the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D. In addition, the 2020 federal spending package permanently eliminated, effective January 1, 2020, the ACA-mandated "Cadillac" tax on high-cost employer-sponsored health coverage and medical device tax and, effective January 1, 2021, also eliminates the health insurer tax. On December 14, 2018, a U.S. District Court Judge in the Northern District of Texas (Texas District Court Judge), ruled that the individual mandate is a critical and inseverable feature of the ACA, and therefore, because it was repealed as part of legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act, the remaining provisions of the ACA are invalid as well. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit upheld the District Court ruling that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. It is unclear how this decision, future decisions, subsequent appeals, and other efforts to repeal and replace the ACA will impact the ACA.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 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 to Medicare payments to providers of up to 2% per fiscal year, started in April 2013, and, due to subsequent legislative amendments, will stay in effect through 2029 unless additional Congressional action is taken. On January 2, 2013, the then-U.S. President signed into law the American Taxpayer Relief Act of 2012, or the ATRA, which, among other things, also reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Further, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. At the federal level, the current U.S. President's administration's budget proposal for fiscal year 2021 includes a $135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. Additionally, the current U.S. President's administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. HHS has solicited feedback on some of these measures and has implemented others under its existing authority. For example, in May 2019, CMS issued a final rule to allow Medicare Advantage plans the option to use step therapy for Part B drugs beginning January 1, 2020. This final rule codified CMS's policy change that was effective January 1, 2019. Although some of these and other measures may require additional authorization to become effective, Congress and the current U.S. President's administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

Other Healthcare Laws

We may also be subject to healthcare regulation and enforcement by the federal government and the states and foreign governments where we may market our drug candidates, if approved. These laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, privacy and security and physician sunshine laws and regulations.

The federal Anti-Kickback Statute prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or paying remuneration, directly or indirectly, to induce either the referral of an individual, for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. The federal Anti-Kickback Statute is subject to evolving interpretations. In the past, the government has enforced the federal Anti-Kickback Statute to reach large settlements with healthcare companies based on sham consulting and other financial arrangements with physicians. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act. The majority of states also have anti-kickback laws, which establish similar prohibitions and in some cases may apply to items or services reimbursed by any third-party payor, including commercial insurers.

Additionally, the federal civil and criminal false claims laws, including the False Claims Act, and civil monetary penalties law, prohibits knowingly presenting or causing the presentation of a false, fictitious or fraudulent claim for payment to the U.S. government. Actions under the False Claims Act may be brought by the Attorney General or as a *qui tam* action by a private individual in the name of the government. The federal government is using the False Claims Act, and the accompanying threat of significant liability, in its investigation and prosecution of pharmaceutical and biotechnology companies throughout the U.S., for example, in connection with the promotion of products for unapproved uses and other sales and marketing practices. The government has obtained multi-million and multi-billion dollar settlements under the False Claims Act in addition to individual criminal convictions under applicable criminal statutes. Given the significant size of actual and potential settlements, it is expected that the government will continue to devote substantial resources to investigating healthcare providers' and manufacturers' compliance with applicable fraud and abuse laws.

The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) also created additional federal civil and criminal penalties for, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

Many states have similar health care fraud and abuse laws that may differ from each other and federal law in significant ways, thus complicating compliance efforts. For example, states have anti-kickback and false claims laws that may be broader in scope than analogous federal laws and may apply regardless of payer.

There has also been a recent trend of increased federal and state regulation of payments made to physicians and other healthcare providers. The ACA, through the Physician Payments Sunshine Act, imposes new reporting requirements on drug manufacturers for payments made by them to physicians, as defined by such law, and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Drug manufacturers are required to submit annual reports to the government and these reports are posted on a website maintained by CMS. Certain states also mandate implementation of compliance programs, impose restrictions on drug manufacturer marketing practices, require the registration of pharmaceutical sales representatives and/or require tracking and reporting of gifts, compensation and other remuneration to physicians.

We may also be subject to data privacy and security requirements that may impact the way in which we conduct research and operate our business. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their respective implementing regulations, including the final omnibus rule published on January 25, 2013, impose obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information on covered entities, including certain healthcare providers, health plans, and healthcare clearinghouses, as well as individuals and entities that provide services on behalf of a covered entity that involve individually identifiable health information, known as business associates. In addition, we may be directly subject to certain state laws concerning privacy and data security. For example, California recently enacted the California Consumer Privacy Act (CPPA), which creates new individual privacy rights for California consumers (as defined in the law) and places increased privacy and security obligations on entities handling certain personal data of consumers or households. The CCPA requires covered companies to provide new disclosure to consumers about such companies' data collection, use and sharing practices, provides such consumers new ways to opt-out of certain sales or transfers of personal information, and provides consumers with additional causes of action. The CCPA went into effect on January 1, 2020, and the California Attorney General may bring enforcement actions for violations beginning July 1, 2020. The may impact our business activities and exemplifies the vulnerability of our business to the evolving regulatory environment related to personal data and protected health information. Existing state laws governing the privacy and security of personally identifiable information, and, in some states, health information, impose differing requirements, thus complicating our compliance efforts.

If our operations are found to be in violation of any of the federal and state laws described above or any other governmental regulations that apply to us, we may be subject to significant civil, criminal, and administrative penalties, damages, fines, disgorgement, imprisonment, and exclusion from participation in federal healthcare programs, such as Medicare and Medicaid.

Employees

As of December 31, 2019, we had 95 total employees, 87 of whom were full-time employees, 43 of whom hold Ph.D., Pharm.D. or M.D. degrees. Of these employees, 73 were engaged in research and development activities and 22 were engaged in general and administrative activities. Our employees are not represented by labor unions or covered by collective bargaining agreements.

Corporate and Other Information

We were incorporated in Delaware in October 8, 2013 as TP Therapeutics, Inc. and we subsequently changed our name to Turning Point Therapeutics, Inc. in November 2018. Our principal executive offices are located at 10628 Science Center Drive, Ste. 200, San Diego, California, and our telephone number is (858) 926-5251. Our corporate website address is www.tptherapeutics.com and we regularly post copies of our press releases as well as additional information about us on our website. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (Exchange Act), are available free of charge on our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities Exchange Commission (SEC). Information contained on or accessible through our website is not a part of this Annual Report, and the inclusion of our website address in this Annual Report is an inactive textual reference only.

Item 1A. Risk Factors.

RISK FACTORS

Except for the historical information contained herein or incorporated by reference, this Annual Report and the information incorporated by reference contains forward-looking statements that involve risks and uncertainties. These statements include projections about our accounting and finances, plans and objectives for the future, future operating and economic performance and other statements regarding future performance. These statements are not guarantees of future performance or events. Our actual results may differ materially from those discussed here. Factors that could cause or contribute to differences in our actual results include those discussed in the following section, as well as those discussed in Part II, Item 7 entitled "Management Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere throughout this Annual Report and in any other documents incorporated by reference into this Annual Report. You should consider carefully the following risk factors, together with all of the other information included or incorporated in this Annual Report. Each of these risk factors, either alone or taken together, could adversely affect our business, operating results and financial condition, as well adversely affect the value of an investment in our common stock. There may be additional risks that we do not presently know of or that we currently believe are immaterial which could also impair our business and financial position

Risks Related to Our Financial Position and Need for Additional Capital

We have incurred significant operating losses since our inception and have not generated any revenue. We expect to incur continued losses for the foreseeable future and may never achieve or maintain profitability.

Investment in drug development is a highly speculative undertaking and involves a substantial degree of risk. We are a clinical-stage biopharmaceutical company that was formed in 2013 and commenced operations in 2014. We have no approved products for commercial sale and have not generated any revenue from product sales or from licenses or collaborations. We continue to incur significant research and development and other expenses related to our ongoing operations. As a result, we have never been profitable and have incurred losses in each year since inception. For the years ended December 31, 2019 and 2018, we reported net losses of $72.1 million and $24.8 million, respectively. As of December 31, 2019, we had an accumulated deficit of $122.9 million.

Since our inception, we have focused substantially all of our efforts and financial resources on the research and development of our lead drug candidate, repotrectinib, and our other drug candidates. To date, we have funded our operations primarily with proceeds from sales of shares of our common stock and convertible preferred stock. From inception through December 31, 2019, we received an aggregate of $512.0 million in net proceeds from such sales. As of December 31, 2019, our cash and cash equivalents and marketable securities were $409.2 million.

We expect to incur increasing levels of operating losses for the foreseeable future, particularly as we advance repotrectinib through clinical development. Our prior losses, combined with expected future losses, have had, and will continue to have, an adverse effect on our stockholders' equity and working capital. We expect our research and development expenses to significantly increase in connection with our ongoing and planned clinical trials, including the ongoing Phase 2 portion of TRIDENT-1, Phase 1 clinical trial of TPX-0022, Phase 1/2 clinical trial of repotrectinib in pediatric patients, and Phase 1/2 clinical trial of TPX-0046, and any other clinical trials or development activities we may choose to pursue, including further development of TPX-0131. In addition, if we obtain marketing approval for repotrectinib, we will incur significant sales, marketing and outsourced manufacturing expenses in connection with the commercialization of repotrectinib. We will also incur additional costs associated with operating as a public company. As a result, we expect to continue to incur significant and increasing operating losses for the foreseeable future. Because of the numerous risks and uncertainties associated with developing pharmaceutical products, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Even if we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

Our ability to become profitable depends upon our ability to generate revenue. To date, we have not generated any revenue and we do not know when, or if, we will generate any revenue. We do not expect to generate significant revenue unless and until we obtain marketing approval for, and begin to sell, repotrectinib or another drug candidate. Our ability to generate revenue depends on a number of factors, including, but not limited to, our ability to:

- successfully complete the Phase 2 portion of TRIDENT-1;
- initiate and successfully complete all safety, pharmacokinetic and other studies required to obtain U.S. and foreign marketing approval for repotrectinib as a treatment for patients with *ROS1+* advanced NSCLC and patients with *NTRK+* advanced solid tumors;
- initiate and successfully complete other later-stage clinical trials that meet their clinical endpoints;
- obtain favorable results from our clinical trials and apply for and obtain marketing approval for repotrectinib;
- establish licenses, collaborations or strategic partnerships that may increase the value of our programs;
- successfully manufacture or contract with others to manufacture repotrectinib and our other drug candidates;
- commercialize repotrectinib, if approved, by building a sales force or entering into collaborations with third parties;
- obtain, maintain, protect and defend our intellectual property portfolio; and
- achieve market acceptance of repotrectinib in the medical community and with third-party payors.

To become and remain profitable, we must succeed in designing, developing and eventually commercializing products that generate significant revenue. This will require us to be successful in a range of challenging activities, including completing preclinical testing and clinical trials for our drug candidates, designing additional drug candidates, establishing arrangements with third parties for the manufacture of clinical supplies of our drug candidates, obtaining marketing approval for our drug candidates and manufacturing, marketing and selling any products for which we may obtain marketing approval. We are only in the preliminary stages of most of these activities. We may never succeed in these activities and, even if we do, may never generate revenues that are significant enough to achieve profitability.

In cases where we are successful in obtaining regulatory approval to market one or more of our drug candidates, our revenue will be dependent, in part, upon the size of the markets in the territories for which we gain regulatory approval, the accepted price for the product, the ability to obtain coverage and reimbursement, and whether we own the commercial rights for that territory. If the number of our addressable patients is not as significant as we estimate, the indication approved by regulatory authorities is narrower than we expect, or the treatment population is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of such products, even if approved.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses we will incur or when, or if, we will be able to achieve profitability. If we decide to or are required by the FDA or other regulatory authorities to perform studies or clinical trials in addition to those currently expected, or if there are any delays in establishing appropriate manufacturing arrangements for, in initiating or completing our current and planned clinical trials for, or in the development of, any of our drug candidates, our expenses could increase materially and profitability could be further delayed.

Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would depress the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product offerings or even continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

We will require substantial additional funding. If we are unable to raise capital on favorable terms when needed, we could be forced to delay, reduce or eliminate our research or drug development programs or any future commercialization efforts.

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance our lead drug candidate, repotrectinib, and other drug candidates through clinical development and further develop our pipeline. We expect increased expenses as we continue our research and development, initiate additional clinical trials, and seek marketing approval for our lead program and our other drug candidates. In addition, if we obtain marketing approval for any of our drug candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. Furthermore, we expect to continue to incur significant costs associated with operating as a public company.

In addition, our drug candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of products that we do not expect to be commercially available for sale for at least the next several years, if ever, and such funds, if raised, may not be sufficient to enable us to continue to implement our business strategy. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. Adequate additional financing may not be available to us on favorable terms, or at all. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. If we are unable to raise capital when needed or on favorable terms, we could be forced to delay, reduce or eliminate our research and development programs, our commercialization plans or other operations. We believe that our existing cash and cash equivalents and marketable securities will be sufficient to enable us to fund our operating expenses for at least the next 12 months. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Changes beyond our control may occur that would cause us to use our available capital before that time, including changes in and progress of our drug development activities and changes in regulation. Our future capital requirements will depend on many factors, including:

- the progress and results of our Phase 2 portion of TRIDENT-1, our Phase 1/2 pediatric study of repotrectinib and any other additional clinical trials evaluating repotrectinib;
- the scope, rate of progress, results and costs of drug design, preclinical development and clinical trials for the other drug candidates in our pipeline, including TPX-0022, TPX-0046 and TPX-0131;
- the extent to which we develop, in-license or acquire other pipeline drug candidates or technologies;
- the number and development requirements of other drug candidates that we may pursue, and other indications for our current drug candidates that we may pursue;
- the costs, timing and outcome of regulatory review of our drug candidates and any companion diagnostics we may pursue;
- the scope and costs of making arrangements with third-party manufacturers, or establishing manufacturing capabilities, for both clinical and commercial supplies of our drug candidates;
- the cost associated with commercializing any approved drug candidates, including to establish sales and marketing capabilities;

- the cost associated with completing any post-marketing studies or trials required by the FDA or other regulatory authorities;
- the revenue, if any, received from commercial sales of repotrectinib, if approved, or our other pipeline drug candidates that receive marketing approval;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims that we may become subject to; and
- to the extent we pursue strategic collaborations, including collaborations to commercialize repotrectinib or any of our other pipeline drug candidates, our ability to establish and maintain collaborations on favorable terms, if at all.

We will require additional capital to complete our planned clinical development programs for our current drug candidates to obtain regulatory approval. Any additional capital-raising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our current and future drug candidates, if approved.

Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or drug candidates.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. We do not currently have any committed external source of funds. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or drug candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or other arrangements when needed, we may be required to delay, limit, reduce or terminate our research, product development or future commercialization efforts or grant rights to third parties to develop and market drug candidates that we would otherwise prefer to develop and market ourselves.

Risks Related to the Design and Development of Our Drug Candidates

We are highly dependent on the success of our lead drug candidate, repotrectinib, which is currently in a Phase 2 potentially registrational clinical trial, and our other drug candidates which are in early clinical development. We have not successfully completed late-stage clinical trials or obtained regulatory approval for any drug candidate. We may never obtain approval for any of our drug candidates or achieve or sustain profitability.

Our future success is highly dependent on our ability to obtain regulatory approval for, and then successfully commercialize our lead product candidate repotrectinib. Our other drug candidates are in earlier stages of development. We currently have no products that are approved for sale. We only initiated and began patient dosing in the Phase 2 registrational portion of our TRIDENT-1 clinical trial for our lead drug candidate, repotrectinib in the second half of 2019. Our other drug candidates currently in clinical trials, TPX-0022 and TPX-0046 are only in Phase 1 studies. There can be no assurance that repotrectinib or our other drug candidates in development will achieve success in their clinical trials or obtain regulatory approval.

Our ability to generate product revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of repotrectinib or other drug candidates in development. The success of our drug candidates, including repotrectinib, will depend on several factors, including the following:

- successful completion of preclinical studies and clinical trials;
- acceptance of INDs by the FDA or other clinical trial or similar applications from foreign regulatory authorities for our future clinical trials for our pipeline drug candidates;
- timely and successful enrollment of patients in, and completion of, clinical trials with favorable results;
- demonstration of safety, efficacy and acceptable risk-benefit profiles of our drug candidates to the satisfaction of the FDA and foreign regulatory agencies;

- our ability, or that of our collaborators, to develop and obtain clearance or approval of companion diagnostics, on a timely basis, or at all;
- receipt and related terms of marketing approvals from applicable regulatory authorities, including the completion of any required post-marketing studies or trials;
- raising additional funds necessary to complete clinical development of and commercialize our drug candidates;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity for our drug candidates;
- making arrangements with third-party manufacturers, or establishing manufacturing capabilities, for both clinical and commercial supplies of our drug candidates;
- developing and implementing marketing and reimbursement strategies;
- establishing sales, marketing and distribution capabilities and launching commercial sales of our products, if and when approved, whether alone or in collaboration with others;
- acceptance of our products, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining third-party payor coverage and adequate reimbursement;
- protecting and enforcing our rights in our intellectual property portfolio; and
- maintaining a continued acceptable safety profile of the products following approval.

Many of these factors are beyond our control, and it is possible that none of our drug candidates will ever obtain regulatory approval even if we expend substantial time and resources seeking such approval. If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our drug candidates, which would materially harm our business. For example, our business could be harmed if results of our clinical trials of repotrectinib or our other drug candidates vary adversely from our expectations.

Drug development involves a lengthy and expensive process. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of repotrectinib or our other drug candidates.

We currently have three drug candidates in clinical development and one drug candidate in preclinical development, and the risk of failure is high. We are unable to predict when or if our drug candidates will prove effective or safe in humans or will obtain marketing approval. Before obtaining marketing approval from regulatory authorities for the sale of any drug candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to the outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim or preliminary results of a clinical trial do not necessarily predict final results. In particular, the small number of patients in our early clinical trials may make the results of these trials less predictive of the outcome of later clinical trials. In addition, although we have observed encouraging preliminary overall response rates in the dose escalation and dose expansion stage of the Phase 1 portion of our ongoing TRIDENT-1 clinical trial of repotrectinib, the primary objectives were to determine the safety, tolerability and maximum tolerated dose of repotrectinib and to determine a recommended Phase 2 dose and not to demonstrate efficacy. The assessments of efficacy from this portion of the clinical trial were not designed to demonstrate statistical significance and may not be predictive of the results of further clinical trials of repotrectinib. For example, based on the lack of responses in the pretreated evaluable *ALK*+ patients enrolled in the Phase 1 portion of TRIDENT-1, we are not enrolling *ALK*+ NSCLC patients in the Phase 2 portion of TRIDENT-1.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to obtain marketing approval or commercialize our drug candidates, including:

- regulators or institutional review boards (IRBs)/ethics committees (ECs) 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 clinical trial contracts or clinical trial protocols with prospective trial sites;
- clinical trials for our drug candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials, delay clinical trials or abandon product development programs;

- the number of patients required for clinical trials for our drug candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, participants may drop out of these clinical trials at a higher rate than we anticipate or the duration of these clinical trials may be longer than we anticipate;
- competition for clinical trial participants from investigational and approved therapies may make it more difficult to enroll patients in our clinical trials;
- we or third-party collaborators may fail to obtain the clearance or approval of companion diagnostic tests, if required, on a timely basis, or at all;
- our third-party contractors may fail to meet their contractual obligations to us in a timely manner, or at all, or may fail to comply with regulatory requirements;
- we may have to suspend or terminate clinical trials for our drug candidates for various reasons, including a finding that the participants are being exposed to unacceptable health risks;
- our drug candidates may have undesirable or unexpected side effects or other unexpected characteristics, causing us or our investigators, regulators or IRBs/ECs to suspend or terminate the trials;
- the cost of clinical trials for our drug candidates may be greater than we anticipate;
- the supply or quality of our drug candidates or other materials necessary to conduct clinical trials for our drug candidates may be insufficient or inadequate and result in delays or suspension of our clinical trials; and
- we or a diagnostic development partner may fail to receive regulatory approval of a companion diagnostic for use with a marketed product.

Our product development costs will increase if we experience delays in preclinical studies or clinical trials or in obtaining marketing approvals. We do not know if any of our planned preclinical studies or clinical trials will begin in a timely basis or at all. We do not know whether any of our ongoing clinical trials will need to be restructured or will be completed on schedule, or at all. For example, the FDA may place a partial or full clinical hold on, any of our clinical trials for a variety of reasons. In February 2018, we received a Deficiency–Potential Hold Issues letter from the FDA stating that the number of patients treated in the Phase 1 portion of TRIDENT-1 exceeded the protocol-specified dose escalation enrollment plan. Additionally, the Development Safety Update Report (DSUR) and the Investigator's Brochure (IB) had not been updated with available clinical safety information. Following discussion with the FDA, our IND was placed on partial clinical hold pending the submission of an amended protocol, an updated DSUR and updated IB. The partial clinical hold was removed on June 29, 2018 after the requested documents were revised and TRIDENT-1 resumed patient enrollment.

Significant preclinical or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our drug candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our drug candidates and may harm our business and results of operations.

Any delays in the commencement or completion, or termination or suspension, of our ongoing, planned or future clinical trials could result in increased costs to us, delay or limit our ability to generate revenue and adversely affect our commercial prospects.

Before we can initiate clinical trials of a drug candidate in any indication, we must submit the results of preclinical studies to the FDA along with other information, including information about the drug candidate's chemistry, manufacturing and controls and our proposed clinical trial protocol, as part of an IND or similar regulatory filing.

Before obtaining marketing approval from the FDA or comparable foreign regulatory authorities, for the sale of repotrectinib or any other drug candidate in any indication, we must conduct extensive clinical studies to demonstrate safety and efficacy. Clinical testing is expensive, time consuming and uncertain as to outcome. In addition, we expect to rely in part on preclinical, clinical and quality data generated by our contract research organizations (CROs) and other third parties for regulatory submissions for our drug candidates. While we have or will have agreements governing these third parties' services, we have limited influence over their actual performance. If these third parties do not make data available to us, or, if applicable, make regulatory submissions in a timely manner, in each case pursuant to our agreements with them, our development programs may be significantly delayed and we may need to conduct additional studies or collect additional data independently. In either case, our development costs would increase. To date, we have submitted three INDs: one IND for the current Phase 1/2 clinical trials of repotrectinib; one IND for the current Phase 1 clinical trial of TPX-0022; and one IND for the current Phase 1/2 clinical trial of TPX-0046. We will require the acceptance by the FDA of an IND prior to initiating any clinical trials in the United States for TPX-0131, or any future combination studies of any of our drug candidates, or for any of our other future potential drug candidates. The FDA may require us to conduct additional preclinical studies for any drug candidate before it allows us to initiate clinical trials under any IND, which may lead to additional delays and increase the costs of our preclinical development programs.

Any delays in the commencement or completion of our ongoing, planned or future clinical trials could significantly affect our product development costs. We do not know whether our planned trials will begin on time or at all, or be completed on schedule, if at all. The commencement and completion of clinical trials can be delayed for a number of reasons, including delays related to:

- the FDA or comparable foreign regulatory authorities disagreeing as to the design or implementation of our clinical trials or with our recommended dose for any of our pipeline programs;
- obtaining FDA or comparable foreign regulatory authorities' authorization to commence a trial or reaching a consensus with regulatory authorities on trial design;
- failing to obtain regulatory clearance or approval of companion diagnostics we may use to identify patients for enrollment in our clinical trials;
- any failure or delay in reaching an agreement with CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- obtaining approval from one or more IRBs/ECs;
- IRBs/ECs refusing to approve, suspending or terminating the trial at an investigational site, precluding enrollment of additional subjects, or withdrawing their approval of the trial;
- changes to clinical trial protocol;
- clinical sites deviating from trial protocol or dropping out of a trial;
- failing to manufacture or obtain sufficient quantities of drug candidate or, if applicable, combination therapies for use in clinical trials;
- patients failing to enroll or remain in our trial at the rate we expect, or failing to return for post-treatment follow-up;
- patients choosing an alternative treatment, or participating in competing clinical trials;
- lack of adequate funding to continue the clinical trial;
- patients experiencing severe or unexpected drug-related adverse effects;
- occurrence of serious adverse events in trials of the same class of agents conducted by other companies;
- selecting or being required to use clinical end points that require prolonged periods of clinical observation or analysis of the resulting data;
- a facility manufacturing our drug candidates or any of their components being ordered by the FDA to temporarily or permanently shut down due to violations of current good manufacturing practice (cGMP) regulations or other applicable requirements, or infections or cross-contaminations of drug candidates in the manufacturing process;
- any changes to our manufacturing process that may be necessary or desired;
- third-party clinical investigators losing the licenses or permits necessary to perform our clinical trials, not performing our clinical trials on our anticipated schedule or consistent with the clinical trial protocol, good clinical practices (GCP) or other regulatory requirements;
- us, or our third-party contractors not performing data collection or analysis in a timely or accurate manner or improperly disclosing data prematurely or otherwise in violation of a clinical trial protocol; or
- third-party contractors becoming debarred or suspended or otherwise penalized by the FDA or other government or regulatory authorities for violations of regulatory requirements, in which case we may need to find a substitute contractor, and we may not be able to use some or all of the data produced by such contractors in support of our marketing applications.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs/ECs of the institutions in which such trials are being conducted, by a Data Safety Monitoring Board for such trial or by the FDA. 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 resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a pharmaceutical, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. In addition, changes in regulatory requirements and policies may occur, and we may need to amend clinical trial protocols to comply with these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs/ECs for reexamination, which may impact the costs, timing or successful completion of a clinical trial.

Certain of our scientific advisors or consultants who receive compensation from us are investigators for our clinical trial. Under certain circumstances, we may be required to report some of these relationships to the FDA. Although we believe our existing relationships are within the FDA's guidelines, the FDA may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the study. The FDA may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA and may ultimately lead to the denial of marketing approval of repotrectinib. If we experience delays in the completion of, or termination of, any clinical trial of repotrectinib or any other drug candidate, the commercial prospects of such drug candidate will be harmed, and our ability to generate product revenues will be delayed. Moreover, any delays in completing our clinical trials will increase our costs, slow down our development and approval process and jeopardize our ability to commence product sales and generate revenues which may harm our business, financial condition, results of operations and prospects significantly.

If we experience delays or difficulties in enrolling patients in our ongoing or planned clinical trials, our receipt of necessary regulatory approval could be delayed or prevented.

We may not be able to initiate or continue our ongoing or planned clinical trials for our drug candidates if we are unable to identify and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA. In addition, some of our competitors may have ongoing clinical trials for drug candidates that would treat the same patients as repotrectinib or our other drug candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' drug candidates. This is acutely relevant for our development of repotrectinib for the treatment of patients with *ROS1+* advanced NSCLC, our development of TPX-0046 for the treatment of patients with *RET+* advanced solid tumors, and development of TPX-0022 for the treatment of *MET+* advanced solid tumors, indications for which investigational drugs are competing for clinical trial participants, and for our development of repotrectinib for the treatment of patients with *NTRK+* advanced solid tumors, an indication for which the approved TKIs, larotrectinib and entrectinib, are required to complete post-marketing studies. Patient enrollment is also affected by other factors, including:

- severity of the disease under investigation;
- our ability to recruit clinical trial investigators of appropriate competencies and experience;
- the incidence and prevalence of our target indications;
- clinicians' and patients' awareness of, and perceptions as to the potential advantages and risks of our drug candidates in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating;
- invasive procedures required to enroll patients and to obtain evidence of the drug candidate's performance during the clinical trial;
- availability and efficacy of approved medications for the disease under investigation;
- eligibility criteria defined in the protocol for the trial in question;
- the ability of our companion diagnostics to identify patients;
- the size of the patient population required for analysis of the trial's primary endpoints;
- efforts to facilitate timely enrollment in clinical trials;
- whether we are subject to a partial or full clinical hold on any of our clinical trials;
- reluctance of physicians to encourage patient participation in clinical trials;
- the ability to monitor patients adequately during and after treatment;
- our ability to obtain and maintain patient consents; and
- proximity and availability of clinical trial sites for prospective patients.

Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays or may require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs, which would cause the value of our company to decline and limit our ability to obtain additional financing.

The COVID-19 coronavirus could adversely impact our business, including our clinical trials.

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China. Since then, the COVID-19 coronavirus has spread to multiple countries, including the United States and European and Asia-Pacific countries, including countries in which we have planned or active clinical trial sites. As the COVID-19 coronavirus continues to spread around the globe, we will likely experience disruptions that could severely impact our business and clinical trials, including:

- delays or difficulties in enrolling patients in our clinical trials;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- 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 monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others;
- limitations in employee resources that would otherwise be focused on the conduct of our clinical trials, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people;
- delays in receiving approval from local regulatory authorities to initiate our planned clinical trials;
- delays in clinical sites receiving the supplies and materials needed to conduct our clinical trials;
- interruption in global shipping that may affect the transport of clinical trial materials, such as investigational drug product used in our clinical trials;
- changes in local regulations as part of a response to the COVID-19 coronavirus outbreak which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, or to discontinue the clinical trials altogether;
- 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; and
- refusal of the FDA to accept data from clinical trials in affected geographies outside the United States.

The global outbreak of the COVID-19 coronavirus continues to rapidly evolve. The extent to which the COVID-19 coronavirus may impact our business and clinical trials 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 outbreak, 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.

Adverse side effects or other safety risks associated with repotrectinib or our other drug candidates could delay or preclude approval, cause us to suspend or discontinue clinical trials or abandon further development, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

As is the case with pharmaceuticals generally, we have observed side effects and adverse events associated with repotrectinib. As of the July 22, 2019 data cut-off date for the Phase 1 portion of our ongoing Phase 1/2 clinical trial of repotrectinib, TRIDENT-1, the most common treatment emergent adverse events were dizziness, dysgeusia, anemia, constipation, fatigue, dyspnea, paresthesia, nausea, cough, pyrexia, headache, vomiting, ataxia, myalgia, upper respiratory tract infection, abdominal pain, muscular weakness, and pain in extremity, most of which were Grade 1 or Grade 2. In patients treated at 160 mg QD or above, the majority of TEAEs of dizziness, ataxia and paresthesia occurred within the first 14 days after dosing.

Of all 93 patients in the safety population, three patients discontinued treatment due to adverse events (one with a Grade 3 pleural effusion, another with a dose limiting toxicity, or DLT, of Grade 3 hypoxia/dyspnea, and one with Grade 1 dyspnea) that were determined to be related to study treatment. As of the July 22, 2019 data cut-off date, five Grade 5 TEAEs have occurred, with four, respiratory failure (n=2), pneumonia (n=1), and sepsis (n=1), determined not to be related to treatment. The four Grade 5 TEAEs that were determined to not be treatment related include: one patient with *NTRK*+ angiosarcoma on the right leg with a pre-existing open wound infection on the left leg who was treated at 40 mg QD and developed Grade 5 sepsis and died seven days after stopping repotrectinib; one patient with *ROS1*+ NSCLC treated at 40 mg QD who developed Grade 5 respiratory failure due to disease progression five days after repotrectinib discontinuation; one *ROS1*+ NSCLC patient with Grade 5 respiratory failure reported as related to disease progression and not treatment-related, who was initially treated at 120 mg QD and dose escalated to 160 mg BID due to disease progression 30 days prior to the event; and one *ROS1*+ NSCLC patient who had a past medical history of pericardial tamponade prior to study entry and was previously treated with multiple rounds of chemotherapy/immunotherapy and crizotinib, who was initially treated at 160 mg QD and dose escalated to 160 mg BID, who developed worsening pneumonia and died 10 days after discontinuing repotrectinib. The fifth Grade 5 TEAE involved a patient with *ALK*+ NSCLC and a past medical history of diabetes, obesity and hypertension who was dosed at 240 mg QD (once daily) of repotrectinib and experienced a Grade 5 event of sudden death on day 10 of cycle 1, which we determined to be possibly related to study treatment.

Results of our clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. Undesirable side effects caused by our drug candidates could result in the delay, suspension or termination of clinical trials by us or the FDA for a number of reasons. Additionally, due to the high mortality rates of the cancers for which we are initially pursuing development and the pretreated nature of many patients in our clinical trials of repotrectinib, TPX-0046 and TPX-0022, a material percentage of patients in these clinical trials may die during a trial, which could impact development of our drug candidates. If we elect or are required to delay, suspend or terminate any clinical trial, the commercial prospects of our drug candidates will be harmed and our ability to generate product revenues from this drug candidate will be delayed or eliminated. Serious adverse events observed in clinical trials could hinder or prevent market acceptance of our drug candidates. Any of these occurrences may harm our business, prospects, financial condition and results of operations significantly.

Moreover, if our drug candidates are associated with undesirable side effects in clinical trials or have characteristics that are unexpected, we may elect to abandon or limit their 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, which may limit the commercial expectations for our drug candidates, if approved. For example, we are required to conduct an embryo-fetal toxicology study of repotrectinib, and any adverse findings from this study may delay, prevent or adversely impact any marketing approval we may be able to obtain for repotrectinib in humans. We may also be required to modify our study plans based on findings in our clinical trials. Many drugs that initially showed promise in early stage testing have later been found to cause side effects that prevented further development. In addition, regulatory authorities may draw different conclusions or require additional testing to confirm these determinations.

It is possible that as we test our drug candidates in larger, longer and more extensive clinical trials, including with different dosing regimens, or as the use of our drug candidates becomes more widespread following any regulatory approval, illnesses, injuries, discomforts and other adverse events that were observed in earlier trials, as well as conditions that did not occur or went undetected in previous trials, will be reported by patients. If such side effects become known later in development or upon approval, if any, such findings may harm our business, financial condition, results of operations and prospects significantly.

In addition, if any of our drug candidates receive marketing approval, and we or others later identify undesirable side effects caused by treatment with such drug, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw approval of the drug;
- we may be required to recall a product or change the way the drug is administered to patients;
- regulatory authorities may require additional warnings on the label, such as a “black box” warning or a contraindication, or issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- we may be required to implement a Risk Evaluation and Mitigation Strategy (REMS) or create a medication guide outlining the risks of such side effects for distribution to patients;
- additional restrictions may be imposed on the marketing or promotion of the particular product or the manufacturing processes for the product or any component thereof;
- we could be sued and held liable for harm caused to patients;
- the drug could become less competitive; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of our drug candidates, if approved, and could significantly harm our business, financial condition, results of operations and prospects.

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, interim or topline data from our clinical trials, such as the preliminary data analyses for the Phase 1 portion of our TRIDENT-1 trial announced in June and September 2018, and interim updates from the data cut-off dates of March 2019 and July 2019. These interim updates are 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 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. In addition, we may report interim analyses of only certain endpoints rather than all endpoints. 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. Adverse changes between interim data and final data could significantly harm our business and prospects. Further, additional disclosure of interim data by us or by our competitors in the future 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 drug candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is typically selected from a more extensive amount of available information. You or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular drug, drug candidate or our business. If the preliminary or topline data that we report differ from late, final or actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, repotrectinib or any other drug candidates may be harmed, which could harm our business, financial condition, results of operations and prospects.

If we are unable to successfully develop companion diagnostic tests for our drug candidates that require such tests, or experience significant delays in doing so, we may not realize the full commercial potential of these drug candidates.

We plan to develop, either by ourselves or with collaborators, companion diagnostic tests for our drug candidates for certain indications. To be successful, we or our collaborators will need to address a number of scientific, technical, regulatory and logistical challenges. We have no prior experience with medical device or diagnostic test development. If we choose to develop and seek FDA approval for companion diagnostic tests on our own, we will require additional personnel. We may rely on third parties for the design, development and manufacture of companion diagnostic tests for our therapeutic drug candidates that require such tests. If these parties are unable to successfully develop companion diagnostics for these therapeutic drug candidates, or experience delays in doing so, we may be unable to enroll enough patients for our current and planned clinical trials, the development of these therapeutic drug candidates may be adversely affected, these therapeutic drug candidates may not obtain marketing approval, and we may not realize the full commercial potential of any of these therapeutics that obtain marketing approval. We have developed a prototype companion diagnostic that is being used as a clinical trial assay to confirm the presence of *ROS1+* or *NTRK+* gene fusions in patients enrolled in the Phase 2 portion of TRIDENT-1. We are also enrolling patients into the Phase 2 portion of TRIDENT-1 based on the results of select laboratory developed tests (LDTs) and other tests used by the clinical sites. There is no guarantee that the results obtained from such LDTs or other tests will be consistent with the results obtained from our prototype companion diagnostic. Any inconsistency may result in inclusion of patients with false positive test results that could adversely impact the results of the clinical trial and adversely impact the development and approval of a companion diagnostic. We have selected a diagnostic partner to support development of the companion diagnostic and filing of a PMA application to the FDA. In May 2019, the FDA approved an investigational device exemption (IDE) for use of this clinical trial assay in the Phase 2 portion of TRIDENT-1. An approved companion diagnostic may be required in order to obtain marketing approval of repotrectinib in patients with *ROS1+* advanced NSCLC and patients with *NTRK+* advanced solid tumors. Any failure to successfully develop this companion diagnostic may prevent us from ultimately seeking approval for repotrectinib in patients with *ROS1+* advanced NSCLC and patients with *NTRK+* advanced solid tumors. As a result, our business, results of operations and financial condition could be materially harmed.

The failure to obtain required regulatory clearances or approvals for any companion diagnostic tests that we may pursue may prevent or delay approval of any of our drug candidates. Moreover, the commercial success of any of our drug candidates that require a companion diagnostic will be tied to the receipt of any required regulatory clearances or approvals and the continued availability of such tests.

In connection with the clinical development of our drug candidates for certain indications, we may work with collaborators to develop or obtain access to companion diagnostic tests to identify appropriate patients for our drug candidates. We may rely on third parties for the development, testing and manufacturing of these companion diagnostics, the application for and receipt of any required regulatory clearances or approvals, and the commercial supply of these companion diagnostics. The FDA and foreign regulatory authorities regulate companion diagnostics as medical devices that will likely be subject to clinical trials in conjunction with the clinical trials for drug candidates, and which will require separate regulatory clearance or approval prior to commercialization. This process could include additional meetings with health authorities, such as a pre-submission meeting and the requirement to submit an IDE. In the case of a companion diagnostic that is designated as "significant risk device," such as the clinical trial assay we are using in the Phase 2 portion of TRIDENT-1, approval of an IDE by the FDA and IRB is required before such diagnostic is used in conjunction with the clinical trials for a corresponding drug candidate. In May 2019 the FDA approved an IDE for the clinical trial assay we are using in the Phase 2 portion of TRIDENT-1. We or our third-party collaborators may fail to obtain the required regulatory clearances or approvals, which could prevent or delay approval of our drug candidates. In addition, the commercial success of any of our drug candidates that require a companion diagnostic will be tied to and dependent upon the receipt of required regulatory clearances or approvals and the continued ability of such third parties to make the companion diagnostic commercially available to us on reasonable terms in the relevant geographies.

We may expend our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug 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 focus on research programs and drug candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other drug 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 research and development programs and drug candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate.

We may not be successful in our efforts to design additional potential drug candidates.

A key element of our strategy is to apply our knowledge and our understanding of the structure, biology and activity of kinase inhibitors to design drug candidates. The therapeutic design and development activities that we are conducting may not be successful in developing drug candidates that are useful in treating cancer or other diseases. Our research programs may initially show promise in identifying potential drug candidates, yet fail to yield drug candidates for clinical development for a number of reasons, including:

- the research methodology used may not be successful in identifying potential drug candidates;
- potential drug candidates may, on further study, be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be drugs that will obtain marketing approval or achieve market acceptance; or
- potential drug candidates may not be effective in treating their targeted diseases.

Research programs to identify and design new drug candidates require substantial technical, financial and human resources. We may choose to focus our efforts and resources on a potential drug candidate that ultimately proves to be unsuccessful. If we are unable to identify and design suitable drug candidates for preclinical and clinical development, we will not be able to obtain revenues from the sale of products in future periods, which likely would result in significant harm to our financial position and adversely impact our stock price.

We may not be able to obtain or maintain orphan drug designation or exclusivity for our drug candidates.

Regulatory authorities in some jurisdictions, including the United States, may designate drugs for relatively small patient populations as "orphan drugs." Under the Orphan Drug Act, the FDA may designate a drug candidate as an orphan drug if it is intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals in the United States, or if the disease or condition affects more than 200,000 individuals in the United States and there is no reasonable expectation that the cost of developing and making a drug product available in the United States for the type of disease or condition will be recovered from sales of the product.

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. Additionally, if a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan drug exclusivity. This means that the FDA may not approve any other applications to market the same drug or biological product for the same indication for seven years, except in certain circumstances, including proving clinical superiority (*i.e.*, another product is safer, more effective or makes a major contribution to patient care) to the product with orphan exclusivity. Competitors, however, may receive approval of different products for the indication for which the orphan product has exclusivity, or obtain approval for the same product but for a different indication than that for which the orphan product has exclusivity. In addition, exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan-designated indication or may be lost if the FDA later determines that the request for designation was materially defective.

We have obtained orphan drug designation in the United States for use of repotrectinib in treatment of NSCLC with adenocarcinoma histology. We may apply for similar designations in other geographies or for our other drug candidates in the future. Orphan drug status does not ensure that we will receive marketing exclusivity in a particular market, and we cannot assure you that any future application for orphan drug designation in any other geography or with respect to any other drug candidate will be granted. 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.

Risks Related to Our Dependence on Third Parties

We rely, and intend to continue to rely, on third parties to conduct our clinical trials and perform some of our research and preclinical studies. If these third parties do not satisfactorily carry out their contractual duties, fail to comply with applicable regulatory requirements or do not meet expected deadlines, our development programs may be delayed or subject to increased costs or we may be unable to obtain regulatory approval, each of which may have an adverse effect on our business, financial condition, results of operations and prospects.

We do not have the ability to independently conduct all aspects of our preclinical testing or clinical trials ourselves. As a result, we are dependent on third parties to conduct our ongoing and planned clinical trials and other studies of repotrectinib and our other drug candidates. The timing of the initiation and completion of these studies and trials will therefore be partially controlled by such third parties and may result in delays to our development programs. Specifically, our CROs, clinical investigators and consultants play a significant role in the conduct of these trials and the subsequent collection and analysis of data. However, we will not be able to control all aspects of their activities. Nevertheless, we are responsible for ensuring that each clinical trial is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and our reliance on the CROs and other third parties does not relieve us of our regulatory responsibilities. We and our CROs are required to comply with GCP requirements, which are regulations and guidelines enforced by the FDA for drug candidates in clinical development. Regulatory authorities enforce these GCP requirements through periodic inspections of trial sponsors, clinical trial investigators and clinical trial sites. If we or any of our CROs or clinical trial sites fail to comply with applicable GCP requirements, the data generated in our clinical trials may be deemed unreliable, and the FDA may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, the FDA will determine that our clinical trials comply with GCPs. In addition, our clinical trials must be conducted with product produced under cGMP regulations. Our failure or the failure of third parties on whom we rely to comply with these regulations may require us to stop and/or repeat clinical trials, which would delay the marketing approval process.

There is no guarantee that any such CROs, clinical trial investigators or other third parties on which we rely will devote adequate time and resources to our development activities or perform as contractually required. If any of these third parties fail to meet expected deadlines, adhere to our clinical protocols or meet regulatory requirements, otherwise perform in a substandard manner, or terminate their engagements with us, the timelines for our development programs may be extended or delayed or our development activities may be suspended or terminated. If our clinical trial site terminates for any reason, we may experience the loss of follow-up information on subjects enrolled in such clinical trial unless we are able to transfer those subjects to another qualified clinical trial site, which may be difficult or impossible. In addition, certain of our scientific advisors or consultants who receive compensation from us are clinical trial investigators for our clinical trial. Although we believe our existing relationships are within the FDA's guidelines, if these relationships and any related compensation result in perceived or actual conflicts of interest, or the FDA concludes that the financial relationship may have affected the interpretation of the trial, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of any marketing application we submit by the FDA. Any such delay or rejection could prevent us from commercializing repotrectinib or any other drug candidates.

Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors for whom they may also be conducting clinical trials or other pharmaceutical product development activities that could harm our competitive position. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals for repotrectinib or any other drug candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our products.

Manufacturing pharmaceutical products is complex and subject to product loss for a variety of reasons. We contract with third parties for the manufacture of our drug candidates for preclinical testing and clinical trials and expect to continue to do so for commercialization. This reliance on third parties increases the risk that we will not have sufficient quantities of our drug candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

We do not have any manufacturing facilities. We produce in our laboratory very small quantities of small molecules for evaluation in our research programs. We rely, and expect to continue to rely, on third parties for the manufacture of our drug candidates for preclinical and clinical testing, as well as for commercial manufacture if any of our drug candidates obtain marketing approval. This reliance on third parties increases the risk that we will not have sufficient quantities of our drug candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts. We rely heavily on manufacturers in China for starting materials for our drug candidates. Any delays or interruptions in the supply of starting materials for the manufacture of any of our drug candidates could delay, prevent or impair our development or commercialization efforts. In addition, the ongoing coronavirus outbreak emanating from China at the beginning of 2020 may result in disruptions to the operations or an extended shutdown of certain businesses, which could include certain of our manufacturers.

We may be unable to establish any agreements with third-party manufacturers or to do so on favorable terms. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- reliance on the third party for regulatory, compliance and quality assurance;
- operations of our third-party manufacturers or suppliers could be disrupted by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or supplier or the issuance of an FDA Form 483 notice or warning letter;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know how;
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us;
- carrier disruptions or increased costs that are beyond our control; and
- failure to deliver our drugs under specified storage conditions and in a timely manner.

We have only limited supply arrangements in place with respect to our drug candidates, and these arrangements do not extend to commercial supply. We acquire many key materials on a purchase order basis. As a result, we do not have long-term committed arrangements with respect to our drug candidates and other materials. If we obtain marketing approval for any of our drug candidates, we will need to establish an agreement for commercial manufacture with a third party.

Third-party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside of the United States. Our failure, or the failure of our third-party manufacturers and suppliers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of drug candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products. In addition, our third-party manufacturers and suppliers are subject to numerous environmental, health and safety laws and regulations, including those governing the handling, use, storage, treatment and disposal of waste products, and failure to comply with such laws and regulations could result in significant costs associated with civil or criminal fines and penalties for such third parties. Based on the severity of regulatory actions that may be brought against these third parties in the future, our clinical or commercial supply of drug and packaging and other services could be interrupted or limited, which could harm our business.

Our drug candidates and any products that we may develop may compete with other drug candidates and products for access to manufacturing facilities. As a result, we may not obtain access to these facilities on a priority basis or at all. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us.

As we prepare for later-stage clinical trials and potential commercialization, we will need to take steps to increase the scale of production of our drug candidates. We have not yet scaled up the manufacturing process for any of our drug candidates. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered in our drug candidates or in the manufacturing facilities in which our drug candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination.

Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval. We do not currently have arrangements in place for redundant supply or a second source for bulk drug substance. If our current contract manufacturers for preclinical and clinical testing cannot perform as agreed, we may be required to replace such manufacturers. Although we believe that there are several potential alternative manufacturers who could manufacture our drug candidates, we may incur added costs and delays in identifying and qualifying any such replacement manufacturer or be able to reach agreement with any alternative manufacturer.

Our current and anticipated future dependence upon others for the manufacture of our drug candidates or products may adversely affect our future profit margins and our ability to commercialize any products that obtain marketing approval on a timely and competitive basis.

We may enter into collaborations with third parties for the development and commercialization of our drug candidates. If those collaborations are not successful, we may not be able to capitalize on the market potential of these drug candidates.

We may in the future seek third-party collaborators for the development and commercialization of some of our drug candidates on a selected basis. Our likely collaborators for any collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. We face significant competition in seeking appropriate collaborators. Our ability to reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors.

If we do enter into any such arrangements with any third parties, we will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of our drug candidates. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities and efforts to successfully perform the functions assigned to them in these arrangements. Collaborations involving our drug candidates would pose numerous risks to us, including the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations and may not perform their obligations as expected;
- collaborators may de-emphasize or not pursue development and commercialization of our drug candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators' strategic focus, including as a result of a sale or disposition of a business unit or development function, or available funding or external factors such as an acquisition that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a drug candidate, repeat or conduct new clinical trials or require a new formulation of a drug candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or drug candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- a collaborator with marketing and distribution rights to multiple products may not commit sufficient resources to the marketing and distribution of our product relative to other products;
- collaborators may not properly obtain, maintain, defend or enforce our intellectual property rights or may use our proprietary information and intellectual property in such a way as to invite litigation or other intellectual property related proceedings that could jeopardize or invalidate our proprietary information and intellectual property or expose us to potential litigation or other intellectual property related proceedings;
- disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our products or drug candidates or that result in costly litigation or arbitration that diverts management attention and resources;

- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable drug candidates;
- collaboration agreements may not lead to development or commercialization of drug candidates in the most efficient manner or at all; and
- if a collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program could be delayed, diminished or terminated.

Risks Related to Regulatory Approval and Marketing of Our Drug Candidates and Other Legal Compliance Matters

The development and commercialization of pharmaceutical products are subject to extensive regulation, and we may not obtain regulatory approvals for repotrectinib or any other drug candidates, on a timely basis or at all.

The clinical development, manufacturing, labeling, packaging, storage, recordkeeping, advertising, promotion, export, import, marketing, distribution, adverse event reporting, including the submission of safety and other post-marketing information and reports, and other possible activities relating to our drug candidates are subject to extensive regulation. Marketing approval of drugs in the United States requires the submission of a new drug application (NDA) to the FDA and we are not permitted to market any drug candidate in the United States until we obtain approval from the FDA of the NDA for that product. An NDA must be supported by extensive clinical and preclinical data, as well as extensive information regarding pharmacology, chemistry, manufacturing and controls.

FDA approval of an NDA is not guaranteed, and the review and approval process is an expensive and uncertain process that may take several years. The FDA also has substantial discretion in the approval process. The number and types of preclinical studies and clinical trials that will be required for NDA approval varies depending on the drug candidate, the disease or the condition that the drug candidate is designed to treat and the regulations applicable to any particular drug candidate. For example, if successful, we believe that the Phase 2 portion of TRIDENT-1 may be sufficient to support FDA approval of an NDA for repotrectinib, but the FDA may disagree with the sufficiency of our data and require additional clinical trials. Additionally, depending upon the results of the Phase 2 portion of TRIDENT-1, we may choose to seek Subpart H Accelerated Approval for repotrectinib, which would require completion of a confirmatory trial or trials to validate the clinical benefit of the drug. Despite the time and expense associated with preclinical studies and clinical trials, failure can occur at any stage. The results of preclinical and early clinical trials of repotrectinib or any other drug candidate may not be predictive of the results of our later-stage clinical trials.

Clinical trial failure may result from a multitude of factors including flaws in trial design, dose selection, placebo effect, patient enrollment criteria and failure to demonstrate favorable safety or efficacy traits, and failure in clinical trials can occur at any stage. Companies in the pharmaceutical industry frequently suffer setbacks in the advancement of clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Based upon negative or inconclusive results, we may decide, or regulators may require us, to conduct additional clinical trials or preclinical studies. In addition, data obtained from clinical trials are susceptible to varying interpretations, and regulators may not interpret our data as favorably as we do, which may further delay, limit or prevent marketing approval.

The FDA could delay, limit or deny approval of a drug candidate for many reasons, including because they:

- may not deem our drug candidate to be adequately safe and effective as compared to available therapies;
- may not agree that the data collected from preclinical studies and clinical trials are acceptable or sufficient to support the submission of an NDA or other submission or to obtain regulatory approval, and may impose requirements for additional preclinical studies or clinical trials;
- may determine that adverse events experienced by participants in our clinical trials represent an unacceptable level of risk;
- may determine that population studied in the clinical trial may not be sufficiently broad or representative to assure safety in the full population for which we seek approval;
- may not accept clinical data from trials, which are conducted at clinical facilities or in countries where the standard of care is potentially different from that of the United States;
- may disagree regarding the formulation, labeling and/or the specifications;
- may not approve the manufacturing processes or facilities associated with our drug candidate;
- may change approval policies or adopt new regulations; or
- may not accept a submission due to, among other reasons, the content or formatting of the submission.

Generally, public concern regarding the safety of pharmaceutical products could delay or limit our ability to obtain regulatory approval, result in the inclusion of unfavorable information in our labeling, or require us to undertake other activities that may entail additional costs. We have not obtained FDA approval for any product. This lack of experience may impede our ability to obtain FDA approval in a timely manner, if at all, for repotrectinib.

If we experience delays in obtaining approval or if we fail to obtain approval of repotrectinib or our other drug candidates, our commercial prospects will be harmed and our ability to generate revenues will be materially impaired which would adversely affect our business, prospects, financial condition and results of operations.

A fast track designation by the FDA may not actually lead to a faster development or regulatory review or approval process for our drug candidates.

The FDA has granted fast track designation to repotrectinib for the treatment of *ROS1+* advanced NSCLC patients who have been previously treated with one prior line of platinum-based chemotherapy and one prior line of a ROS1 TKI. We may also seek fast track designation for other indications or for some of our other drug candidates. If a drug is intended for the treatment of a serious or life-threatening condition and the drug demonstrates the potential to address unmet medical needs for this condition, the drug 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 drug candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even though we have received fast track designation for repotrectinib for the treatment of *ROS1+* advanced NSCLC patients who have been previously treated with one prior line of platinum-based chemotherapy and one prior line of a ROS1 TKI, or even if we receive fast track designation for other indications or for our other drug candidates, we may not experience a faster development process, review or approval. The FDA may withdraw fast track designation if it believes that the designation is no longer supported by data from our clinical development program.

Our failure to obtain marketing approval in foreign jurisdictions would prevent our drug candidates from being marketed abroad, and any approval we are granted for our drug candidates in the United States would not assure approval of drug candidates in foreign jurisdictions.

In order to market and sell our products in any jurisdiction outside the United States, we must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. We may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We may not be able to submit for marketing approvals and may not receive necessary approvals to commercialize our products in any market.

Even if we obtain marketing approval for our drug candidates, the terms of approvals and ongoing regulation of our products may limit how we manufacture and market our products and compliance with such requirements may involve substantial resources, which could materially impair our ability to generate revenue.

Even if marketing approval of a drug candidate is granted, an approved product and its manufacturer and marketer are subject to ongoing review and extensive regulation, which may include the requirement to implement a REMS or to conduct costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product. We must also comply with requirements concerning advertising and promotion for any of our drug candidates for which we obtain marketing approval. Promotional communications with respect to prescription drugs are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved labeling. Thus, we will not be able to promote any products we develop for indications or uses for which they are not approved. In addition, manufacturers of approved products and those manufacturers' facilities are required to ensure that quality control and manufacturing procedures conform to cGMPs, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation and reporting requirements. We and our contract manufacturers could be subject to periodic unannounced inspections by the FDA to monitor and ensure compliance with cGMPs.

Accordingly, assuming we obtain marketing approval for one or more of our drug candidates, we and our contract manufacturers will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance and quality control. If we are not able to comply with post-approval regulatory requirements, we could have the marketing approvals for our products withdrawn by regulatory authorities and our ability to market any future products could be limited, which could adversely affect our ability to achieve or sustain profitability. As a result, the cost of compliance with post-approval regulations may have a negative effect on our operating results and financial condition.

Any drug candidate for which we obtain marketing approval will be subject to ongoing enforcement of post-marketing requirements and we could be subject to substantial penalties, including withdrawal of our product from the market, if we fail to comply with all regulatory requirements or if we experience unanticipated problems with our products, when and if any of them are approved.

Any drug candidate for which we obtain marketing approval, along with the manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such product, will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include, but are not limited to, restrictions governing promotion of an approved product, submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, and requirements regarding drug distribution and the distribution of samples to physicians and recordkeeping.

The FDA and other federal and state agencies, including the Department of Justice, closely regulate compliance with all requirements governing prescription drug products, including requirements pertaining to marketing and promotion of drugs in accordance with the provisions of the approved labeling and manufacturing of products in accordance with cGMP requirements. For example, the FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability. Violations of such requirements may lead to investigations alleging violations of the Food, Drug, and Cosmetic Act (FDCA) and other statutes, including the False Claims Act and other federal and state healthcare fraud and abuse laws as well as state consumer protection laws. Our failure to comply with all regulatory requirements, and later discovery of previously unknown adverse events or other problems with our products, manufacturers or manufacturing processes, may yield various results, including:

- litigation involving patients taking our products;
- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- damage to relationships with any potential collaborators;
- unfavorable press coverage and damage to our reputation;
- refusal to permit the import or export of our products;
- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

Non-compliance by us or any future collaborator with regulatory requirements, including safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population can also result in significant financial penalties.

Our relationships with customers and third-party payors may be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any drug candidates for which we obtain marketing approval. Our current and future arrangements with healthcare providers, third-party payors and customers 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 market, sell and distribute any products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal Anti-Kickback Statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, 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 under a federal healthcare program such as Medicare and Medicaid;
- the federal civil and criminal false claims laws, including the False Claims Act, which can be enforced by civil whistleblower or qui tam actions on behalf of the government, and the civil monetary penalties law, prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented false or fraudulent claims for payment by a federal government program, or making a false statement or record material to payment of a false claim or avoiding, decreasing or concealing an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH), and their implementing regulations, impose criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also impose obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;
- the federal transparency requirements under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively the ACA), requires manufacturers of drugs, devices, biologics and medical supplies to report to the Centers for Medicare & Medicaid Services (CMS) information related to payments and other transfers of value provided to physicians, as defined by such law, and teaching hospitals and ownership and investment interests held by physicians and their immediate family members; and
- analogous state laws and regulations such as state anti-kickback and false claims laws and analogous non-U.S. fraud and abuse laws and regulations, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers. Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance regulations promulgated by the federal government and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers, marketing expenditures, or drug pricing. State and local laws require the registration of pharmaceutical sales representatives. State and non-U.S. laws that also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional integrity reporting and oversight obligations, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to significant criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

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

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

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based on average sales prices for physician-administered drugs. In addition, this legislation provided authority for limiting the number of drugs that will be covered in any therapeutic class. Cost reduction initiatives and other provisions of this legislation could decrease the coverage and price that we receive for any approved products. While the MMA applies only to drug benefits for Medicare beneficiaries, private third-party payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the MMA may result in a similar reduction in payments from private third-party payors.

In March 2010, the former U.S. President signed into law the ACA, a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

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

- annual fees and taxes on manufacturers of certain branded prescription drugs;
- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic products;
- a new Medicare Part D coverage gap discount program, in which manufacturers must now agree to offer 70% 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;
- 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;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations;
- expansion of healthcare fraud and abuse laws, including the False Claims Act and the federal Anti-Kickback Statute, new government investigative powers, and enhanced penalties for noncompliance;
- extension of manufacturers' Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- requirements to report financial arrangements with physicians, as defined by such law, and teaching hospitals;
- a requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

There remain judicial and Congressional challenges as well as efforts by the current U.S. President's administration to repeal or replace certain aspects of the ACA. Since January 2017, the current U.S. President has signed two Executive Orders and other directives designed to delay the implementation of certain provisions of the ACA or otherwise circumvent some of the requirements for health insurance mandated by the ACA. Concurrently, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, it has enacted laws that modify certain provisions of the ACA such as removing penalties, starting January 1, 2019, for not complying with the ACA's individual mandate to carry health insurance, eliminating the implementation of certain ACA-mandated fees, and increasing the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D. On December 14, 2018, a U.S. District Court Judge in the Northern District of Texas (Texas District Court Judge) ruled that the individual mandate is a critical and inseverable feature of the ACA, and therefore, because it was repealed as part of legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act, the remaining provisions of the ACA are invalid as well. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit upheld the District Court ruling that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. It is unclear how this decision, future decisions, subsequent appeals, and other efforts to repeal and replace the ACA will impact the ACA and our business.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011 was signed into law, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals for spending reductions. The Joint Select Committee did not achieve a targeted deficit reduction, triggering the legislation's automatic reduction to several government programs. These changes include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, starting in 2013, and due to subsequent legislative amendments to the statute, will remain in effect through 2029 unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These laws may result in additional reductions in Medicare and other healthcare funding.

Further, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. At the federal level, the current U.S. President's administration issued budget proposals for fiscal year 2021 includes a $135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. In addition, the current U.S. President's administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. The Department of Health and Human Services has solicited feedback on some of these measures and has implemented others under its existing authority. Although some of these measures may require additional authorization to become effective, Congress and the current U.S. President's administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. In addition, at the state level, individual states have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

We expect that the ACA, as well as other healthcare reform measures that 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. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our products.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our drug candidates, if any, may be. In addition, increased scrutiny by the U.S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

Governments outside of the United States tend to impose strict price controls, which may adversely affect our revenues, if any.

In some countries, particularly the countries of the European Union (EU), the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our drug candidate to other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be harmed. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various EU member states, and parallel trade, i.e., arbitrage between low-priced and high-priced member states, can further reduce prices. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any products, if approved in those countries. In addition, the recent withdrawal of the United Kingdom from its membership in the EU, often referred to as "Brexit", could lead to legal and regulatory uncertainty in the United Kingdom and may lead to the United Kingdom and EU adopting divergent laws and regulations, including those related to the pricing of prescription pharmaceuticals, as the United Kingdom determines which EU laws to replicate or replace. If the United Kingdom were to significantly alter its regulations affecting the pricing of prescription pharmaceuticals, we could face significant new costs. As a result, Brexit could impair our ability to transact business in the EU and the United Kingdom.

Laws and regulations governing any international operations we may have in the future may preclude us from developing, manufacturing and selling certain drug candidates and products outside of the United States and require us to develop and implement costly compliance programs.

If we expand our operations outside of the United States, we must dedicate additional resources to comply with numerous laws and regulations in each jurisdiction in which we plan to operate. The Foreign Corrupt Practices Act (FCPA) prohibits any U.S. individual or business from paying, offering, authorizing payment or offering anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of such third party in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with certain accounting provisions requiring the company to maintain books and records that accurately and fairly reflect all transactions of the company, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations.

Compliance with the FCPA is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. If we expand our presence outside of the United States, it will require us to dedicate additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing or selling certain drug candidates and products outside of the United States, which could limit our growth potential and increase our development costs.

The failure to comply with laws governing international business practices may result in substantial civil and criminal penalties and suspension or debarment from government contracting. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business.

We are subject to numerous foreign, federal, state and local environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources, including any available insurance.

In addition, our leasing and operation of real property may subject us to liability pursuant to certain of these laws or regulations. Under existing U.S. environmental laws and regulations, current or previous owners or operators of real property and entities that disposed or arranged for the disposal of hazardous substances may be held strictly, jointly and severally liable for the cost of investigating or remediating contamination caused by hazardous substance releases, even if they did not know of and were not responsible for the releases.

We could incur significant costs and liabilities which may adversely affect our financial condition and operating results for failure to comply with such laws and regulations, including, among other things, civil or criminal fines and penalties, property damage and personal injury claims, costs associated with upgrades to our facilities or changes to our operating procedures, or injunctions limiting or altering our operations.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations, which are becoming increasingly more stringent, may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

We are subject to certain U.S. and certain foreign anti-corruption, anti-money laundering, export control, sanctions and other trade laws and regulations. We can face serious consequences for violations.

U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions and other trade laws and regulations prohibit, among other things, companies and their employees, agents, CROs, legal counsel, accountants, consultants, contractors and other partners from authorizing, promising, offering, providing, soliciting, or receiving directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of these laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. We also expect our non-U.S. activities to increase over time. We expect to rely on third parties for research, preclinical studies and clinical trials and/or to obtain necessary permits, licenses, patent registrations and other marketing approvals. We can be held liable for the corrupt or other illegal activities of our personnel, agents, or partners, even if we do not explicitly authorize or have prior knowledge of such activities.

Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain sufficient patent protection for our drug candidates, or if the scope of the patent protection is not sufficiently broad, third parties, including our competitors, could develop and commercialize products similar or identical to ours, and our ability to commercialize our drug candidates successfully may be adversely affected. *

Our success depends in large part on our ability to protect our proprietary technologies that we believe are important to our business, including pursuing, obtaining and maintaining patent protection in the United States and other countries intended to cover the composition of matter of our drug candidates, for example, repotrectinib, the methods of use, related technologies and other inventions that are important to our business. In addition to patent protection, we also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. If we do not adequately pursue, obtain, maintain, protect or enforce our intellectual property, third parties, including our competitors, may be able to erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability.

To protect our proprietary position, we file patent applications in the United States and abroad related to our drug candidates that we consider important to our business. The patent application and approval process is expensive, time-consuming and complex. We may not be able to file, prosecute and maintain all necessary or desirable patent applications at a reasonable cost or in a timely manner or in all jurisdictions. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, depending on the terms of any future license agreements to which we may become a party, we may not have the right to control the preparation, filing, and prosecution of patent applications, or to maintain the patents, covering technology licensed from third parties. Therefore, these patents and patent applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

Furthermore, the patent position of biotechnology and pharmaceutical companies generally is highly uncertain. No consistent policy regarding the breadth of claims allowed in biotechnology and pharmaceutical patents has emerged to date in the United States or in many foreign jurisdictions. The standards applied by the United States Patent and Trademark Office (USPTO) and foreign patent offices in granting patents are not always applied uniformly or predictably. In addition, the determination of patent rights with respect to biological and pharmaceutical products commonly involves complex legal and factual questions, which have in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Thus, we cannot offer any assurances about which, if any, patents will issue, the breadth of any such patents, whether any issued patents will be found invalid and unenforceable or will be threatened by third parties or whether any issued patents will effectively prevent others from commercializing competing technologies and drug candidates. While we have filed patent applications covering aspects of our drug candidates, we currently only have issued patents in the United States, Australia, China, Columbia, Eurasia, Europe, Japan, and Mexico covering the composition of matter of repotrectinib, TPX-0022, certain structurally related compounds, and methods of using the compounds in the treatment of cancer.

Our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until at least one patent issues from such applications. Assuming the other requirements for patentability are met, currently, the first to file a patent application is generally entitled to the patent. However, prior to March 16, 2013, in the United States, the first to invent was entitled to the patent. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Since patent applications in the United States and most other countries are confidential for a period of time after filing, and some remain so until issued, we cannot be certain that we were the first to file or invent (prior to March 16, 2013) any patent application related to our drug candidates. In addition, we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, collaborators, CROs, contract manufacturers, hospitals, independent treatment centers, consultants, independent contractors, suppliers, advisors and other third parties; however, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. Furthermore, if third parties have filed patent applications related to our drug candidates or technology, we may not be able to obtain our own patent rights to those drug candidates or technology.

Moreover, because the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, our patents or pending patent applications may be challenged in the courts or patent offices in the United States and abroad. For example, we may be subject to a third-party pre-issuance submission of prior art to the USPTO or become involved in post-grant review procedures, oppositions, derivations, revocation, reexaminations, *inter partes* review or interference proceedings, in the United States or elsewhere, challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party rights. Moreover, we may have to participate in interference proceedings declared by the USPTO to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge priority of invention or other features of patentability. Such challenges may result in loss of exclusivity or in our patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products or limit the duration of the patent protection of our technology and products. Such challenges also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In addition, given the amount of time required for the development, testing and regulatory review of new drug candidates, our patents protecting such drug candidates might expire before or shortly after such drug candidates are commercialized. As a result, our intellectual property may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Moreover, some of our patents and patent applications may in the future be co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Our pending and future patent applications may not result in patents being issued that protect our drug candidates, in whole or in part, or which effectively prevent others from commercializing competitive products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. In addition, the laws of foreign countries may not protect our rights to the same extent or in the same manner as the laws of the United States. For example, European patent law restricts the patentability of methods of treatment of the human body more than United States law does.

Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us or otherwise provide us with any competitive advantage. Moreover, the coverage claimed in a patent application can be significantly reduced before the patent is issued and its scope can be reinterpreted after issuance. Consequently, we do not know whether any of our drug candidates will be protectable or remain protected by valid and enforceable patents. Our competitors and other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. Our competitors and other third parties may also seek approval to market their own products similar to or otherwise competitive with our products. Alternatively, our competitors or other third parties may seek to market generic versions of any approved products by submitting abbreviated NDAs to the FDA during which process they may claim that patents owned by us are invalid, unenforceable or not infringed. In these circumstances, we may need to defend or assert our patents, or both, including by filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or other agency with jurisdiction may find our patents invalid or unenforceable, or that our competitors are competing in a non-infringing manner. Thus, even if we have valid and enforceable patents, these patents still may not provide protection against competing products or processes sufficient to achieve our business objectives. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Furthermore, future patents may be subject to a reservation of rights by one or more third parties. For example, to the extent the research resulting in future patent rights or technologies is funded in the future in part by the U.S. government, the government could have certain rights in any resulting patents and technology, including a non-exclusive license authorizing the government to use the invention or to have others use the invention on its behalf for non-commercial purposes. If the U.S. government then decides to exercise these rights, it is not required to engage us as its contractor in connection with doing so. These rights may also permit the government to disclose our confidential information to third parties and to exercise march-in rights to use or allow third parties to use our licensed technology. The government may also exercise its march-in rights if it

determines that action is necessary because we failed to achieve practical application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, our rights in such government-funded inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any exercise by the government of aforementioned proprietary rights could harm our competitive position, business, financial condition, results of operations, and prospects.

Changes to the patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our products.

As is the case with other pharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the pharmaceutical industry involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. Recent patent reform legislation in the United States and other countries, including the Leahy-Smith America Invents Act (the Leahy-Smith Act) signed into law in September 2011, could increase those uncertainties and costs. 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, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. For example, the Leahy-Smith Act allows third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review, and derivation proceedings. In addition, the Leahy-Smith Act has transformed the U.S. patent system from a “first-to-invent” system to a “first-to-file” system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. The first-to-file provisions, however, only became effective on March 16, 2013. Accordingly, it is not yet 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 make it more difficult to obtain patent protection for our inventions and increase the uncertainties and costs surrounding the prosecution of our or our collaboration partners’ patent applications and the enforcement or defense of our or our collaboration partners’ issued patents, all of which could harm our business, results of operations, financial condition and prospects.

In addition, the patent positions of companies in the development and commercialization of biologics and pharmaceuticals are particularly 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. This combination of events has created uncertainty with respect to the validity and enforceability of patents, once obtained. Additionally, there have been recent proposals for additional changes to the patent laws of the United States and other countries that, if adopted, could impact our ability to enforce our proprietary technology. Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on our existing patent portfolio and weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

We may become involved in lawsuits or administrative disputes to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful.

Competitors and other third parties may infringe, misappropriate or otherwise violate our patents, trademarks, copyrights, trade secrets or other intellectual property. To counter infringement, misappropriation or other violations, we may be required to file infringement, misappropriation or other violation claims, which can be expensive and time consuming and divert the time and attention of our management and business and scientific personnel. In addition, many of our adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we can.

Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe, misappropriate or otherwise violate their patents or their other intellectual property, in addition to counterclaims asserting that our patents are invalid or unenforceable, or both. In patent litigation in the United States, counterclaims challenging the validity, enforceability or scope of asserted patents are commonplace. Similarly, third parties may initiate legal proceedings against us seeking a declaration that certain of our intellectual property is non-infringed, invalid or unenforceable. The outcome of any such proceeding is generally unpredictable.

In any patent infringement proceeding, there is a risk that a court will decide that a patent of ours is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patent claims do not cover the invention. An adverse outcome in a litigation or proceeding involving our patents could limit our ability to assert our patents against those parties or other competitors, and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. If a defendant were to prevail on a legal assertion of invalidity or unenforceability of our patents covering one of our drug candidates, we could lose at least a part, and perhaps all, of the patent protection covering such a drug candidate. Competing drugs may also be sold in other countries in which our patent coverage might not exist or be as strong. If we lose a foreign patent lawsuit, alleging our infringement of a competitor's patents, we could be prevented from marketing our drugs in one or more foreign countries. Any of these occurrences could adversely affect our competitive business position, business prospects and financial condition. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of shares of our common stock. Moreover, there can be no assurance that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings.

Furthermore, third parties may also raise invalidity or unenforceability claims before administrative bodies in the United States or foreign authorities, even outside the context of litigation. Such mechanisms include re-examination, *inter partes* review, post-grant review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in revocation, cancellation or amendment to our patents in such a way that they no longer cover and protect our drug candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non-enablement or written description. Grounds for an unenforceability assertion could be an allegation that someone connected with the prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution of the patent. With respect to the validity of our patents, for example, we cannot be certain that there is no invalidating prior art of which we, our licensors, our patent counsel and the patent examiner were unaware during prosecution. Moreover, it is possible that prior art may exist that we are aware of but do not believe is relevant to our current or future patents, but that could nevertheless be determined to render our patents invalid. If a third party were to prevail on a legal assertion of invalidity or unenforceability, we could lose at least part, and perhaps all, of the patent protection on one or more of our drug candidates. Any such loss of patent protection could have a material adverse impact on our business, financial condition, results of operations and prospects.

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

Filing, prosecuting and defending patents with respect to our drug candidates in all countries throughout the world would be prohibitively expensive, and the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. The requirements for patentability may differ in certain countries, particularly in developing countries. In addition, any future intellectual property license agreements may not always include worldwide rights. Consequently, competitors and other third parties may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we may obtain patent protection, but where patent enforcement is not as strong as that in the United States and where our ability to enforce our patents to stop infringing activities may be inadequate. These products may compete with our products in such territories and in jurisdictions where we do not have any patent rights or where any future patent claims or other intellectual property or proprietary rights may not be effective or sufficient to prevent them from competing with us, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Moreover, our ability to protect and enforce our intellectual property and proprietary rights may be adversely affected by unforeseen changes in foreign intellectual property laws. Additionally, the laws of some countries outside of the United States and Europe do not afford intellectual property protection to the same extent as the laws of the United States and Europe. Many companies have encountered significant problems in protecting and defending intellectual property and proprietary rights in certain foreign jurisdictions. The legal systems of some countries, including, for example, India, China and other developing countries, do not favor the enforcement of patents and other intellectual property or proprietary rights, particularly those relating to biotechnology products, which could make it difficult for us to stop the infringement, misappropriation or other violation of our patents or other intellectual property or proprietary rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. Consequently, we may not be able to prevent third parties from practicing our inventions in certain countries outside the United States and Europe. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations, and prospects may be adversely affected. Proceedings to enforce our intellectual property and proprietary rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and resources from other aspects of our business, could put our patents, trademarks or other intellectual property and proprietary rights at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Furthermore, while we intend to protect our intellectual property and proprietary rights in major markets for our products, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our products. Accordingly, our efforts to protect our intellectual property and proprietary rights in such countries may be inadequate.

If we are sued for infringing, misappropriating or otherwise violating intellectual property or proprietary rights of third parties, such litigation or disputes could be costly and time consuming and could prevent or delay us from developing or commercializing our drug candidates.

Our commercial success depends, in part, on our ability to develop, manufacture, market and sell our drug candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and other proprietary rights of third parties. If any third-party patents, patent applications or other proprietary rights are found to cover our drug candidates or any related companion diagnostics or their compositions, methods of use or manufacturing, we may be required to pay damages, which could be substantial, and we would not be free to manufacture or market our drug candidates or to do so without obtaining a license, which may not be available on commercially reasonable terms, or at all.

We may in the future become party to, or threatened with, adversarial proceedings or litigation regarding intellectual property or proprietary rights with respect to our drug candidates and technologies we use in our business. Our competitors or other third parties may assert infringement claims against us, alleging that our drug candidates are covered by their patents. We cannot be certain that we do not infringe existing patents or that we will not infringe patents that may be granted in the future. Furthermore, because patent applications can take many years to issue and may be confidential for 18 months or more after filing, and because patent claims can be revised before issuance, there may be applications now pending which may later result in issued patents that may be infringed by the manufacture, use or sale of our drug candidates. If a patent holder believes our drug candidate infringes its patent rights, the patent holder may sue us even if we have received patent protection for our technology. Moreover, we may face patent infringement claims from non-practicing entities that have no relevant drug revenue and against whom our own patent portfolio may thus have no deterrent effect.

There is a substantial amount of intellectual property litigation in the biotechnology and pharmaceutical industries, and we may become party to, or threatened with, litigation or other adversarial proceedings regarding intellectual property or proprietary rights with respect to our drug candidates, including interference proceedings before the USPTO. Third parties may assert infringement, misappropriation or other claims against us based on existing or future intellectual property or proprietary rights. The outcome of intellectual property litigation and other disputes is subject to uncertainties that cannot be adequately quantified in advance. The pharmaceutical and biotechnology industries have produced a significant number of patents, and it may not always be clear to industry participants, including us, which patents cover various types of products or methods of using or manufacturing products. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we were sued for patent infringement, we would need to demonstrate that our drug candidates, products or methods of use, manufacturing or other applicable activities either do not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be successful in doing so. However, proving invalidity or unenforceability is difficult. For example, in the United States, proving invalidity requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, or enforceability. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and business and scientific personnel could be diverted in pursuing these proceedings, which could significantly harm our business and operating results. In addition, we may not have sufficient resources to bring these actions to a successful conclusion.

If we are found to infringe, misappropriate or otherwise violate a third party's intellectual property or proprietary rights and we are unsuccessful in demonstrating that such intellectual property or proprietary rights are invalid or unenforceable, we could be forced, including by court order, to cease developing, manufacturing or commercializing the infringing drug candidate or product. Alternatively, we may be required to obtain a license from such third party in order to use the infringing technology and continue developing, manufacturing or marketing the infringing drug candidate. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain such a license, it could be granted on non-exclusive terms, thereby giving our competitors and other third parties access to the same technologies licensed to us. In addition, we could be found liable for significant monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed such third-party patent rights. A finding of infringement could prevent us from commercializing our drug candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business, financial condition, results of operations and prospects.

We may be subject to claims by third parties asserting that our employees or consultants or we have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property.

Some of our employees and consultants are currently or have been previously employed at universities or at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. These employees and consultants may have executed proprietary rights, non-disclosure and non-competition agreements, or similar agreements, in connection with such other current or previous employment. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of third parties. Litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property or personnel or sustain damages. Such intellectual property could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our technology or products. Such a license may not be available on commercially reasonable terms or at all. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management. Any of the foregoing would have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, while it is our policy to require our employees, consultants and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own, which may result in claims by or against us related to the ownership of such intellectual property. In addition, such agreements may not be self-executing such that the intellectual property subject to such agreements may not be assigned to us without additional assignments being executed, and we may fail to obtain such assignments. In addition, such agreements may be breached. Accordingly, we may be forced to bring claims against third parties, or defend claims that they may bring against us to determine the ownership of what we regard as our intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our senior management and scientific personnel, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

Rights to improvements to our drug candidates may be held by third parties.

In the course of testing our drug candidates, we have entered into agreements with third parties to conduct clinical testing, which provide that improvements to our drug candidates may be owned solely by a party or jointly between the parties. If we determine that rights to such improvements owned solely by a third party are necessary to commercialize our drug candidates or maintain our competitive advantage, we may need to obtain a license from such third party in order to use the improvements and continue developing, manufacturing or marketing the drug candidates. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain such a license, it could be granted on non-exclusive terms, thereby giving our competitors and other third parties access to the same technologies licensed to us. Failure to obtain a license on commercially reasonable terms or at all, or to obtain an exclusive license, could prevent us from commercializing our drug candidates or force us to cease some of our business operations, which could materially harm our business. If we determine that rights to improvements jointly owned between us and a third party are necessary to commercialize our drug candidates or maintain our competitive advantage, we may need to obtain an exclusive license from such third party. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such improvements, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our intellectual property in order to enforce such intellectual property against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

The term of our patents may be inadequate to protect our competitive position on our products.

Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. Depending upon the timing, duration and other factors relating to any FDA marketing approval we receive for any of our drug candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984 (Hatch-Waxman Amendments). We expect to seek extensions of patent terms in the United States and, if available, in other countries where we are prosecuting patents. In the United States, the Hatch-Waxman Amendments permit a patent term extension of up to five years beyond the normal expiration of the patent, limited to the approved indication (or any additional indications approved during the period of extension), as compensation for patent term lost during the regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent applicable to an approved drug is eligible for the extension and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended, and the application for the extension must be submitted prior to the expiration of the patent. However, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available for our patents, may refuse to grant extensions to our patents, or may grant more limited extensions than we request. We may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. If we are unable to obtain patent term extension or the term of any such extension is less than we request, our competitors and other third parties may be able to obtain approval of competing products following our patent expiration and take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case. Any of the foregoing would have a material adverse effect on our business, financial condition, results of operations and prospects.

Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental patent offices, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on any issued patent are due to be paid to the USPTO and patent offices in foreign countries in several stages over the lifetime of the patent. The USPTO and patent offices in foreign countries require compliance with a number of procedural, documentary, fee payment and other requirements during the patent application process. In the future, we may rely on licensing partners to pay these fees due to U.S. and non-U.S. patent agencies and to comply with these other requirements with respect to any future licensed patents and patent applications. While an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of a patent or patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, our competitors and other third parties might be able to enter the market with similar or identical products of technology, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

If we are unable to protect the confidentiality of our trade secrets, the value of our technology could be materially adversely affected and our business would be harmed.

While we have obtained composition of matter patents with respect to two of our drug candidates, we also rely on proprietary know-how and trade secret protection and confidentiality agreements to protect proprietary know-how or trade secrets that are not patentable or that we elect not to patent. We seek to protect our trade secrets and proprietary know-how in part by entering into non-disclosure and confidentiality agreements with parties who have access to such knowledge, such as our employees, consultants, independent contractors, advisors, contract manufacturers, CROs, hospitals, independent treatment centers, suppliers, collaborators and other third parties. We also enter into confidentiality and invention or patent assignment agreements with employees and certain consultants. However, we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary know-how. Additionally, our confidentiality agreements and other contractual protections may not be adequate to protect our intellectual property from unauthorized disclosure, third-party infringement or misappropriation. Any party with whom we have executed such an agreement may breach that agreement and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts in the United States and certain foreign jurisdictions are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent such third party, or those to whom they communicate such technology or information, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our business, financial condition, results of operations and prospects our business and competitive position could be materially harmed.

Intellectual property rights do not necessarily address all potential threats.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make products similar to any drug candidates we may develop or utilize similarly related technologies that are not covered by the claims of the patents that we may license or may own in the future;
- we, or any future license partners or current or future collaborators, might not have been the first to make the inventions covered by the issued patent or pending patent application that we license or may own in the future;
- we, or any future license partners or current or future collaborators, might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or otherwise violating any of our owned or licensed intellectual property rights;
- it is possible that our pending patent applications or those that we may own in the future will not lead to issued patents;
- issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors or other third parties;
- our competitors or other third parties might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may harm our business; and
- we may choose not to file a patent in order to maintain certain trade secrets or know how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to the Commercialization of Our Drug Candidates

The incidence and prevalence for target patient populations of our drug candidates have not been established with precision. If the market opportunities for our drug candidates are smaller than we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue potential and ability to achieve profitability will be adversely affected.

The total addressable market opportunity for repotrectinib and our other drug candidates will ultimately depend upon, among other things, the diagnosis criteria included in the final label for each such drug candidate if our drug candidates are approved for sale for these indications, acceptance by the medical community and patient access, drug and any related companion diagnostic pricing and their reimbursement. The number of patients in our targeted commercial markets and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our drugs, or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

Even if any of our drug candidates 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 of our drug candidates receives marketing approval, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. For example, current cancer treatments, such as existing targeted therapies, chemotherapy, and radiation therapy, are well established in the medical community, and doctors may continue to rely on these treatments. If our drug candidates 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 our drug candidates, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and potential advantages compared to alternative treatments;
- the prevalence and severity of any side effects, in particular compared to alternative treatments;
- limitations or warnings contained in the labeling approved for our drug candidates by the FDA;
- the size of the target patient population;

- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- our ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- the strength of marketing and distribution support;
- publicity for our drug candidates and competing products and treatments;
- the existence of distribution and/or use restrictions, such as through a REMS;
- the availability of third-party payor coverage and adequate reimbursement;
- the timing of any marketing approval in relation to other product approvals;
- support from patient advocacy groups; and
- any restrictions on the use of our products together with other medications.

We currently have no marketing and sales organization and have no experience as a company in commercializing products and we may have to invest significant resources to develop these capabilities. If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell our products, we may not be able to generate revenue.

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of pharmaceutical products. To achieve commercial success for any product for which we obtain marketing approval, we will need to establish sales, marketing and distribution capabilities, either ourselves or through collaboration or other arrangements with third parties.

There are risks involved with establishing our own sales and marketing capabilities. For example, recruiting and training a sales force is expensive and time-consuming and could delay any product launch. If the commercial launch of a drug candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. These efforts are expected to be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our products on our own include:

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- our inability to raise financing necessary to build our commercialization infrastructure;
- the inability of sales personnel to obtain access to physicians or educate an adequate number of physicians as to the benefits of our products;
- unfavorable third-party payor coverage and reimbursement in any geography;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

As a result of any potential partnerships in markets outside of the United States, or if we are unable to establish our own sales and marketing capabilities in the United States and instead enter into arrangements with third parties to perform these services, our product revenues and our profitability, if any, are likely to be lower than if we were to market and sell any products that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to market and sell our drug candidates or may be unable to do so on terms that are acceptable to us. We likely will have little control over such third parties, and any of these third parties may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing any of our drug candidates for which we receive marketing approval.

We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.

The development and commercialization of pharmaceutical products is highly competitive. We face competition with respect to our current drug candidates, and will face competition with respect to any drug candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we are developing our drug candidates. Some of these competitive products and therapies are based on scientific approaches that are similar to our approach, and others are based on entirely different approaches. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

There are a large number of pharmaceutical and biotechnology companies developing or marketing targeted treatments for cancer that would be competitive with the drug candidates we are developing, if our drug candidates are approved. Many of these companies are developing cancer therapeutics that are also kinase inhibitors.

If we are successful in developing repotrectinib, we expect that repotrectinib will compete against approved drugs, including: crizotinib, which is marketed by Pfizer Inc. under the name Xalkori for the treatment of *ROS1+* and *ALK+* NSCLC, entrectinib, which is marketed by F. Hoffman La Roche AG under the name Rozlytrek, for the treatment of *ROS1+* NSCLC and *TRK+* solid tumors; and larotrectinib, which is marketed by Bayer AG under the trade name Vitrakvi, for the treatment of *TRK+* solid tumors. We also expect that repotrectinib will compete against other compounds which are currently in late-stage clinical development, including TKIs in Phase 2, or later, clinical development for the treatment of *ROS1+* NSCLC at companies including against Pfizer Inc. (lorlatinib), Novartis Pharmaceuticals Corporation (ceritinib), Betta Pharmaceuticals Co., Ltd. (ensartinib), Exelixis, Inc. (cabozantinib) and AnHeart Therapeutics Company (taletrectinib) and TKIs in Phase 2, or later, clinical development for the treatment of *TRK+* solid tumors at companies including Bayer AG (LOXO-195), Exelixis, Inc. (cabozantinib) and AnHeart Therapeutics Company (taletrectinib).

We expect that TPX-0022 will compete against Xalkori (crizotinib) and other compounds which are in phase 2 or later clinical development for the treatment of MET+ tumors at companies including Novartis Pharmaceutical Corporation (capmatinib), Astrazeneca (savolitinib), Merck KGaA (tepotinib), and Exelixis, Inc. (cabozantinib). We expect that TPX-0046 will compete against other compounds in phase 2 or later clinical development for the treatment of RET+ cancers at companies including Eli Lilly and Company (selpercatinib) and Blueprint Medicines (pralsetinib) and approved drugs for the treatment of medullary thyroid cancer including cabozantinib which is marketed by Exelixis, Inc. as Cometriq and vandetinib which is marketed by Sanofi Genzyme as Caprelsa.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining marketing approvals and marketing and selling approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific, management and sales and marketing personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

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 side effects, are approved for broader indications or patient populations, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other marketing approval for their products more rapidly than any approval we may obtain for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of generic products. Generic products are currently on the market for some of the indications that we are pursuing, and additional products are expected to become available on a generic basis over the coming years. If our drug candidates achieve marketing approval, we expect that they will be priced at a significant premium over any competitive generic products. The key competitive factors affecting the success of repotrectinib are likely to be its efficacy, safety, scope and limitations of marketing approval, and availability of reimbursement.

Even if we are able to commercialize any drug candidates, the products may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives, which would harm our business.

The regulations that govern marketing approvals, pricing, coverage and reimbursement for new drug products vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our drug candidate to other available therapies. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a drug candidate in a particular country, but then be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods, and negatively impact the revenues, if any, we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates, even if such drug candidates obtain marketing approval.

Our ability to commercialize any drug candidates successfully also will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from third-party payors, including government healthcare programs, private health insurers and other organizations. Third-party payors decide which medications they will pay for and establish reimbursement levels. Additionally, companion diagnostic tests we may develop for use with our product candidates require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement, applicable to pharmaceutical or biological products, will apply to companion diagnostics.

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Coverage and reimbursement may not be available for any product that we commercialize and, even if these are available, the level of reimbursement may not be satisfactory. Reimbursement may affect the demand for, or the price of, any drug candidate for which we obtain marketing approval. Obtaining and maintaining coverage and adequate reimbursement for our products may be difficult. We may be required to conduct expensive pharmacoeconomic studies to justify coverage and reimbursement or the level of reimbursement relative to other therapies. If coverage and adequate reimbursement are not available or reimbursement is available only to limited levels, we may not be able to successfully commercialize any drug candidate for which we obtain marketing approval.

Additionally, we plan to develop, either by ourselves or with collaborators, *in vitro* companion diagnostic tests for our drug candidates for certain indications. We, or our collaborators, will be required to obtain coverage and reimbursement for these tests separate and apart from the coverage and reimbursement we seek for our product candidates, once approved. While we have not yet developed any companion diagnostic test for our product candidates, if we do, there is significant uncertainty regarding our ability to obtain coverage and adequate reimbursement for the same reasons applicable to our product candidates.

There may also be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside of the United States. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, intellectual property, manufacture, sale and distribution expenses. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies, but also have their own methods and approval process apart from Medicare determinations. Our inability to promptly obtain coverage and adequate reimbursement rates from third-party payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.

We face an inherent risk of product liability exposure related to the testing of our drug candidates in human clinical trials and will face an even greater risk if we commercialize any products that we may develop. If we cannot successfully defend ourselves against any claims that our drug candidates or products caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any drug candidates or products that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize any products that we may develop.

Our current product liability insurance coverage for the United States and certain other jurisdictions may not be adequate to cover all liabilities that we may incur. We likely will need to increase our insurance coverage as we expand our clinical trials or if we commence commercialization of our drug candidates. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Risks Related to Employee Matters, Managing Growth and Other Risks Related to Our Business

Our future success depends on our ability to retain key employees and to attract, retain and motivate qualified personnel.

We are highly dependent on the development and managerial expertise of Athena Countouriotis, M.D., our President and Chief Executive Officer, as well as the other principal members of our management, scientific and clinical team. Although we have entered into employment agreements with our executive officers, each of them may terminate their employment with us at any time.

Our industry has experienced a high rate of turnover in recent years. Our ability to compete in the highly competitive pharmaceuticals industry depends upon our ability to attract, retain and motivate highly skilled and experienced personnel with scientific, clinical, regulatory, manufacturing and management skills and experience. We conduct our operations in the greater San Diego area, a region that is home to many other pharmaceutical companies as well as many academic and research institutions, resulting in fierce competition for qualified personnel. We may not be able to attract or retain qualified personnel in the future due to the intense competition for a limited number of qualified personnel among pharmaceutical companies. Many of the other pharmaceutical companies against which we compete have greater financial and other resources, different risk profiles and a longer history in the industry than we do. Our competitors may provide higher compensation, more diverse opportunities and/or better opportunities for career advancement. Any or all of these competing factors may limit our ability to continue to attract and retain high quality personnel, which could negatively affect our ability to successfully develop and commercialize our drug candidates and to grow our business and operations as currently contemplated.

We expect to expand our development and regulatory capabilities and potentially implement sales, marketing and distribution capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

As of December 31, 2019, we had 95 full-time employees. We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of clinical development, clinical operations, manufacturing, regulatory affairs and, if any of our drug candidates receives marketing approval, sales, marketing and distribution. To manage our anticipated future growth, 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. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth and with developing sales, marketing and distribution infrastructure, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources.

Further, we currently rely, and for the foreseeable future will continue to rely, in substantial part on certain third-party contract organizations, advisors and consultants to provide certain services, including assuming substantial responsibilities for the conduct of our clinical trials and the manufacture of repotrectinib or any of our other current or future drug candidates. We cannot assure you that the services of such third-party contract organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by our vendors or consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain marketing approval of repotrectinib or any of our other current or future drug candidates or otherwise advance our business. We cannot assure you that we will be able to properly manage our existing vendors or consultants or find other competent outside vendors and consultants on economically reasonable terms, or at all.

If we are not able to effectively manage growth and expand our organization, we may not be able to successfully implement the tasks necessary to further develop and commercialize repotrectinib, our other pipeline drug candidates or any future drug candidates and, accordingly, may not achieve our research, development and commercialization goals.

Our employees, clinical trial investigators, CROs, consultants, vendors and any potential commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.

We are exposed to the risk of fraud or other misconduct by our employees, clinical trial investigators, CROs, consultants, vendors and any potential commercial partners. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violates: (i) FDA regulations or those of comparable foreign regulatory authorities, including those laws that require the reporting of true, complete and accurate information, (ii) manufacturing standards, (iii) federal and state health and data privacy, security, fraud and abuse, government price reporting, transparency reporting requirements, and other healthcare laws and regulations in the United States and abroad, (iv) sexual harassment and other workplace misconduct, or (v) laws that require the true, complete and accurate reporting of financial information or data. Such misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. We maintain a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or person performing similar functions, as well as a disclosure program and other applicable policies and procedures, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. 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 significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from government funded healthcare programs, such as Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional integrity reporting and oversight obligations, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Our internal information technology systems, or those of our third-party CROs or other vendors, contractors or consultants, may fail or suffer security breaches, loss or leakage of data and other disruptions, which could result in a material disruption of our development programs, compromise sensitive information related to our business or prevent us from accessing critical information, potentially exposing us to liability or otherwise adversely affecting our business.

We are increasingly dependent upon information technology systems, infrastructure and data to operate our business. In the ordinary course of business, we collect, store and transmit confidential information (including but not limited to intellectual property, proprietary business information and personal information). It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information. We also have outsourced elements of our operations to third parties, and as a result we manage a number of third-party CROs, vendors, and other contractors and consultants who have access to our confidential information.

Despite the implementation of security measures, given their size and complexity and the increasing amounts of confidential information that they maintain, our internal information technology systems and those of our third-party CROs, vendors and other contractors and consultants are potentially vulnerable to breakdown or other damage or interruption from service interruptions, system malfunction, natural disasters, terrorism, war and telecommunication and electrical failures, as well as security breaches from inadvertent or intentional actions by our employees, third-party CROs, vendors, contractors, consultants, business partners and/or other third parties, or from cyber-attacks by malicious third parties (including the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service

reliability and threaten the confidentiality, integrity and availability of information), which may compromise our system infrastructure, or that of our third-party CROs, vendors and other contractors and consultants, or lead to data leakage. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. We may not be able to anticipate all types of security threats, nor may we be able to implement preventive measures effective against all such security threats. The techniques used by cyber criminals change frequently, may not be recognized until launched and can originate from a wide variety of sources, including outside groups such as external service providers, organized crime affiliates, terrorist organizations or hostile foreign governments or agencies. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or those of our third-party CROs, vendors and other contractors and consultants, or inappropriate disclosure of confidential or proprietary information, we could incur liability and reputational damage and the further development and commercialization of repotrectinib or any other drug candidates could be delayed. The costs related to significant security breaches or disruptions could be material and exceed the limits of the cybersecurity insurance we maintain against such risks. If the information technology systems of our third-party CROs, vendors and other contractors and consultants become subject to disruptions or security breaches, we may have insufficient recourse against such third parties and we may have to expend significant resources to mitigate the impact of such an event, and to develop and implement protections to prevent future events of this nature from occurring.

While we have not experienced any such system failure, accident or security breach to date, and believe that our data protection efforts and our investment in information technology reduce the likelihood of such incidents in the future, we cannot assure you that our data protection efforts and our investment in information technology will prevent significant breakdowns, data leakages, breaches in our systems, or those of our third-party CROs, vendors and other contractors and consultants, or other cyber incidents that could have a material adverse effect upon our reputation, business, operations or financial condition. For example, if such an event were to occur and cause interruptions in our operations, or those of our third-party CROs, vendors and other contractors and consultants, it could result in a material disruption of our programs and the development of our drug candidates could be delayed. In addition, the loss of clinical trial data for repotrectinib or any other drug candidates could result in delays in our marketing approval efforts and significantly increase our costs to recover or reproduce the data. Furthermore, significant disruptions of our internal information technology systems or those of our third-party CROs, vendors and other contractors and consultants, or security breaches could result in the loss, misappropriation and/or unauthorized access, use, or disclosure of, or the prevention of access to, confidential information (including trade secrets or other intellectual property, proprietary business information and personal information), which could result in financial, legal, business and reputational harm to us. For example, any such event that leads to unauthorized access, use, or disclosure of personal information, including personal information regarding our clinical trial subjects or employees, could harm our reputation directly, compel us to comply with federal and/or state breach notification laws and foreign law equivalents, subject us to mandatory corrective action, and otherwise subject us to liability under laws and regulations that protect the privacy and security of personal information, which could result in significant legal and financial exposure and reputational damages that could potentially have an adverse effect on our business.

Failure to comply with health and data protection laws and regulations could lead to government enforcement actions (which could include civil or criminal penalties), private litigation and/or adverse publicity and could negatively affect our operating results and business.

We and any potential collaborators may be subject to federal, state and foreign data protection laws and regulations (i.e., laws and regulations that address privacy and data security). In the United States, numerous federal and state laws and regulations, including federal health information privacy laws, state data breach notification laws, state health information privacy laws and federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), that govern the collection, use, disclosure and protection of health-related and other personal information could apply to our operations or the operations of our collaborators. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under the HIPAA, as amended by HITECH. Depending on the facts and circumstances, we could be subject to criminal penalties if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA.

International data protection laws, including Regulation 2016/679, known as the General Data Protection Regulation (GDPR) may also apply to health-related and other personal information obtained outside of the United States. The GDPR went into effect on May 25, 2018. The GDPR introduced new data protection requirements in the European Union, as well as potential fines for noncompliant companies of up to the greater of €20 million or 4% of annual global revenue. The regulation imposes numerous new requirements for the collection, use and disclosure of personal information, including more stringent requirements relating to consent and the information that must be shared with data subjects about how their personal information is used, the obligation to notify regulators and affected individuals of personal data breaches, extensive new internal privacy governance obligations and obligations to honor expanded rights of individuals in relation to their personal information (e.g., the right to access, correct and delete their data). In addition, the GDPR includes restrictions on cross-border data transfer. The GDPR will increase our responsibility and liability in relation to personal data that we process, and we may be required to put in place additional mechanisms to ensure compliance with the new EU data protection rules. In addition, the GDPR prohibits the transfer of personal data to countries outside of the European Economic Area (EEA), such as the United States, which are not considered by the European Commission to provide an adequate level of data protection. Switzerland has adopted similar restrictions. Although there are legal mechanisms to allow for the transfer of personal data from the EEA and Switzerland to the United States, they are subject to pending legal challenges that, if successful, could invalidate these mechanisms, restrict our ability to process personal data of Europeans outside of Europe and adversely impact our business.

In addition, California recently enacted the California Consumer Privacy Act (CPPA), which creates new individual privacy rights for California consumers (as defined in the law) and places increased privacy and security obligations on entities handling certain personal data of consumers or households. The CCPA requires covered companies to provide new disclosure to consumers about such companies' data collection, use and sharing practices, provides such consumers new ways to opt-out of certain sales or transfers of personal information, and provides consumers with additional causes of action. The CCPA went into effect on January 1, 2020, and the California Attorney General may bring enforcement actions for violations beginning July 1, 2020. The CCPA may impact our business activities and exemplifies the vulnerability of our business to the evolving regulatory environment related to personal data and protected health information.

Compliance with U.S. and international data protection laws and regulations could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. Failure to comply with U.S. and international data protection laws and regulations could result in government enforcement actions (which could include civil, criminal, and administrative penalties), private litigation and/or adverse publicity and could negatively affect our operating results and business. Moreover, clinical trial subjects about whom we or our potential collaborators obtain information, as well as the providers who share this information with us, may contractually limit our ability to use and disclose the information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time consuming to defend and could result in adverse publicity that could harm our business.

We or the third parties upon whom we depend may be adversely affected by natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our company is located in San Diego, California, an area prone to wild fires and earthquakes. These and other natural disasters could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as the manufacturing facilities of our third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. Any disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, could have a material adverse effect on our business.

Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition or results of operations.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, the Tax Cuts and Jobs Act enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Cuts and Jobs Act may affect us, and certain aspects of the Tax Cuts and Jobs Act could be repealed or modified in future legislation. In addition, it is uncertain if and to what extent various states will conform to the Tax Cuts and Jobs Act or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses under the Tax Act or future reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges, and could increase our future U.S. tax expense.

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

We have incurred substantial losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. Unused losses for the tax years ending on or prior to December 31, 2017 will carry forward to offset future taxable income, if any, until such unused losses expire. Unused losses generated after December 31, 2017, under the Tax Cuts and Jobs Act, will not expire and may be carried forward indefinitely but will be only deductible to the extent of 80% of current year taxable income in any given year. It is uncertain if and to what extent various states will conform to the Tax Cuts and Jobs Act. In addition, both our current and our future unused losses and other tax attributes may be subject to limitation under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the Code) if we undergo an "ownership change," generally defined as a greater than 50 percentage point change (by value) in our equity ownership by certain stockholders over a three-year period. We have not completed a Section 382 study to assess whether an ownership change has occurred or whether there have been multiple ownership changes since our formation due to the complexity and cost associated with such a study and the fact that there may be additional such ownership changes in the future. As a result, our pre-2018 net operating loss carryforwards may expire prior to being used, our net operating loss carryforwards generated in 2018 and thereafter will be subject to a percentage limitation and, if we undergo an ownership change (or if we previously underwent such an ownership change), our ability to use all of our pre-change net operating loss carryforwards (NOLs) and other pre-change tax attributes (such as research tax credits) to offset our post-change income or taxes may be limited. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. As a result, even if we attain profitability, we may be unable to use all or a material portion of our NOLs and other tax attributes, which could adversely affect our future cash flows.

We may engage in strategic transactions that could impact our liquidity, increase our expenses and present significant distractions to our management.

From time to time, we may consider strategic transactions, such as acquisitions of companies, businesses or assets and out-licensing or in-licensing of products, drug candidates or technologies. Additional potential transactions that we may consider include a variety of different business arrangements, including spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations and investments. Any such transaction may require us to incur non-recurring or other charges, may increase our near term or long-term expenditures and may pose significant integration challenges or disrupt our management or business, which could adversely affect our operations and financial results. For example, these transactions may entail numerous operational and financial risks, including:

- exposure to unknown liabilities;
- disruption of our business and diversion of our management's time and attention in order to develop acquired products, drug candidates or technologies;
- incurrence of substantial debt or dilutive issuances of equity securities to pay for acquisitions;
- higher than expected acquisition and integration costs;
- write-downs of assets or goodwill or impairment charges;
- increased amortization expenses;
- difficulty and cost in combining the operations, systems and personnel of any acquired businesses with our operations, systems and personnel;
- impairment of relationships with key suppliers or customers of any acquired businesses due to changes in management and ownership; and
- inability to retain key employees of any acquired businesses.

Risks Related to Our Common Stock

The trading price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses.

Our stock price is volatile. For example, the closing price of our common stock since April 17, 2019 through December 31, 2019, has ranged from a low of $26.67 to a high of $63.25. The stock market in general and the market for smaller pharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may be influenced by many factors, including:

- the degree of success of competitive products or technologies;
- the commencement, enrollment or results of clinical trials and preclinical studies of our drug candidates or those of our competitors;
- adverse results from, delays in or termination of clinical trials;
- unanticipated serious safety concerns related to the use of our product candidates;
- regulatory or legal developments in the United States and other countries;
- any delay in our regulatory filings for our drug candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- receipt of, or failure to obtain, regulatory approvals;
- lower than expected market acceptance of our product candidates following approval, if any, for commercialization;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our drug candidates or clinical development programs;
- the results of our efforts to design, develop, acquire or in-license additional technologies or drug candidates;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;
- variations in our financial results or those of companies that are perceived to be similar to us;
- rumors or announcements regarding transactions involving our company or drug candidates;
- proposed changes to healthcare laws in the United States or foreign jurisdictions, or speculation regarding such changes;
- market conditions or trends in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- the other events or factors, including those described in this "Risk Factors" section.

Our executive officers, directors and principal stockholders, if they choose to act together, have the ability to significantly influence all matters submitted to stockholders for approval.

Our executive officers and directors, combined with our stockholders who owned more than 5% of our outstanding capital stock beneficially own shares representing a significant percentage of our common stock. As a result, if these stockholders were to choose to act together, they would be able to significantly influence all matters submitted to our stockholders for approval, as well as our management and affairs. For example, these persons, if they choose to act together, would be able to significantly influence the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets. This concentration of ownership control may:

- delay, defer or prevent a change in control;
- entrench our management and the board of directors; or
- impede a merger, consolidation, takeover or other business combination involving us that other stockholders may desire.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock.

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

- permit our board of directors to issue up to 10,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate (including the right to approve an acquisition or other change in our control);
- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that our board of directors or any individual director may only be removed with cause and the affirmative vote of the holders of at least 66-2/3% of the voting power of all of our then-outstanding common stock;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- divide our board of directors into three classes;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner and also specify requirements as to the form and content of a stockholder’s notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose);
- provide that special meetings of our stockholders may be called only by the chair of our board of directors, our Chief Executive Officer or by the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors; and
- provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws; (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against us or any of our directors, officers or other employees governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court’s having personal jurisdiction over the indispensable parties named as defendants; provided these provisions of our amended and restated certificate of incorporation and amended and restated bylaws will apply to suits brought to enforce a duty or liability created by the Securities Act, but stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations thereunder; and provided these provisions of our amended and restated certificate of incorporation and amended and restated bylaws will not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

The amendment of any of these provisions, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require approval by the holders of at least 66-2/3% of our then-outstanding common stock.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time. A Delaware corporation may opt out of this provision by express provision in its original certificate of incorporation or by amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out of this provision.

These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by our then-current board of directors, including delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for certain disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants, the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf, (ii) any action or proceeding asserting a breach of fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders, (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees arising out of or pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws; (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware and (vi) any action asserting a claim against us or any of our directors, officers or other employees that is governed by the internal affairs doctrine; provided these provisions of our amended and restated certificate of incorporation and amended and restated bylaws will apply to suits brought to enforce a duty or liability created by the Securities Act, but stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations thereunder; and provided, that, this provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees and may discourage these types of lawsuits. Furthermore, the enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. If a court were to find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us, our business or our market, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline.

Our business could be negatively affected as a result of actions of activist stockholders, and such activism could impact the trading value of our securities.

Stockholders may, from time to time, engage in proxy solicitations or advance stockholder proposals, or otherwise attempt to effect changes and assert influence on our board of directors and management. Activist campaigns that contest or conflict with our strategic direction or seek changes in the composition of our board of directors could have an adverse effect on our operating results and financial condition. A proxy contest would require us to incur significant legal and advisory fees, proxy solicitation expenses and administrative and associated costs and require significant time and attention by our board of directors and management, diverting their attention from the pursuit of our business strategy. Any perceived uncertainties as to our future direction and control, our ability to execute on our strategy, or changes to the composition of our board of directors or senior management team arising from a proxy contest could lead to the perception of a change in the direction of our business or instability which may result in the loss of potential business opportunities, make it more difficult to pursue our strategic initiatives, or limit our ability to attract and retain qualified personnel and business partners, any of which could adversely affect our business and operating results. If individuals are ultimately elected to our board of directors with a specific agenda, it may adversely affect our ability to effectively implement our business strategy and create additional value for our stockholders. We may choose to initiate, or may become subject to, litigation as a result of the proxy contest or matters arising from the proxy contest, which would serve as a further distraction to our board of directors and management and would require us to incur significant additional costs. In addition, actions such as those described above could cause significant fluctuations in our stock price based upon temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make any related party transaction disclosures. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected. In addition, we do not have a risk management program or processes or procedures for identifying and addressing risks to our business in other areas.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (JOBS Act). We will remain an emerging growth company until the earliest of (i) December 31, 2024, (ii) the first fiscal year after our annual gross revenues exceed $1.07 billion, (iii) the date on which we have, during the immediately preceding three-year period, issued more than $1.0 billion in non-convertible debt securities or (iv) date on which we qualify as a large accelerated filer.

For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of these accounting standards until they would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The Nasdaq Global Select Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified members of our board of directors.

We are evaluating these rules and regulations, and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (Section 404), we will be required to furnish a report by our management on our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

Legal, political and economic uncertainty surrounding the planned exit of the UK from the EU may be a source of instability in international markets, create currency fluctuations and pose additional risks to our business operations and financial condition.

The United Kingdom’s withdrawal from the EU, or “Brexit,” has caused and may continue to cause disruptions to capital and currency markets worldwide. The full impact of the Brexit decision, however, remains uncertain. A process of negotiation will determine the future terms of the United Kingdom’s relationship with the EU and there is the potential that the United Kingdom and the EU may not agree to a withdrawal arrangement before the date the United Kingdom leaves the EU. During this period of negotiation and afterwards, our results of operations and access to capital may be negatively affected by interest rate, exchange rate and other market and economic volatility, as well as political uncertainty. In the short and medium term, there is a risk of disrupted import and export processes due to a lack of administrative processing capacity by the respective United Kingdom and EU customs agencies, which may have a detrimental effect on our customers, distributors and suppliers, which would, in turn, adversely affect our revenues and financial condition.

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

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of any future debt agreements we may enter into may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because pharmaceutical companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our corporate headquarters is located at 10628 Science Center Drive, Suite 200, San Diego, California 92121 where we occupy approximately 33,864 square feet of office and lab space. The lease will expire on June 30, 2023. We believe that our existing facilities are adequate to meet our current needs.

Item 3. Legal Proceedings.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

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

Market Information

Our common stock has been listed on the Nasdaq Global Select Market under the symbol "TPTX" since April 17, 2019.

Holders of Common Stock

As of March 1, 2020, there approximately 135 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees.

Securities Authorized for Issuance Under Equity Compensation Plans

Information about securities authorized for issuance under our equity compensation plans is incorporated herein by reference to Item 12 of Part III of this Annual Report.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business. We do not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects and other factors our board of directors may deem relevant.

Recent Sales of Unregistered Securities

During the year ended December 31, 2019, we issued and sold the following unregistered securities:

(1) From January 1, 2019 through April 21, 2019, which is the day before we priced our initial public offering, we granted stock options under our 2013 Equity Incentive Plan to purchase an aggregate of 1,218,354 shares of our common stock at a weighted average exercise price of $11.05 per share, to certain of our employees in connection with services provided to us by such persons. Of these, zero options have been exercised and 74,345 options have been cancelled through December 31, 2019.

The offers, sales and issuances of securities described above in paragraph (1) was deemed to be exempt from registration under the Securities Act in reliance on either Rule 701 in that the transactions were under compensatory benefit plans and contracts relating to compensation as provided under Rule 701 or Section 4(a)(2) in that the issuance of securities to the accredited investors did not involve a public offering. The recipients of such securities were our employees and received the securities under our 2013 Equity Incentive Plan.

Use of Proceeds

We commenced our initial public offering pursuant to registration statements on Form S-1 (File Nos. 333-230428 and 333-230911) that were declared or became effective on April 16, 2019 and registered an aggregate of 10,637,500 shares of our common stock. On April 16, 2019, we sold 10,637,500 shares of our common stock at a public offering price of $18.00 per share for an aggregate gross offering price of $191.5 million. On April 22, 2019, we completed our initial public offering. Goldman Sachs & Co. LLC and SVB Leerink LLC acted as joint book-running managers for the offering. Wells Fargo, LLC also served as a joint book-running manager. Canaccord Genuity LLC acted as lead manager.

The underwriting discounts and commissions for the offering totaled approximately $13.4 million. We incurred additional costs of approximately $2.9 million in offering expenses, which when added to the underwriting discounts and commissions paid by us, amounts to total fees and costs of approximately $16.3 million. Thus, net offering proceeds to us, after deducting underwriting discounts and commissions and offering costs, were approximately $175.2 million. No offering costs were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning ten percent or more of any class of our equity securities or to any other affiliates.

On September 10, 2019, we sold an additional 4,500,000 shares in a follow-on offering of our common stock at a price of $45.00 per share for aggregate proceeds of $202.5 million. In connection with this offering, we paid underwriting discounts and commissions and direct offering costs of approximately $13.0 million. No offering costs were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning ten percent or more of any class of our equity securities or to any other affiliates.

Through December 31, 2019, we have not used any of the net proceeds from our initial public offering or follow-on offerings. We are investing these funds in a combination of short-term and intermediate-term, interest-bearing obligations, investment grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government. We expect to use the net proceeds from our initial public and follow-on offerings as described under "Use of Proceeds" in the Prospectus'. We cannot predict with certainty all of the particular uses for the net proceeds from our initial public offering, or the amounts that we will actually spend on the uses described under "Use of Proceeds" in the prospectus for our initial public offering. The amounts and timing of our actual use of the net proceeds will vary depending on numerous factors, including our ability to access additional financing, the relative success and cost of our research, preclinical and clinical development programs and whether we are able to enter into future licensing arrangements. As a result, our management will have broad discretion in the application of the net proceeds, and investors will be relying on our judgment regarding the application of the net proceeds from our initial public offering.

Issuer Purchases of Equity Securities

Not applicable.

Item 6. Selected Financial Data.

The following selected financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this Annual Report. The selected balance sheet data as of December 31, 2019, 2018 and 2017 and the selected statements of operations data for the years ended December 31, 2019, 2018 and 2017 have been derived from our audited financial statements that are included elsewhere in this Annual Report. Historical results are not necessarily indicative of the results to be expected in the future.

	Year Ended December 31,		
	2019	**2018**	**2017**
Operating expenses:			
Research and development	$ 57,943	$ 21,062	$ 15,241
General and administrative	19,781	4,578	1,488
Total operating expenses	77,724	25,640	16,729
Loss from operations	(77,724)	(25,640)	(16,729)
Other income, net	5,593	855	136
Net loss	(72,131)	(24,785)	(16,593)
Unrealized gain on marketable securities, net of tax	271	-	-
Comprehensive loss	$ (71,860)	$ (24,785)	$ (16,593)
Net loss per share, basic and diluted	$ (2.99)	$ (7.31)	$ (4.97)
Weighted-average common shares outstanding, basic and diluted	24,124,924	3,388,586	3,337,640

	December 31,		
	2019	**2018**	**2017**
Balance Sheet Data:			
Cash, cash equivalents, and marketable securities	$ 409,151	$ 101,029	$ 45,033
Working capital (1)	400,915	96,201	41,089
Total assets	422,202	103,280	45,908
Convertible preferred stock	–	145,916	66,161
Accumulated deficit	(122,884)	(50,753)	(25,968)
Total stockholders' equity (deficit)	404,351	(48,406)	(24,844)

(1) We define working capital as current assets less current liabilities. See our financial statements included elsewhere in this report for further details regarding our current assets and current liabilities.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes thereto included elsewhere in this Annual Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of this Annual Report our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. For the comparison of the financial results for the fiscal years ended December 31, 2018 and 2017, see Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Registration Statement on Form S-1, as amended, originally filed with the SEC on March 21, 2019.

References in the following discussion to "we," "our," "us," "Turning Point" or "the Company" refer to Turning Point Therapeutics, Inc.

Overview

We are a clinical-stage biopharmaceutical company designing and developing novel small molecule, targeted oncology therapies to address key limitations of existing therapies and improve the lives of patients. Our internally developed and wholly owned pipeline of next-generation tyrosine kinase inhibitors (TKIs) targets numerous genetic drivers of cancer in both TKI-naïve and TKI-pretreated patients. The pervasive challenges of intrinsic and acquired treatment resistance often limit the response rate and durability of existing therapies. One of these challenges is the emergence of solvent front mutations, which are a common cause of acquired resistance to currently approved therapies for ROS1, TRK and ALK kinases. We have developed a macrocycle platform enabling us to design proprietary small, compact TKIs with rigid three-dimensional structures that potentially bind to their targets with greater precision and affinity than other kinase inhibitors. We believe the TKIs generated from our drug discovery platform have the potential to be best-in-class.

Our lead drug candidate, repotrectinib, is being evaluated in an ongoing Phase 1/2 trial called TRIDENT-1 for the treatment of patients with *ROS1+* advanced non-small-cell lung cancer (NSCLC) and patients with *NTRK+* advanced solid tumors. We initiated the multi-cohort Phase 2 registrational portion of TRIDENT-1 in June 2019 and we anticipate reporting interim data from initial patients from some of the registrational cohorts within the Phase 2 portion of TRIDENT-1 in the second half of 2020. We plan to conduct the Phase 2 portion of the trial in approximately 100 sites in the United States, Europe and Asia-Pacific regions, and to enroll a total of approximately 320 patients. The Phase 2 portion of TRIDENT-1 is a registrational trial for potential approval in *ROS1+* advanced NSCLC and *NTRK+* advanced solid tumors. We also commenced a Phase 1/2 study of repotrectinib in pediatric and young adult patients with *ROS1+*, *TRK+* or ALK+ advanced solid tumors in November 2019.

In addition to repotrectinib, our pipeline includes two clinical-stage multi-targeted kinase inhibitors, TPX-0022 (a novel MET/CSF1R/SRC inhibitor) and TPX-0046 (a novel RET/SRC inhibitor), and a preclinical ALK inhibitor, TPX-0131, which is entering IND-enabling studies. We initiated our Phase 1 clinical trial of TPX-0022 in patients with advanced solid tumors harboring genetic alterations in *MET* in July 2019. The Phase 1 trial is designed to evaluate the overall safety profile, pharmacokinetics and preliminary efficacy of TPX-0022 and includes a dose-escalation portion starting at 20 mg daily, or QD, followed by dose expansion cohorts with a targeted enrollment of 120 patients at sites in the United States, Europe, and Asia-Pacific regions. The dose expansion cohorts are planned to enroll MET therapy-naïve and pretreated NSCLC patients with *MET* exon 14 skipping mutations; patients with *MET*-amplified NSCLC, hepatocellular, gastric or gastroesophageal cancer; and patients with other solid tumors harboring *MET* kinase domain mutations or *MET* fusions. We anticipate reporting early interim data from initial patients treated with TPX-0022 in this Phase 1 trial in the second half of 2020.

We initiated our Phase 1/2 clinical trial of TPX-0046 in patients with advanced solid tumors harboring *RET* genetic alterations in the fourth quarter of 2019. The trial is designed to enroll TKI-naïve and TKI-pretreated patients with *RET*-altered non-small-cell lung, thyroid, and other advanced cancers in multiple cohorts to assess safety, tolerability, pharmacokinetics and preliminary clinical activity of TPX-0046, with a targeted enrollment of approximately 50 patients in the Phase 1 dose escalation portion, and approximately 300 patients in the Phase 2 expansion portion at sites in the United States, Europe and Asia-Pacific regions. The study design allows intra-patient dose escalation based on tolerability in both RET TKI-treatment naïve and pretreated patients.

As we advance our clinical programs with site activations and patient enrollment across our three clinical stage drug candidates, we are in close contact with our CROs and clinical sites as we navigate and assess the impact of COVID-19 on our studies and current timelines.

Our fourth drug candidate, TPX-0131 is a next-generation preclinical ALK inhibitor. TPX-0131 has been designed with a compact macrocyclic structure and in preclinical studies has been shown to potently inhibit wildtype ALK and numerous ALK mutations, in particular the clinically observed G1202R solvent front mutation and G1202R/L1196M compound mutation. Pending successful completion of IND-enabling studies, we anticipate submitting an IND for TPX-0131 in early 2021.

Since our inception, we have incurred significant operating losses. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of one or more of our drug candidates. As of December 31, 2019, we had an accumulated deficit of $122.9 million and we incurred net losses of approximately $72.1 million for the year ended December 31, 2019. We expect to continue to incur significant expenses and increasing operating losses for at least the next several years.

We will not generate revenue from product sales unless we successfully complete clinical development and obtain regulatory approval for our drug candidates. If we obtain regulatory approval for any of our drug candidates and do not enter into a commercialization partnership, we expect to incur significant expenses related to developing our internal commercialization capability to support product sales, marketing and distribution. We also expect to incur additional costs associated with operating as a public company.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we fail to raise capital or enter into such agreements we may have to significantly delay, scale back or discontinue the development and commercialization of one or more of our drug candidates.

On April 22, 2019, we completed an initial public offering whereby we sold an aggregate of 10,637,500 shares of our common stock at a price of $18.00 per share, resulting in net proceeds of $175.2 million after deducting underwriting discounts, commissions and other offering costs.

On September 10, 2019, we completed an additional public offering of our common stock which resulted in the issuance and sale of 4,500,000 shares of common stock at a price of $45.00 per share, resulting in net proceeds of $189.5 million after deducting underwriting discounts and commissions and other offering costs.

Components of Our Results of Operations

Revenue

To date, we have not generated any revenue from product sales, licenses or collaborations and do not expect to generate any revenue from the sale of products in the foreseeable future. If our development efforts for our drug candidates are successful and result in regulatory approval, we may generate revenue from future product sales. If we enter into license or collaboration agreements for any of our drug candidates or intellectual property, we may generate revenue in the future from payments as a result of such license or collaboration agreements. We cannot predict if, when, or to what extent we will generate revenue from the commercialization and sale of our drug candidates. We may never succeed in obtaining regulatory approval for any of our drug candidates.

Operating Expenses

Research and Development Expenses

Research and development expenses include:

- employee-related expenses, including salaries, related benefits, travel and stock-based compensation expense for employees engaged in research and development functions;
- expenses incurred in connection with the preclinical and clinical development of our drug candidates, including expenses incurred under agreements with contract research organizations (CROs);

- the cost of consultants and contract manufacturing organizations (CMOs) that manufacture drug products for use in our preclinical studies and clinical trials; and
- facilities, depreciation and other expenses, which include allocated expenses for rent and maintenance of facilities, insurance and supplies.

We expense research and development costs to operations as incurred. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid assets. Our prepaid assets are expensed as the related goods are delivered or the services are performed.

Our direct research and development expenses are tracked on a program-by-program basis and consist primarily of external costs, such as fees paid to consultants, central laboratories, contractors, CMOs and CROs in connection with our preclinical and clinical development activities. We allocate indirect expenses, such as employee salaries, fringe benefits, facilities, travel and other miscellaneous expenses, based on an estimated percentage of time worked on programs.

The table below summarizes our research and development expenses incurred by development program for the periods presented (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Research and development expenses			
Repotrectinib	$ 38,022	$ 12,214	$ 13,219
Other research programs	19,921	8,848	2,022
Total research and development expenses	$ 57,943	$ 21,062	$ 15,241

Drug candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will increase substantially in connection with our planned clinical and preclinical development activities in the near term and in the future. At this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the preclinical and clinical development of any of our drug candidates.

The successful development of our drug candidates is highly uncertain. This is due to the numerous risks and uncertainties, including the following:

- successful completion of preclinical studies and clinical trials;
- delays in regulators or institutional review boards authorizing us or our investigators to commence our clinical trials or in our ability to negotiate agreements with clinical trial sites or contract research organizations;
- the number and location of clinical sites included in the trials;
- raising additional funds necessary to complete clinical development of our drug candidates;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity for our drug candidates;
- making arrangements with third-party manufacturers, or establishing manufacturing capabilities, for clinical supplies of our drug candidates;
- the ability to obtain clearance or approval of companion diagnostic tests, if required, on a timely basis, or at all;
- the results of our clinical trials;
- protecting and enforcing our rights in our intellectual property portfolio; and
- maintaining a continued acceptable safety profile of the products following approval.

A change in the outcome of any of these variables with respect to the development of our drug candidates may significantly impact the costs and timing associated with the development of our drug candidates. We may never succeed in obtaining regulatory approval for any of our drug candidates.

Research and development activities are central to our business model. There are numerous factors associated with the successful commercialization of any of our drug candidates, including future trial design and various regulatory

requirements, many of which cannot be determined with accuracy at this time based on our stage of development. In addition, future regulatory factors beyond our control may impact our clinical development programs.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs for personnel in executive, finance and administrative functions, including stock-based compensation. General and administrative expenses also include travel expenses and direct and allocated facility-related costs, as well as professional fees for legal, accounting and tax-related services and insurance costs.

We anticipate that our general and administrative expenses will increase as a result of increased payroll, expanded infrastructure and higher consulting, legal and tax-related services associated with maintaining compliance with stock exchange listing and SEC requirements, accounting and investor relations costs, and director and officer insurance premiums associated with being a public company.

Other income, net

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

Income Taxes

We are subject to typical corporate U.S. federal and state income taxation. As of December 31, 2019, we had federal and state net operating loss carryforwards of approximately $105.8 million and $111.6 million, respectively. Portions of the federal and state net operating loss carryforwards will begin to expire in 2033 if not utilized. The $86.1 million of the federal net operating loss carryforwards generated post 2017 is limited to 80% of taxable income generated in any given year and can be carried forward indefinitely. As of December 31, 2019, we had federal and state research and development tax credits of approximately $1.0 million and $1.7 million, respectively. As of December 31, 2019, we had federal Orphan Drug tax credits of approximately $12.9 million. If not utilized, the federal research tax credit will begin to expire in 2035 and the Orphan Drug credit will begin to expire in 2037. The California research tax credit can be carried forward indefinitely.

Utilization of the net operating loss carryforwards may be subject to a substantial annual limitation due to the ownership change limitations provided by Section 382 of the Code and similar provisions of state law. The annual limitations in Sections 382 and 383 of the Code may result in the expiration of our net operating loss and tax credit carryforwards before utilization. We have not performed an analysis to determine whether our net operating loss and credit carryforwards are subject to an annual limitation under Sections 382 or 383 of the Code.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of our financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, related disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of expenses and other income during the reporting period. We continually evaluate our estimates and judgments, the most critical of which are those related to preclinical and clinical study accruals and stock-based compensation costs. We base our estimates and judgments on historical experience and other factors that we believe to be reasonable under the circumstances. Materially different results can occur as circumstances change and additional information becomes known.

While our significant accounting policies are described in more detail in Note 2 to our financial statements appearing in this Annual Report, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including our drug discovery efforts, and the development of our drug candidates, which include:

- employee-related expenses, including salaries, related benefits, travel and stock-based compensation expense for employees engaged in research and development functions;
- expenses incurred in connection with the preclinical and clinical development of our drug candidates, including expenses incurred under agreements with contract research organizations (CROs);

- the cost of consultants and contract manufacturing organizations (CMOs) that manufacture drug products for use in our preclinical studies and clinical trials; and
- facilities, depreciation and other expenses, which include allocated expenses for rent and maintenance of facilities, insurance and supplies.

We expense research and development costs to operations as incurred. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid assets. Our prepaid assets are expensed as the related goods are delivered or the services are performed.

Our direct research and development expenses are tracked on a program-by-program basis and consist primarily of external costs, such as fees paid to consultants, central laboratories, contractors, CMOs and CROs in connection with our preclinical and clinical development activities. We allocate indirect expenses, such as employee salaries, fringe benefits, facilities, travel and other miscellaneous expenses, based on an estimated percentage of time worked on programs.

Stock-Based Compensation Expense

For purposes of calculating stock-based compensation, we estimate the fair value of stock options issued using a Black-Scholes option-pricing model. The determination of the fair value of stock-based payment awards utilizing the Black-Scholes model is affected by the Company's stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends.

Expected Term—We have opted to use the "simplified method" for estimating the expected term of employee options, whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option (generally 10 years).

Expected Volatility—Due to our limited operating history and a lack of company specific historical and implied volatility data, we have based our estimate of expected volatility on the historical volatility of a group of similar companies that are publicly traded. The historical volatility data was computed using the daily closing prices for the selected companies' shares during the equivalent period of the calculated expected term of the stock-based awards.

Risk-Free Interest Rate—The risk-free rate assumption is based on the U.S. Treasury instruments with maturities similar to the expected term of our stock options.

Expected Dividend—We have not issued any dividends and do not expect to issue dividends over the life of the options. As a result, we have estimated the dividend yield to be zero.

The estimated fair value of stock options granted to employees and non-employee service providers are expensed over the requisite service period (generally the vesting term) on a straight-line basis. We account for the impact of forfeitures as they occur.

The assumptions underlying these valuations represent management's best estimates, which involve inherent uncertainties and the application of management judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our stock-based compensation expense could be materially different.

Results of Operations

Comparison of the Years Ended December 31, 2019 and 2018

The following table summarizes our results of operations for the years ended December 31, 2019 and 2018 (in thousands):

	Year Ended December 31,	
	2019	**2018**
Operating expenses:		
Research and development	$ 57,943	$ 21,062
General and administrative	19,781	4,578
Total operating expenses	77,724	25,640
Loss from operations	(77,724)	(25,640)
Other income, net	5,593	855
Net loss	(72,131)	(24,785)

Research and development expenses

Research and development expenses increased by $36.9 million from $21.1 million during 2018 to $57.9 million during 2019. The increase was primarily attributable to the 2019 commencements of the Phase 2 registrational portion of TRIDENT-1, the Phase 1 trial for TPX-0022 and the Phase 1/2 trial TPX-0046.

General and administrative expenses

General and administrative expenses increased by $15.2 million from $4.6 million during 2018 to $19.8 million during 2019. The increase was primarily attributable to higher personnel-related expenses as a result of increased employee head count and professional fees for legal and accounting services, which supported our transition to becoming a public company in 2019.

In January 2020, we entered into a Transition Separation and Consulting Agreement with Jingrong Jean Cui, in connection with Dr. Cui's resignation from her position as Chief Scientific Officer effective January 31, 2020. In accordance with the terms of the agreement with Dr. Cui we will record an expense in the amount of $1.2 million during fiscal year 2020 for cash severance that will be paid to Dr. Cui during 2020. In addition, we anticipate recording non-cash stock-based compensation expense in fiscal year 2020 related to the modification of Dr. Cui's outstanding stock option grants.

Other income, net

Other income, net increased by $4.7 million from $0.9 million during 2018 to $5.6 million during 2019. The increase was primarily driven by an increase in interest earned on our higher marketable securities and money market account balances resulting from our public offerings in 2019.

Liquidity and Capital Resources; Plan of Operations

Based on our current and anticipated level of operations, we believe that our cash and cash equivalents and marketable securities will be sufficient to fund current operations for at least one year from the date that this Annual Report on Form 10-K is filed with the SEC. At December 31, 2019, we had $409.2 million of cash and cash equivalents and marketable securities. Our cash and cash equivalents and marketable securities include money market funds, government agency securities, corporate debt and commercial paper. We maintain established guidelines relating to diversification and maturities of our investments to preserve principal and maintain liquidity.

Since inception, our operations have been financed primarily through the sale of equity and convertible preferred stock. Through December 31, 2019, we received net proceeds of approximately $512.0 million from the issuance of common stock and convertible preferred stock. Most recently, on April 22, 2019, we completed our initial public offering whereby we sold an aggregate of 10,637,500 shares of our common stock at a price of $18.00 per share, resulting in net proceeds of $175.2 million after deducting underwriting discounts, commissions and offering costs payable by us. In addition, on September 10, 2019, we completed an additional public offering of our common stock, which resulted in the issuance and sale of an aggregate of 4,500,000 shares of common stock at a price of $45.00 per share, resulting in net proceeds of $189.5 million after deducting underwriting discounts and commissions and other offering costs.

Since inception, we have primarily devoted our resources to funding research and development programs, including discovery research, preclinical and clinical development activities. To fund future operations, we will need to raise significant additional capital. The amount and timing of future funding requirements will depend on many factors, including the timing and results of our ongoing development activities, the potential expansion of our current development programs, potential new development programs and related general and administrative support. We may seek to obtain additional financing in the future through equity or debt financings or other sources, such as potential collaboration agreements. We cannot make assurances that anticipated additional financing will be available to us on favorable terms, or at all. Although we have previously been successful in obtaining financing through our equity securities offerings, there can be no assurance that we will be able to do so in the future.

Cash Flows

The following table summarizes our sources and uses of cash for each of the periods presented (in thousands):

	Year Ended December 31,		
	2019	**2018**	**2017**
Statement of Cash Flows Data:			
Cash used in operating activities	(57,757)	(23,533)	(12,640)
Cash used in investing activities	(361,079)	(302)	(88)
Cash provided by financing activities	365,995	79,831	44,851

Operating Activities

During the year ended December 31, 2019, operating activities used approximately $57.8 million primarily due to the 2019 commencements of the Phase 2 registrational portion of TRIDENT-1, the Phase 1 trial for TPX-0022 and Phase 1/2 trial for TPX-0046 in 2019.

During the year ended December 31, 2018, operating activities used approximately $23.5 million due to increases in headcount to support the development of our pipeline.

During the year ended December 31, 2017, operating activities used approximately $12.6 million due to increases in headcount to support the development of our pipeline.

Investing Activities

During the year ended December 31, 2019, investing activities used approximately $361.1 million primarily resulting from the purchase (net of sales and maturities) of marketable securities using the proceeds from our public offerings during 2019 totaling $359.4 million. In addition, we purchased property and equipment totaling $1.7 million during 2019.

During the year ended December 31, 2018, investing activities used approximately $0.3 million primarily resulting from the purchases of property and equipment.

During the year ended December 31, 2017, investing activities was related to purchases of property and equipment, primarily laboratory equipment.

Financing Activities

During the year ended December 31, 2019, financing activities provided approximately $366.0 million of cash, primarily resulting from the net proceeds from our April 2019 initial public offering and September 2019 public offering and from option exercises.

During the year ended December 31, 2018, financing activities provided approximately $79.8 million in net proceeds from the sale and issuance of our Series D convertible preferred stock.

During the year ended December 31, 2017, financing activities provided approximately $44.9 million in net proceeds from the sale and issuance of our Series C convertible preferred stock.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations, excluding interest, as of December 31, 2019:

	Payments Due By Period				
	Total	Less Than 1 Year	1 to 3 Years	4 to 5 Years	More Than 5 Years
	(In thousands)				
Operating lease commitments	$ 5,055	$ 1,236	$ 2,968	$ 851	$ –

We enter into contracts in the normal course of business with various third parties for clinical trials, preclinical research studies and testing, manufacturing and other services and products for operating purposes. These contracts provide for termination upon notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including non-cancellable obligations of our service providers, up to the date of cancellation. These payments are not included in the table of contractual obligations above.

Off-Balance Sheet Arrangements

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

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. These risks primarily relate to equity price risk and interest rate fluctuations. Substantially all of our cash, cash equivalents and marketable securities are held at three financial institutions. Due to their size, we believe this financial institution represents a minimal credit risk. Cash amounts held at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2019, cash and cash equivalents and marketable securities totaling $408.7 million are either not subject to FDIC insurance, or exceed the FDIC insured limit. Our cash and cash equivalents and marketable securities are invested in short term, high grade securities, and as a result, we believe represent a minimal credit risk.

Item 8. Financial Statements and Supplementary Data.

The financial statements and supplementary data required by this item are included in Part IV, Item 15 of this Annual Report.

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

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) and Rule 15d-15(b) of the Exchange Act, our management, including our principal executive officer and our principal financial officer, conducted an evaluation as of the end of the period covered by this Annual Report of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, management has concluded that as of December 31, 2019, our disclosure controls and procedures were effective at the reasonable assurance level and we believe the financial statements included in this Annual Report present, in all material respects, our financial position, results of operations, comprehensive loss and cash flows for the periods presented in conformity with U.S. generally accepted accounting principles.

Management's Report on Internal Control Over Financial Reporting

This annual report does not include a report of management's report on internal control over financial reporting due to a transition period established by the rules of the SEC for newly public companies.

Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of our independent registered public accounting firm due to an exemption provided by the JOBS Act for "emerging growth companies."

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified during the quarter ended December 31, 2019 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item and not set forth below will be set forth in our definitive proxy statement for our 2020 Annual Meeting of Stockholders, or Proxy Statement, to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2019, and is incorporated herein by reference.

We have adopted a written code of ethics for all directors, officers (including our principal executive officer, principal financial officer and principal accounting officer) and employees, known as the Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics is available on our website at *www.tptherapeutics.com* under the Corporate Governance section of our Investors page. We will promptly disclose on our website any future amendments to, or waivers from, provisions of our Code of Business Conduct and Ethics that apply to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

Item 11. Executive Compensation.

The information required by this item will be set forth in the Proxy Statement and is incorporated herein.

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

The information required by this item will be set forth in the Proxy Statement and is incorporated herein.

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

The information required by this item will be set forth in the Proxy Statement and is incorporated herein.

Item 14. Principal Accounting Fees and Services.

The information required by this item will be set forth in the Proxy Statement and is incorporated herein.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) The following documents are filed as a part of this Annual Report:

(1) Report of Independent Registered Public Accounting Firm

Balance Sheets

Statements of Operations and Comprehensive Loss

Statements of Changes in Convertible Preferred Stock and Stockholders' Equity (Deficit)

Statements of Cash Flows

Notes to Financial Statements

(2) All other financial statement schedules have been omitted because they are not applicable, not required or the information required by such schedules is shown in the financial statements or the notes thereto.

(3) Exhibits

See Item 15, subsection (b) below.

(b) The following exhibits are filed as part of this Annual Report:

Exhibit Index

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Registrant (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 22, 2019, and incorporated by reference herein).
3.2	Amended and Restated Bylaws of the Registrant (filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 22, 2019, and incorporated by reference herein).
4.1	Specimen Common Stock Certificate of the Registrant (filed as Exhibit 4.1 to the Registrant's Registration Statement on Form S-1, as amended, filed with the SEC on April 8, 2019, and incorporated by reference herein).
4.2	Fourth Amended and Restated Investor Rights Agreement, dated October 18, 2018, by and among the Registrant and certain of its securityholders (filed as Exhibit 4.2 to the Registrant's Registration statement on Form S-1, as amended (File No. 333-230428)), filed with the SEC on March 21, 2019, and incorporated by reference herein).
4.3	Description of Common Stock.
10.1†	Form of Indemnity Agreement by and between the Registrant and its directors and officers (filed as Exhibit 10.1 to the Registrant's Registration Statement on Form S-1, as amended, filed with the SEC on April 8, 2019, and incorporated by reference herein).
10.2†	Turning Point Therapeutics, Inc. 2013 Equity Incentive Plan, as amended, and Forms of Stock Option Grant Notice, Option Agreement and Notice of Exercise thereunder (filed as Exhibit 10.2 to the Registrant's Registration Statement on Form S-1, filed with the SEC on March 21, 2019, and incorporated by reference herein).
10.3†	Turning Point Therapeutics, Inc. 2019 Equity Incentive Plan and Forms of Stock Option Grant Notice, Option Agreement and Notice of Exercise (filed as Exhibit 10.3 to the Registrant's Registration Statement on Form S-1, as amended, filed with the SEC on April 8, 2019, and incorporated by reference herein).
10.4†	Turning Point Therapeutics, Inc. 2019 Employee Stock Purchase Plan (filed as Exhibit 10.4 to the Registrant's Registration Statement on Form S-1, as amended, filed with the SEC on April 8, 2019, and incorporated by reference herein).
10.5†	Turning Point Therapeutics, Inc. Severance Benefit Plan, as amended (C-Suite) (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 29, 2019, and incorporated by reference herein).
10.6†	Turning Point Therapeutics, Inc. Severance Benefit Plan (SVP/VP) (filed as Exhibit 10.6 to the Registrant's Registration Statement on Form S-1, filed with the SEC on March 21, 2019, and incorporated by reference herein).
10.7†	Executive Employment Agreement, dated September 29, 2018, by and between the Registrant and Athena Countouriotis, M.D. (filed as Exhibit 10.7 to the Registrant's Registration Statement on Form S-1, filed with the SEC on March 21, 2019, and incorporated by reference herein).
10.8	Lease, dated June 19, 2019, by and between the Registrant and ARE-SD Region No. 44, LLC (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on June 21, 2019, and incorporated by reference herein).
10.09†	Consulting Agreement by and between the Registrant and Sheila K. Gujrathi, M.D. dated as of November 14, 2017 (filed as Exhibit 10.11 to the Registrant's Registration Statement on Form S-1, filed with the SEC on March 21, 2019, and incorporated by reference herein).
10.10†	Executive Employment Agreement, dated March 20, 2019, by and between the Registrant and Annette North (filed as Exhibit 10.12 to the Registrant's Registration Statement on Form S-1, as amended, filed with the SEC on April 8, 2019, and incorporated by reference herein).

Exhibit Number	Description
10.11†	Executive Employment Agreement, dated July 25, 2019, by and between the Registrant and Yi Larson (filed as Exhibit 10.1 to the Registrant's Current on Form 8-K, filed with the SEC on July 29, 2019, and incorporated by reference herein).
10.12†	Non-Employee Director Compensation Policy as amended January 06, 2020.
10.13†	Executive Employment Agreement, dated October 30, 2019, by and between the Registrant and Mohammad Hirmand, M.D. (filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on November 4, 2019, and incorporated by reference herein).
10.14†	Executive Employment Agreement, dated February 15, 2020, by and between the Registrant and Siegfried Reich, Ph.D.
10.15†	Turning Point Therapeutics, Inc. Severance Benefit Plan, as amended (C-Suite) February 15, 2020.
10.16†	Transition Separation and Consulting Agreement, dated January 09, 2020, by and between Registrant and Jingrong Jean Cui, Ph.D. (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on January 09, 2020, and incorporated by reference herein).
23.1	Consent of Independent Registered Public Accounting Firm.
24.1	Power of Attorney (see signature page).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under 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 Rules 13a-14(a) and 15d-14(a) under 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 Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

† Indicates management contract or compensatory plan.

* This certification shall not be deemed filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

Item 16. Form 10-K Summary

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TURNING POINT THERAPEUTICS, INC.

Date: March 17, 2020

By: /s/ Athena Countouriotis
Athena Countouriotis, M.D.
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Athena Countouriotis, M.D. and Yi Larson, and each of them, as his or her true and lawful attorneys-in-fact, each with full power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the SEC, hereby ratifying and confirming all that each of said attorneys-in-fact or their substitute or substitutes may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Athena Countouriotis Athena Countouriotis, M.D.	Chief Executive Officer and Member of the Board of Directors *(Principal Executive Officer)*	March 17, 2020
/s/ Yi Larson Yi Larson	Chief Financial Officer *(Principal Financial Officer)*	March 17, 2020
/s/ Brian Baker Brian Baker, C.P.A.	Vice President of Finance & Administration *(Principal Accounting Officer)*	March 17, 2020
/s/ Sheila Gujrathi Sheila Gujrathi, M.D.	Chair of the Board of Directors	March 17, 2020
/s/ Jacob M. Chacko Jacob M. Chacko, M.D.	Member of the Board of Directors	March 17, 2020
/s/ Jingrong Jean Cui Jingrong Jean Cui, Ph.D.	Member of the Board of Directors	March 17, 2020
/s/ Carol Gallagher Carol Gallagher, Pharm.D.	Member of the Board of Directors	March 17, 2020
/s/ Simeon George Simeon George, M.D.	Member of the Board of Directors	March 17, 2020
/s/ Carl Gordon Carl Gordon, Ph.D., CFA	Member of the Board of Directors	March 17, 2020
/s/ Patrick Machado Patrick Machado, J.D.	Member of the Board of Directors	March 17, 2020
/s/ Garry Nicholson Garry Nicholson	Member of the Board of Directors	March 17, 2020

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Turning Point Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Turning Point Therapeutics, Inc. (the Company) as of December 31, 2019 and 2018, the related statements of operations and comprehensive loss, changes in convertible preferred stock and stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Adoption of ASU No. 2016-02

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for leases in 2019 due to the adoption of Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and the related amendments.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.
San Diego, California
March 17, 2020

TURNING POINT THERAPEUTICS, INC.

BALANCE SHEETS
(In thousands except share and par value amounts)

	December 31,	
	2019	**2018**
Assets		
Current assets:		
Cash and cash equivalents	$ 48,188	$ 101,029
Marketable securities	360,963	-
Prepaid and other current assets	5,796	494
Total current assets	414,947	101,523
Property and equipment, net	2,689	1,000
Right-of-use lease assets	4,493	-
Deferred financing costs	-	684
Security deposits	73	73
Total assets	$ 422,202	$ 103,280
Liabilities, convertible preferred stock, and stockholders' equity (deficit)		
Liabilities:		
Current liabilities		
Accounts payable	$ 2,150	$ 1,494
Accrued expenses and other current liabilities	3,910	2,415
Accrued compensation	6,736	1,413
Current portion of operating lease liabilities	1,236	-
Total current liabilities	14,032	5,322
Deferred rent	-	448
Operating lease liabilities, long-term	3,819	-
Commitments and contingencies (Note 7)		
Convertible preferred stock, $0.0001 par value; zero and 65,423,901 shares authorized, issued and outstanding at December 31, 2019 and December 31, 2018, respectively; aggregate liquidation preference of $0 and $146,460 at December 31, 2019 and December 31, 2018, respectively	-	145,916
Stockholders' equity (deficit):		
Preferred stock, $0.0001 par value; 10,000,000 and zero shares authorized at December 31, 2019 and December 31, 2018, respectively; zero shares outstanding at December 31, 2019 and December 31, 2018, respectively;	-	-
Common stock, $0.0001 par value; 200,000,000 and 104,000,000 shares authorized at December 31, 2019 and December 31, 2018, respectively; 35,915,119 and 3,411,516 shares issued and outstanding at December 31, 2019 and December 31, 2018, respectively	4	1
Additional paid-in capital	526,960	2,346
Accumulated other comprehensive income	271	-
Accumulated deficit	(122,884)	(50,753)
Total stockholders' equity (deficit)	404,351	(48,406)
Total liabilities, convertible preferred stock, and stockholders' equity (deficit)	$ 422,202	$ 103,280

See accompanying notes.

TURNING POINT THERAPEUTICS, INC.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2019	**2018**	**2017**
Operating expenses:			
Research and development	$ 57,943	$ 21,062	$ 15,241
General and administrative	19,781	4,578	1,488
Total operating expenses	77,724	25,640	16,729
Loss from operations	(77,724)	(25,640)	(16,729)
Other income, net	5,593	855	136
Net loss	(72,131)	(24,785)	(16,593)
Unrealized gain on marketable securities, net of tax	271	-	-
Comprehensive loss	$ (71,860)	$ (24,785)	$ (16,593)
Net loss per share, basic and diluted	$ (2.99)	$ (7.31)	$ (4.97)
Weighted-average common shares outstanding, basic and diluted	24,124,924	3,388,586	3,337,640

See accompanying notes.

TURNING POINT THERAPEUTICS, INC.

STATEMENTS OF CHANGES IN CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at December 31, 2016	19,719,133	$ 21,373	3,324,673	$ 1	$ 716	$ –	$ (9,375)	$ (8,658)
Issuance of Series C convertible preferred stock, net of issuance costs	19,416,645	44,788	-	-	-	-	-	-
Option exercises	-	-	43,069	-	63	-	-	63
Stock-based compensation expense	-	-	-	-	344	-	-	344
Net loss	-	-	-	-	-	-	(16,593)	(16,593)
Balance at December 31, 2017	39,135,778	$ 66,161	3,367,742	$ 1	$ 1,123	$ –	$ (25,968)	$ (24,844)
Issuance of Series D convertible preferred stock, net of issuance costs	26,288,123	79,755	-	-	-	-	-	-
Option exercises	-	-	43,774	-	76	-	-	76
Stock-based compensation expense	-	-	-	-	1,147	-	-	1,147
Net loss	-	-	-	-	-	-	(24,785)	(24,785)
Balance at December 31, 2018	65,423,901	$ 145,916	3,411,516	$ 1	$ 2,346	$ –	$ (50,753)	$ (48,406)
Issuance of common stock in connection with a public offering, net of underwriting discounts, commissions, and offering costs	-	-	15,137,500	1	364,655	-	-	364,656
Conversion of convertible preferred stock into common stock	(65,423,901)	(145,916)	16,993,194	2	145,914	-	-	145,916
Option exercises	-	-	362,275	-	1,008	-	-	1,008
Shares issued under employee stock purchase plan	-	-	10,634	-	331	-	-	331
Stock-based compensation expense	-	-	-	-	12,706	-	-	12,706
Net loss	-	-	-	-	-	-	(72,131)	(72,131)
Other comprehensive income	-	-	-	-	-	271	-	271
Balance at December 31, 2019	-	$ -	35,915,119	$ 4	$ 526,960	$ 271	$ (122,884)	$ 404,351

See accompanying notes.

TURNING POINT THERAPEUTICS, INC.

STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2019	2018	2017
Operating activities			
Net loss	$ (72,131)	$ (24,785)	$ (16,593)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock-based compensation expense	12,706	1,147	344
Depreciation	492	138	63
Accretion of discount on marketable securities	(1,357)	–	–
Amortization of right-of-use operating lease asset	1,087	–	–
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(5,302)	88	(179)
Security deposits	–	(35)	7
Accounts payable	903	(119)	1,286
Accrued expenses and other current liabilities	522	(945)	2,077
Accrued compensation	5,323	978	355
Net cash used in operating activities	(57,757)	(23,533)	(12,640)
Investing activities			
Purchases of marketable securities	(432,173)	–	–
Sales and maturities of marketable securities	72,838	–	–
Purchases of property and equipment	(1,744)	(302)	(88)
Net cash used in investing activities	(361,079)	(302)	(88)
Financing activities			
Proceeds from issuance of common stock in initial public offering, net	175,151	–	–
Proceeds from issuance of common stock in public offering, net	189,505	–	–
Proceeds from issuance of convertible preferred stock, net of issuance costs	–	79,755	44,788
Proceeds from issuance of common stock	1,339	76	63
Net cash provided by financing activities	365,995	79,831	44,851
Net (decrease) increase in cash and cash equivalents	(52,841)	55,996	32,123
Cash and cash equivalents at the beginning of period	101,029	45,033	12,910
Cash and cash equivalents at the end of period	$ 48,188	$ 101,029	$ 45,033
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	$ 1	$ 1	$ 1
Supplemental disclosure of non-cash investing and financing information:			
Purchases of property and equipment in accounts payable	$ 490	$ -	$ -
Costs incurred in connection with the public offering included in accounts payable and accrued expenses	$ -	$ 684	$ -
Capitalized value of tenant improvement allowance	$ -	$ 583	$ -
Operating lease liabilities arising from obtaining right-of-use assets	$ 5,554	$ -	$ -

See accompanying notes.

1. Formation and Business of the Company

Organization

Turning Point Therapeutics, Inc. (the Company) was organized on October 8, 2013, and commenced operations in 2014. The Company is a clinical-stage biopharmaceutical company designing and developing novel small molecule, targeted oncology therapies. The Company's principal operations are in the United States and the Company operates in one segment, with its headquarters in San Diego, California.

The Company's primary activities since inception have been to build infrastructure, conduct research and development, including clinical trials, perform business and financial planning, and raise capital.

Public Offerings

On April 22, 2019, the Company completed an initial public offering (IPO) of its common stock. In connection with its IPO, the Company issued and sold 10,637,500 shares of its common stock at a price to the public of $18.00 per share. The net proceeds from the IPO were approximately $175.2 million after deducting underwriting discounts and commissions of $13.4 million and offering expenses of approximately $2.9 million paid by the Company. At the closing of the IPO, 65,423,901 shares of outstanding convertible preferred stock were automatically converted into 16,993,194 shares of common stock. Following the IPO, there were no shares of preferred stock outstanding.

On September 10, 2019, the Company completed an underwritten public offering of its common stock, which resulted in the issuance and sale of an aggregate of 4,500,000 shares of common stock at a public offering price of $45.00 per share. The net proceeds from the offering were approximately $189.5 million, after deducting underwriting discounts and commissions of $12.2 million and offering expenses of approximately $0.8 million payable by the Company.

Reverse Stock Split

On April 5, 2019, the Company effected a 1-for-3.85 reverse stock split of its common stock. The par value and the authorized number of shares of the common stock were not adjusted as a result of the reverse stock split. The accompanying financial statements and notes to the financial statements give retroactive effect to the reverse stock split for all periods presented.

Liquidity

Management evaluates whether there are relevant conditions and events that in aggregate raise substantial doubt about the entity's ability to continue as a going concern and to meet its obligations as they become due within one year from the date that the financial statements are issued.

The Company's activities are subject to significant risks and uncertainties, including concentration on the Company's lead development program, which has significant competition from cancer therapies in development by other companies or already approved for sale by the U.S. Food and Drug Administration.

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and the ability to secure additional capital to fund operations. Drug candidates currently under development will require significant additional research and development efforts, including extensive preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure and extensive compliance-reporting capabilities. Even if the Company's drug development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that impact the reported amounts of assets, liabilities and expenses and the disclosure of contingent liabilities in the Company's financial statements and accompanying notes. The most significant estimates in the Company's financial statements relate to the valuation of equity awards, preclinical and clinical study accruals, fair value of assets and liabilities, income taxes, and stock-based compensation. Management bases its estimates on historical experience and on various other market-specific and relevant assumptions that management believes to be reasonable under the circumstances. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may ultimately materially differ from these estimates and assumptions.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of December 31, 2019 and 2018, cash equivalents consisted of checking, savings, and money market balances. The Company places its cash and cash equivalents with high credit quality financial institutions. All of the Company's cash and cash equivalent balances are maintained at three financial institutions domiciled in the United States.

Marketable securities

The Company classifies all marketable securities as available for sale, as the sale of such securities may be required prior to maturity. These marketable securities are carried at fair value, with unrealized gains and losses reported as accumulated other comprehensive income (loss) until realized. The cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and accretion, as well as interest and dividends, are included in interest income. Realized gains and losses from the sale of available for sale securities, if any, are determined on a specific identification basis and are also included in interest income. The Company's marketable securities are classified as current assets, even though the stated maturity date may be one year or more beyond the current balance sheet date, which reflects management's intention to use the proceeds from sales of these securities to fund our operations, as necessary.

At each reporting date, the Company performs an evaluation of impairment to determine if any unrealized losses are other-than-temporary. Factors considered in determining whether a loss is other-than-temporary include the length of time and extent to which fair value has been less than the cost basis, the financial condition of the issuer, and the Company's intent and ability to hold the investment until recovery of the amortized cost basis. The Company intends, and has the ability, to hold its investments until their amortized cost basis has been recovered.

Fair Value of Financial Instruments

The carrying amounts of certain of the Company's financial instruments, including cash, cash equivalents and marketable securities, prepaid expenses and other current assets, accounts payable, and accrued liabilities, approximate fair value due to the short-term nature of these items.

Concentration of Credit Risk

Substantially all of our cash, cash equivalents, and marketable securities are held at three financial institutions. Due to their size, we believe these financial institutions represent minimal credit risk. Cash amounts held at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2019, cash and cash equivalents and marketable securities totaling $408.7 million are either not subject to FDIC insurance, or exceed the FDIC insured limit. Our cash and cash equivalents and marketable securities are invested in short term, high grade securities, and as a result, we believe represent a minimal credit risk.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful life of the assets, which ranges between three to seven years. Tenant improvements are stated at cost and depreciated over the shorter of the estimated useful life or the remaining life of the lease at the time the asset is placed into service.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of an asset are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset over its respective fair value. The Company has not recognized any impairment losses during the years ended December 31, 2019, 2018 and 2017.

Intellectual Property

The legal and professional costs incurred by the Company to maintain its patent rights have been expensed as part of general and administrative expenses since inception. As of December 31, 2019 and 2018, the Company has determined that these expenses have not met the criteria to be capitalized. Intellectual property-related expenses for the years ended December 31, 2019, 2018 and 2017 were $0.7 million, $0.5 million and $0.2 million, respectively.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs, including stock-based compensation, for personnel in executive, finance and administrative functions. General and administrative expenses also include direct and allocated facility-related costs as well as professional fees for legal, consulting, accounting and audit services.

Research and Development Expenses

Research and development costs are expensed as incurred. These costs consist primarily of salaries and other personnel-related expenses, including stock-based compensation; facility-related expenses; depreciation of facilities and equipment; laboratory consumables; and services performed by clinical research organizations, research institutions, and other outside service providers.

The Company recorded the estimated costs of research and development activities based upon the estimated amount of services provided but not yet invoiced and include these costs in accrued expenses and other current liabilities in the balance sheet and within research and development expense in the statement of operations and comprehensive loss. As actual costs become known, the Company will adjust our accrued expenses and other current liabilities.

Income Taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities using enacted tax rates which will be in effect when the differences reverse. The Company provides a valuation allowance against net deferred tax assets unless, based upon the available evidence, it is more likely than not that the deferred tax asset will be realized.

The Company follows the provisions of the Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification that defines a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Under the Income Taxes Topic, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.

Stock-Based Compensation

For purposes of calculating stock-based compensation, the Company estimates the fair value of stock options issued using a Black-Scholes option-pricing model. The determination of the fair value of stock-based payment awards utilizing the Black-Scholes model is affected by the Company's stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends.

Expected Term—The Company uses the "simplified method" for estimating the expected term of employee options, whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option (generally 10 years).

Expected Volatility—Due to the Company's limited operating history and a lack of company specific historical and implied volatility data, the Company estimates expected volatility based on the historical volatility of a group of similar companies that are publicly traded. The historical volatility data was computed using the daily closing prices for the selected companies' shares during the equivalent period of the calculated expected term of the stock-based awards.

Risk-Free Interest Rate—The risk-free rate assumption is based on the U.S. Treasury instruments with maturities similar to the expected term of the stock options.

Expected Dividend—The Company has not issued any dividends and does not expect to issue dividends over the life of the options. As a result, the Company has estimated the dividend yield to be zero.

The estimated fair value of stock options granted to employees and non-employee service providers are expensed over the requisite service period (generally the vesting term) on a straight-line basis, net of actual forfeitures during the period.

Net Loss Per Share

The Company computes basic loss per share by dividing the net loss available to common stockholders by the weighted average number of common shares outstanding for the period, without consideration for common stock equivalents. Diluted net loss assumes the conversion, exercise or issuance of all potential common stock equivalents, unless the effect of inclusion would be anti-dilutive. For purposes of this calculation, common stock equivalents include the Company's stock options and convertible preferred stock, which is convertible into shares of the Company's common stock. No shares related to the convertible preferred stock were included in the diluted net loss calculation for the years ended December 31, 2019, 2018 or 2017 because the inclusion of such shares would have had an anti-dilutive effect. The shares to be issued upon exercise of certain outstanding stock options were also excluded from the diluted net loss calculation for the years ended December 31, 2019, 2018 and 2017 because such shares are anti-dilutive.

Historical outstanding anti-dilutive securities not included in the diluted net loss per share calculation include the following:

	Year Ended December 31,		
	2019	2018	2017
Convertible preferred stock (as converted)	–	16,993,194	10,165,120
Common stock options	5,254,269	3,597,638	584,019
Total	5,254,269	20,590,832	10,749,139

Recent Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses*, which changes the accounting for recognizing impairments of financial assets. Under the new guidance, credit losses for certain types of financial instruments will be estimated based on expected losses. The new guidance also modifies the impairment models for available for sale debt securities and for purchased financial assets with credit deterioration since their origination. This update is effective for annual periods beginning after December 15, 2019, and interim periods within those periods, and early adoption is permitted. The Company is in the process of determining the effects the adoption will have on its financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement: Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which adds and modifies certain disclosure requirements for fair value measurements. Under the new guidance, entities will no longer be required to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, or valuation processes for Level 3 fair value measurements. However, public companies will be required to disclose the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and related changes in unrealized gains and losses included in other comprehensive income. This update is effective for annual periods beginning after December 15, 2019, and interim periods within those periods, and early adoption is permitted. The Company is in the process of determining the impact the adoption will have on its financial statements.

Recently Adopted Accounting Standards Updates

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*". ASU 2016-02 requires lessees to recognize most leases on their balance sheet as a right-of-use asset and a lease liability. The Company adopted the new standard beginning January 1, 2019 using a modified retrospective approach. ASU 2016-02 provides a number of optional practical expedients and accounting policy elections. The Company elected the package of practical expedients requiring no reassessment of whether any expired or existing contracts are or contain leases, the lease classification of any expired or existing leases, or initial direct costs for any existing leases. As a result of these decisions, financial information will not be updated, and the disclosures required under this guidance will not be provided for dates and periods prior to January 1, 2019. Additionally, the Company elected the hindsight provision for determining the lease term and elected to aggregate all lease and non-lease components for each class of underlying assets into a single lease component.

The Company currently has one operating lease for office and laboratory spaces in San Diego, California. The operating lease was impacted by the new accounting standard and resulted in the present values of the future lease payments being presented as a right-to-use asset, with a corresponding lease liability at the date of adoption. The financial impact from the adoption of this guidance is discussed in Note 7.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740)*, which is intended to simplify the accounting for income taxes. The most significant impact of ASU 2019-12 is its removal of the exception to the incremental approach for intraperiod tax allocation when there is a loss from continuing operations. As a result of this change, the Company expects to experience a reduction in income statement volatility primarily due to the implications of this guidance on the accounting for unrealized gains and losses on investment securities classified as available for sale. Effective January 1, 2019, we adopted ASU No 2019-12 and the adoption had an immaterial impact to our financial position, results of operations and cash flows.

3. Marketable Securities

The Company invests its excess cash in marketable securities, including debt instruments of financial institutions, corporations with investment grade credit ratings, commercial paper and government agencies.

At December 31, 2019, marketable securities consisted of the following (in thousands):

	Maturity in Years	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. government agency securities	2 years or less	$ 90,596	$ 42	$ (20)	$ 90,618
Corporate debt securities	2 years or less	173,595	178	(21)	173,752
Commercial paper	Less than 1	96,501	92	-	96,593
Total marketable securities		$ 360,692	$ 312	$ (41)	$ 360,963

The Company's marketable securities are presented as current assets, even though the stated maturity date may be one year or more beyond the current balance sheet date. This presentation reflects management's intention to use the proceeds from sales of these securities to fund our operations, as necessary. Gross realized gains and losses on available for sale securities were immaterial during the year ended December 31, 2019. At December 31, 2018, the Company had no marketable securities.

None of the investments have been in a gross unrealized loss for a period greater than 12 months. The Company did not identify any other-than-temporary losses as of December 31, 2019.

4. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Fair value should maximize the use of observable inputs and minimize the use of unobservable inputs. The Company determines the fair value of financial assets and liabilities using three levels of inputs as follows:

Level 1—Inputs which include quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2—Inputs (other than quoted market prices included in Level 1) that are either directly or indirectly observable, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the instrument's anticipated life.

Level 3—Unobservable inputs for assets or liabilities and include little or no market activity.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's financial assets subject to fair value measurements on a recurring basis and the level of inputs used for such measurements were as follows (in thousands):

	Fair Value Measurements at December 31, 2019 Using:			
	Level 1	Level 2	Level 3	Total
Money market funds and corporate securities included in cash and cash equivalents	$ 45,085	$ -	$ -	$ 45,085
U.S. government agency securities	-	90,618	-	90,618
Corporate debt securities	-	173,752	-	173,752
Commercial paper	-	96,593	-	96,593
Total marketable securities	$ 45,085	$ 360,963	$ -	$ 406,048

	Fair Value Measurements at December 31, 2018 Using:			
	Level 1	Level 2	Level 3	Total
Money market funds included in cash and cash equivalents	$ 98,268	$ -	$ -	$ 98,268

5. Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	December 31, 2019	December 31, 2018
Laboratory equipment	$ 885	$ 388
Computer equipment and software	910	138
Tenant improvements	1,108	679
Furniture and fixtures	357	66
Property and equipment	3,260	1,271
Less: accumulated depreciation	(571)	(271)
Property and equipment, net	$ 2,689	$ 1,000

Depreciation expense for the years ended December 31, 2019, 2018 and 2017 was $0.5 million, $0.1 million and $0.1 million, respectively.

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	December 31, 2019	December 31, 2018
Accrued research and development expenses	$ 3,414	$ 1,677
Accrued general and administrative expenses	451	548
Other current liabilities	45	190
Total	$ 3,910	$ 2,415

7. Commitments and Contingencies

Operating Leases

On January 1, 2019, in conjunction with the adoption of the guidance in ASU 2016-02 - "*Leases*", the Company recognized a right-of-use asset and corresponding lease liability for its facility lease as the present value of lease payments not yet paid at January 1, 2019. The right-of-use asset and corresponding lease liability was estimated assuming the remaining lease term of 36 months at January 1, 2019, and an estimated discount rate of 8.5%, which was the Company's incremental borrowing rate at the date of adopting ASC 842. The Company recorded a lease liability of $2.3 million and a right-of-use asset of $1.7 million, which is net of $0.6 million of the Company's previously capitalized tenant improvement allowance and deferred rent, upon adoption.

In June 2019, the Company amended the terms of its existing facility lease in conjunction with entering into a lease for additional office and laboratory space and agreed to surrender a portion of its current laboratory and office space and to extend the lease term for its remaining laboratory and office space to June 30, 2023. The execution of the new lease and the amendment to the Company's existing facility lease were accounted for as a single contract for accounting purposes, as the counterparty to both contracts is the Company's existing landlord and both agreements were negotiated contemporaneously as a whole to achieve the same commercial objective.

In June 2019, the Company accounted for the partial surrender of office and laboratory space as a reduction to its existing right-of-use asset and liability totaling $0.6 million, and $0.9 million, respectively. The difference between these amounts was recorded as a deferred gain of $0.3 million. The deferred gain was recorded as an offset to the right of use asset recorded by the Company on July 1, 2019.

In June 2019, and in connection with the extension of the lease term of the Company's previously existing office and laboratory space, the Company recognized an incremental increase of $0.5 million to its existing right of use asset and lease liability. The adjustment was computed assuming a lease term ending in June 2023 and an estimated incremental borrowing rate of 8.5%. This right-of-use asset was recorded net of $0.3 million associated with the lease extension, which represents the Company's net unamortized capitalized tenant improvement allowance and deferred rent.

The new lease commenced in July 2019 and the lease expiration date is June 30, 2023. In addition to base rental payments under this lease, which escalate over the term of the lease, the Company will also be responsible for the payment of its share of the estimated annual operating expenses, property tax expenses, and utilities costs related to this lease of additional space. The lease also contains an option to extend the lease term on all leased space for one additional five-year term. As of July 1, 2019, the Company was not reasonably certain that it would exercise the extension option, and as such, did not include this option in the determination of the total lease term for accounting purposes. The right-of-use asset and corresponding lease liability was estimated assuming the remaining lease term of 48 months at July 1, 2019, and an estimated discount rate of 8.5%, which was the Company's incremental borrowing rate at the date of the lease commencement. The Company recorded a lease liability of $4.0 million and a right-of-use asset of $3.7 million, which is net of $0.3 million of the Company's deferred gain from the office and laboratory space surrendered in June 2019.

Future minimum payments under the amended lease as of December 31, 2019 are as follows (in thousands):

2020	1,618
2021	1,668
2022	1,718
2023	872
Total future minimum lease payments	5,876
Less: amounts representing interest	(821)
Total lease liability	$ 5,055
Remaining lease term	3.5 years

Rent expense for the years ended December 31, 2019, 2018 and 2017 was approximately $1.1 million, $0.5 million and million and $0.4 million, respectively. The Company made cash payments related to its operating lease agreement of $1.2 million, $0.5 million and $0.4 million for the years ended December 31, 2019, 2018 and 2017, respectively.

8. Stockholders' Equity

Stock Option Plan

The Company's 2019 Equity Incentive Plan as amended (the Plan), provides for the grant of stock options, restricted stock and other equity awards of the Company's common stock to employees, officers, consultants, and directors. As of December 31, 2019, the Plan had a maximum of 2,633,874 total shares available for issuance.

Options expire within a period of not more than ten years from the date of grant. Initial option grants to employees typically vest 25% after one year and monthly thereafter over a three-year period and expire between one and three months after employee termination. Subsequent option grants to employees and grants to non-employees typically vest monthly over a four-year period. The majority of options outstanding at December 31, 2019, had vesting periods of four years.

The weighted-average grant-date fair value of options granted to employees was $21.66, $6.23 and $2.08 for the years ended December 31, 2019, 2018 and 2017, respectively. As of December 31, 2019, unrecognized compensation expense related to unvested options was $54.4 million and is expected to be recognized over a weighted average term of 2.92 years.

The following summarizes option activity for the year ended December 31, 2019:

	Outstanding Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Balances as of December 31, 2018	3,597,638	$ 4.40	9.5	$ 15,056
Options granted	2,362,266	$ 27.22		
Options exercised	(362,275)	$ 2.78		
Options forfeited	(343,360)	$ 7.15		
Balances as of December 31, 2019	5,254,269	$ 14.59	9.0	$ 250,611
Options vested and exercisable as of December 31, 2019	1,060,942	$ 4.60	8.5	$ 61,203

The fair values of the employee stock options granted during 2019, 2018 and 2017 was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	Year Ended December 31,		
	2019	2018	2017
Risk-free interest rate	2.13%	2.61 - 3.10%	1.94 - 2.22%
Volatility	79.8%	80.4 - 82.5%	91.3%
Expected term (in years)	6.05	5.77 - 6.08	5.00 - 6.08
Dividend yield	-	-	-

2019 Employee Stock Purchase Plan

In April 2019, the Company's board of directors and stockholders approved and adopted the 2019 Employee Stock Purchase Plan (the "ESPP"). The ESPP became effective immediately prior to the date of the underwriting agreement related to the IPO. The ESPP permits eligible employees who elect to participate in an offering under the ESPP to have up to 15% of their eligible earnings withheld, subject to certain limitations, to purchase shares of common stock pursuant to the ESPP. The price of common stock purchased under the ESPP is equal to 85 percent of the lower of the fair market value of the common stock at the commencement date of each offering period or the relevant date of purchase. Each offering period is 24 months, with new offering periods commencing every six months on the dates of June 11 and December 11 of each year. Each offering period consists of four (4) six month purchase periods (each a "Purchase Period") during which payroll deductions of the participants are accumulated under the ESPP. The last business day of each Purchase Period is referred to as the "Purchase Date." Purchase Dates are every six months on the dates of June 10 and December 10 of each year. A total of 288,938 shares of common stock were initially reserved.

As of December 31, 2019, unrecognized compensation expense related to the ESPP was $0.9 million.

The assumptions used for the year ended December 31, 2019 and the resulting estimates of weighted-average fair value per share for stock purchased under the ESPP during 2019 were as follows:

	Year Ended December 31,
	2019
Risk-free interest rate	1.55 - 2.13%
Volatility	70.6 - 76.2%
Expected term (in years)	0.50 - 2.00
Dividend yield	-

Stock-based compensation expense resulting from grants under the Company's stock option plan and employee stock purchase plan is reflected in the statements of operations and comprehensive loss as follows (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Research and development	$ 6,075	$ 556	$ 184
General and administrative	6,631	591	160
Total stock-based compensation	$ 12,706	$ 1,147	$ 344

Common Stock Reserved for Future Issuance

Common stock reserved for future issuance consists of the following:

	December 31,	
	2019	2018
Conversion of preferred stock outstanding	–	16,993,194
Common stock options outstanding	5,254,269	3,597,638
Options to purchase common stock available for issuance under equity incentive plan	2,633,874	1,816,266
Shares available for purchase under employee stock purchase plan	278,304	-
Total	8,166,447	22,407,098

9. Defined Contribution Benefit Plan

The Company sponsors a 401(k) retirement plan, in which substantially all of its full-time employees are eligible to participate. Participants may contribute a percentage of their annual compensation to this plan, subject to statutory limitations. The Company has recorded as expense $0.5 million, $0.2 million and $21,000 in matching contributions for the years ended December 31, 2019, 2018 and 2017, respectively.

10. Income Taxes

No provision for federal or state income taxes has been recorded for the years ended December 31, 2019, 2018 and 2017 other than the $800 annual tax for C corporations paid to the state of California.

A reconciliation of the federal statutory income tax rate and the Company's effective income tax rate is as follows:

	Year Ended December 31,		
	2019	2018	2017
Tax computed at federal statutory rate	21.0 %	21.0 %	34.0 %
Permanent items and other	—	(2.4)	(9.4)
Stock based compensation	1.6	(0.8)	(0.3)
Research and development tax credits	1.6	1.1	(1.2)
Orphan drug tax credit	6.8	6.5	13.1
Tax Cuts and Jobs Act	—	—	(16.4)
Valuation allowance	(31.0)	(25.4)	(19.8)
Effective income tax rate	— %	— %	— %

Deferred tax assets and liabilities consist of the following (in thousands):

	December 31,	
	2019	2018
Deferred tax assets:		
Net operating loss carryforwards	$ 22,226	$ 8,474
Research and development credits	1,521	353
Orphan drug credit	8,657	3,781
Accrued liabilities	1,073	287
Right of use asset	1,062	—
Stock based compensation	1,909	—
Other, net	—	115
Total deferred tax assets	36,448	13,010
Deferred tax liabilities		
Fixed assets	(154)	(7)
Lease liabilities	(944)	—
	(1,098)	(7)
Total	35,350	13,003
Less: valuation allowance	(35,350)	(13,003)
Net deferred tax assets	$ —	$ —

The valuation allowance increased by $22.3 million during the year ended December 31, 2019.

Due to the uncertainties surrounding the realization of deferred tax assets, the Company has provided a full valuation allowance and, therefore, no benefit has been recognized for the net operating loss carryforwards and other deferred tax assets.

At December 31, 2019, the Company has federal and state net operating loss carryforwards of approximately $105.8 million and $111.6 million, respectively. Portions of the federal and state net operating loss carryforwards will begin to expire in 2033 if not utilized. At December 31, 2019, the Company has federal and state research and development tax credits of approximately $1.0 million and $1.7 million, respectively. At December 31, 2019, the Company has federal Orphan Drug tax credits of approximately $12.9 million. If not utilized, the federal research tax credit will begin to expire in 2035 and the Orphan Drug credit will begin to expire in 2037. The California research tax credit can be carried forward indefinitely.

The Company files income tax returns in the United States federal jurisdiction and in California, and the tax returns filed for the years 2014 through 2018 have not been examined and the applicable statutes of limitation have not expired with respect to those returns. Because of net operating loss and research credit carryforwards, substantially all of the Company's tax years remain open to examination.

Total unrecognized income tax benefits related to California net operating loss carryforwards, federal and California research and development and federal Orphan drug tax credit carryforwards were approximately $14.8 million at December 31, 2019. The Company's policy is to include interest and penalties related to unrecognized tax benefits within the Company's provision for income taxes. As of December 31, 2019, the Company has no accrual for interest and penalties related to unrecognized tax benefits. There are no unrecognized tax benefits that, if recognized, would impact the Company's effective tax rate due to valuation allowances. The Company does not expect any unrecognized tax benefits to be recognized within the next 12 months.

Pursuant to Sections 382 and 383, use of the Company's net operating loss and credit carryforwards may be limited if a cumulative change in ownership of more than 50% (by value) occurs within a three-year period. The Company has not performed an analysis to determine whether its net operating loss and research and development credit carryforwards are subject to annual limitation under Sections 382 or 383 of the Code, and these financial statements do not contain any adjustment relating to such potential limitations. However, if the Company experienced an ownership change that resulted in an annual limitation on the Company's net operating loss carryforwards under Section 382 of the Code there would be no material impact to the Company's financial statements.

The Company recognizes a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more likely than not recognition at the effective date to be recognized. Approximately $12.6 million of the unrecognized tax benefits would reduce the Company's annual effective tax rate, if recognized, subject to the valuation allowance. It is not anticipated that there will be significant change in the unrecognized tax benefits over the next 12 months.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows (in thousands):

	December 31,		
	2019	2018	2017
Beginning balance	$ 7,488	$ 4,733	$ 954
Additions (reductions) for tax positions taken in prior years	41	(118)	(34)
Additions for tax positions taken in current year	7,287	2,873	3,813
Ending balance	$ 14,816	$ 7,488	$ 4,733

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by the United States Internal Revenue Service and the taxing authorities in state jurisdictions where applicable. There are currently no pending income tax examinations. The Company's tax years from inception in 2013 and onwards are subject to examination by the federal and state tax authorities due to the carryforward of unutilized net operating losses and research and development credits. The Company's practice is to recognize interest and penalties related to income tax matters in income tax expense. The Company has not recognized interest or penalties since inception.

Note 11—Selected Quarterly Financial Information (Unaudited)

The following is a summary of the quarterly results of the Company for the years ended December 31, 2019 and 2018 (unaudited, in thousands, except for share and per share data):

	Year Ended December 31, 2019			
	12/31/2019	**9/30/2019**	**6/30/2019**	**3/31/2019**
Loss from operations	(23,065)	(22,140)	(18,454)	(14,065)
Net loss	(20,959)	(20,483)	(17,142)	(13,547)
Net loss per share, basic and diluted	$ (0.58)	$ (0.63)	$ (0.70)	$ (3.97)
Weighted-average common shares outstanding, basic and diluted	35,851,252	32,312,814	24,479,767	3,413,760

	Year Ended December 31, 2018			
	12/31/2018	**9/30/2018**	**6/30/2018**	**3/31/2018**
Loss from operations	(9,479)	(6,129)	(5,172)	(4,860)
Net loss	(9,018)	(5,997)	(5,037)	(4,733)
Net income per share, basic and diluted	$ (2.64)	$ (1.77)	$ (1.49)	$ (1.41)
Weighted-average common shares outstanding, basic and diluted	3,409,874	3,394,423	3,380,899	3,368,608

Note 12— Subsequent Events

In January 2020, the Company entered into a Transition Separation and Consulting Agreement with the Company's Chief Scientific Officer, Dr. Jingrong Jean Cui. In connection with this agreement, Dr. Cui's resigned from her position as Chief Scientific Officer effective January 31, 2020. In accordance with the terms of the agreement with Dr. Cui, the Company will record an expense in the amount of $1.2 million during fiscal year 2020 representing the cash severance that will be paid to Dr. Cui during 2020. In addition, the Company anticipates recording non-cash stock-based compensation expense in fiscal year 2020 related to the modification of Dr. Cui's outstanding stock option grants.

Exhibit 4.3

DESCRIPTION OF COMMON STOCK

The following summary description of the common stock of Turning Point Therapeutics, Inc. (we, our or us) is based on the provisions of our amended and restated certificate of incorporation, as well as our amended and restated bylaws, and the applicable provisions of the Delaware General Corporation Law. This information is qualified entirely by reference to the applicable provisions of our amended and restated certificate of incorporation, amended and restated bylaws, and the Delaware General Corporation Law. Our amended and restated certificate of incorporation and amended and restated bylaws have previously been filed as exhibits with the Securities and Exchange Commission.

Common Stock

Voting

Our common stock is entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, including the election of directors, and does not have cumulative voting rights. Accordingly, the holders of a majority of the shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election.

Dividends

Subject to preferences that may be applicable to any then-outstanding preferred stock, the holders of common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding-up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities, subject to the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

Rights and Preferences

Holders of our common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Anti-Takeover Effects of Provisions of Our Amended and Restated Certificate of Incorporation, Our Amended and Restated Bylaws and Delaware Law

Delaware Anti-Takeover Law

We are subject to Section 203 of the Delaware General Corporation Law (Section 203). Section 203 generally prohibits a public Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the time that such stockholder became an interested stockholder, unless:

- prior to such time the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (1) by persons who are directors and also officers and (2) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- at or subsequent to such time, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66-2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a “business combination” to include:

- any merger or consolidation involving the corporation and the interested stockholder;

- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;

- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;

- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; and

- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an “interested stockholder” as an entity or person who, together with the person’s affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its amended and restated certificate of incorporation or amended and restated bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

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

- permit our board of directors to issue up to 10,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate (including the right to approve an acquisition or other change in our control);
- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that the board of directors or any individual director may only be removed with cause and the affirmative vote of the holders of at least 66-2/3% of the voting power of all of our then-outstanding common stock;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- divide our board of directors into three classes;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner and also specify requirements as to the form and content of a stockholder's notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose); and
- provide that special meetings of our stockholders may be called only by the chairman of the board, our Chief Executive Officer or by the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors.

The amendment of any of these provisions, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require approval by the holders of at least 66-2/3% of our then-outstanding common stock.

Forum for Disputes

Our amended and restated certificate of incorporation and amended and restated bylaws provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws; (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against us or any of our directors, officers or other employees governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants; provided these provisions of our amended and restated certificate of incorporation and amended and restated bylaws will apply to suits brought to enforce a duty or liability created by the Securities Act of 1933, as amended, but stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations thereunder; and provided these provisions of our amended and restated certificate of incorporation and amended and restated bylaws will not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

Nasdaq Global Select Market Listing

Our common stock is listed on the Nasdaq Global Select Market under the symbol "TPTX".

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC. The transfer agent's address is 6201 15th Avenue, 3rd Floor, Brooklyn, New York 11219.

Exhibit 10.12

TURNING POINT THERAPEUTICS, INC.
NON-EMPLOYEE DIRECTOR COMPENSATION POLICY
ADOPTED: APRIL 5, 2019
AMENDED: JANUARY 6, 2020

Each member of the Board of Directors (the "***Board***") of Turning Point Therapeutics, Inc. (the "***Company***") who is a non-employee director of the Company (each such member, a "***Non-Employee Director***") will receive the compensation described in this Non-Employee Director Compensation Policy (the "***Director Compensation Policy***") for his or her Board service.

The Director Compensation Policy may be amended at any time in the sole discretion of the Board or the Compensation Committee of the Board.

A Non-Employee Director may decline all or any portion of his or her compensation by giving notice to the Company prior to the date cash is to be paid or equity awards are to be granted, as the case may be.

Annual Cash Compensation

Each Non-Employee Director will receive the cash compensation set forth below for service on the Board. The annual cash compensation amounts will be payable in equal quarterly installments, in arrears following the end of each quarter in which the service occurred, pro-rated for any partial months of service. All annual cash fees are vested upon payment.

1. Annual Board Service Retainer:
   a. All Eligible Directors: $40,000

2. Annual Board Chair Service Retainer (in lieu of Board Service Retainer):
   a. Chair of the Board: $70,000

3. Annual Committee Member Service Retainer:
   a. Member of the Audit Committee: $7,500
   b. Member of the Compensation Committee: $5,000
   c. Member of the Nominating and Corporate Governance Committee: $4,000

4. Annual Committee Chair Service Retainer (in lieu of Committee Member Service Retainer):
   a. Chair of the Audit Committee: $15,000
   b. Chair of the Compensation Committee: $10,000
   c. Chair of the Nominating and Corporate Governance Committee: $8,000

Equity Compensation

Equity awards will be granted under the Company's 2019 Equity Incentive Plan (the "***Plan***"). All stock options granted under this policy will be Nonstatutory Stock Options (as defined in the Plan), with a term of ten years from the date of grant and an exercise price per share equal to 100% of the Fair Market Value (as defined in the Plan) of the underlying common stock of the Company on the date of grant.

(a) Automatic Equity Grants.

(i) Initial Grant for New Directors. Without any further action of the Board, each person who is elected or appointed for the first time to be a Non-Employee Director will automatically, upon the date of his or her initial election or appointment to be a Non-Employee Director (or, if such date is not a market trading day, the first market trading day thereafter), be granted a Nonstatutory Stock Option to purchase 25,000 shares of common stock of the Company (the "***Initial Option Grant***"). Each Initial Option Grant will vest in a series of 36 successive equal monthly installments over the three-year period measured from the date of grant.

(ii) Annual Grant. Without any further action of the Board, at the close of business on the date of each Annual Meeting, each person who is then a Non-Employee Director will automatically be granted a Nonstatutory Stock Option to purchase 12,500 shares of common stock (the "***Annual Option Grant***"). Each Annual Option Grant will vest on the one-year anniversary of the date of grant.

(b) Vesting; Change in Control. All vesting is subject to the Non-Employee Director's "***Continuous Service***" (as defined in the Plan) on each applicable vesting date. Notwithstanding the foregoing vesting schedules, for each Non-Employee Director who remains in Continuous Service with the Company until immediately prior to the closing of a "***Change in Control***" (as defined in the Plan), the shares subject to his or her then-outstanding equity awards that were granted pursuant to this policy will become fully vested immediately prior to the closing of such Change in Control.

(c) Remaining Terms. The remaining terms and conditions of each award, including transferability, will be as set forth in the Company's Director Option Grant Package in the form adopted from time to time by the Board.

Expenses

The Company will reimburse Non-Employee Director for ordinary, necessary and reasonable out-of-pocket travel expenses to cover in-person attendance at and participation in Board and committee meetings; *provided*, that the Non-Employee Director timely submit to the Company appropriate documentation substantiating such expenses in accordance with the Company's travel and expense policy, as in effect from time to time.

TURNING POINT THERAPEUTICS, INC.
EXECUTIVE EMPLOYMENT AGREEMENT
for
SIEGFRIED REICH, PH.D.

This Executive Employment Agreement (this "**Agreement**"), is made and entered into as of February 15, 2020, by and between Siegfried Reich, Ph.D., ("**Executive**") and Turning Point Therapeutics, Inc. (the "**Company**").

WHEREAS, the Company desires for Executive to provide services to the Company, and wishes to provide Executive with certain compensation and benefits in return for such employment services; and

WHEREAS, Executive wishes to be employed by the Company and to provide personal services to the Company in return for certain compensation and benefits.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Employment by the Company.

1.1 Position. Executive shall serve as Executive Vice President and Chief Scientific Officer of the Company, reporting to Athena Countouriotis, M.D., the Company's President & CEO (the "**CEO**"). Executive's commencement of employment with the Company will be on or before March 2, 2020 (such actual date of commencement of employment with the Company, the "**Start Date**"). During the term of Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention to the business of the Company, except for approved vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies.

1.2 Duties and Location. Executive shall perform such duties as are customarily associated with the position of Executive Vice President and Chief Scientific Officer and such other duties as are assigned to Executive by the CEO. Executive's primary office location shall be the Company's headquarters located in San Diego, California. Subject to the terms of this Agreement, the Company reserves the right to reasonably require Executive to perform Executive's duties at places other than Executive's primary office location from time to time and to require reasonable business travel.

1.3 Policies and Procedures. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. Compensation.

2.1 Base Salary. For services to be rendered hereunder, Executive shall receive a base salary at the rate of $16,250 semi-monthly, which equates to $390,000 per year (the "**Base Salary**"), less standard payroll deductions and withholdings and payable in accordance with the Company's regular payroll schedule.

2.2 Annual Bonus. Executive will be eligible for an annual discretionary bonus (the "**Annual Bonus**") of up to 40% of Executive's then current annual Base Salary (the "**Target Bonus Amount**"). Whether Executive receives an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined in the good faith discretion of the Company's Board of Directors (the "**Board**") (or the Compensation Committee thereof) and the CEO, based upon the Company's and Executive's achievement of corporate and individual objectives and milestones to be determined on an annual basis by the Board (or Compensation Committee thereof). No Annual Bonus is guaranteed and, in addition to the other conditions for earning such compensation, Executive must remain an employee in good standing of the Company on the scheduled Annual Bonus payment date in order to be eligible for any Annual Bonus.

3. Standard Company Benefits. Executive shall, in accordance with Company policy and the terms and conditions of the applicable Company benefit plan documents, be eligible to participate in the benefit and fringe benefit programs provided by the Company to its executive officers and other employees from time to time. Any such benefits shall be subject to the terms and conditions of the governing benefit plans and policies and may be changed by the Company in its discretion. As an executive at the Company, Executive will be eligible to take paid time off ("**PTO**") under the Company's Discretionary PTO Policy (the "**Discretionary PTO Policy**"). Under the Discretionary PTO Policy, Executive does not accrue PTO. Rather, Executive is permitted to use discretion in achieving an appropriate work/life balance by taking time off as needed and consistent with job demands. There is no set minimum or maximum amount of time off that may be taken in a given year, however Executive must obtain prior approval from the CEO before taking PTO, except for absences that qualify under state and local paid sick leave laws. Although there is no limit on the amount of time that may be taken under the Discretionary PTO Policy, Executive is expected to exercise this right responsibly and continue to satisfy all professional obligations. Neglect of professional obligations may result in disciplinary action, up to and including termination of employment.

4. Expenses. The Company will reimburse Executive for reasonable travel, entertainment or other expenses incurred by Executive in furtherance or in connection with the performance of Executive's duties hereunder, in accordance with the Company's expense reimbursement policy as in effect from time to time.

5. Stock Option Grant. Subject to approval by the Board, Executive shall be granted an option to purchase 150,000 shares of Common Stock of the Company at the fair market value on the date of grant (the "**Option**"). The Option shall be governed in all respects by the terms of the governing equity plan documents and option agreement between Executive and the Company, and shall be subject to a vesting schedule whereby 25% of the shares subject to the Option shall vest one year after grant, with the remaining shares vesting in equal monthly installments over the following three years thereafter, subject to Executive's continuous service.

6. Proprietary Information Obligations.

6.1 Proprietary Information Agreement. Executive shall execute, and will abide by, the Company's standard Employment, Confidential Information and Invention Assignment Agreement ("**Proprietary Agreement**").

6.2 Third-Party Agreements and Information. Executive represents and warrants that Executive's employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that Executive will perform Executive's duties to the Company without violating any such agreement. Executive represents and warrants that Executive does not possess confidential information arising out of prior employment, consulting, or other third party relationships, that would be used in connection with Executive's employment by the Company, except as expressly authorized by that third party. During Executive's employment by the Company, Executive will use in the performance of Executive's duties only information that is generally known and used by persons with training and experience comparable to Executive's own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by Executive in the course of Executive's work for the Company.

7. Outside Activities and Non-Competition During Employment.

7.1 Outside Activities. Throughout Executive's employment with the Company, Executive may engage in civic and not-for-profit activities so long as such activities do not interfere with the performance of Executive's duties hereunder or present a conflict of interest with the Company or its affiliates. Subject to the restrictions set forth herein, and only with prior written disclosure to and consent of the Board, Executive may engage in other types of business or public activities. The Board may rescind such consent, if the Board determines, in its sole discretion, that such activities compromise or threaten to compromise the Company's or its affiliates' business interests or conflict with Executive's duties to the Company or its affiliates.

7.2 Non-Competition During Employment. Except as otherwise provided in this Agreement, during Executive's employment by the Company, Executive will not, without the express written consent of the Board, directly or indirectly serve as an officer, director, stockholder, employee, partner, proprietor, investor, joint ventures, associate, representative or consultant of any person or entity engaged in, or planning or preparing to engage in, business activity competitive with any line of business engaged in (or planned to be engaged in) by the Company or its affiliates; provided, however, that Executive may purchase or otherwise acquire up to (but not more than) 1% of any class of securities of any enterprise (without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange. In addition, Executive will be subject to certain restrictions (including restrictions continuing after Executive's employment ends) under the terms of the Proprietary Agreement.

8. Termination of Employment; Severance and Change in Control Benefits.

8.1 At-Will Employment. Executive's employment relationship is at-will. Either Executive or the Company may terminate the employment relationship at any time, with or without Cause (as such term is defined in the Company's Severance Benefit Plan – C-Suite (the "**Severance Plan**")) or advance notice.

8.2 Covered Termination Unrelated to Change in Control. In the event Executive's employment with the Company is terminated due to a Covered Termination (as defined in the Severance Plan) at any time except during the Change in Control Protection Period (as defined in the Severance Plan), then Executive shall be entitled to the benefits provided under, and subject to the terms and conditions of, the Severance Plan.

8.3 Covered Termination During Change in Control Protection Period. In the event Executive's employment with the Company is terminated due to a Covered Termination during the Change in Control Protection Period, then in lieu of (and not additional to) the severance benefits described in Section 8.2, Executive shall be entitled to the benefits provided under, and subject to the terms and conditions of, the Severance Plan.

8.4 Termination for Cause; Death or Disability. Executive will not be eligible for, or entitled to any severance benefits, including (without limitation) the Severance Benefits and Change in Control benefits listed in Sections 8.2 and 8.3 above, if the Company terminates Executive's employment for Cause, or Executive's employment terminates due to Executive's death or disability.

9. Dispute Resolution. To ensure the rapid and economical resolution of disputes that may arise in connection with Executive's employment with the Company, Executive and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, Executive's employment with the Company, or the termination of Executive's employment from the Company, will be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, and to the fullest extent permitted by law, by final, binding and confidential arbitration conducted in San Diego, California by JAMS, Inc. ("**JAMS**") or its successors, under JAMS' then applicable rules and procedures for employment disputes (which can be found at http://www.jamsadr.com/rules-clauses/, and which will be provided to Executive on request); provided that the arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. Executive and the Company shall be entitled to all rights and remedies that either would be entitled to pursue in a court of law. **Both Executive and the Company acknowledge that by agreeing to this arbitration procedure, they waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding**. The Company shall pay all filing fees in excess of those which would be required if the dispute were decided in a court of law, and shall pay the arbitrator's fee. Nothing in this Agreement is intended to prevent either the Company or Executive from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration.

10. General Provisions.

10.1 Notices. Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the next day after sending by overnight carrier, to the Company at its primary office location and to Executive at the address as listed on the Company payroll.

10.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law

or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the Parties.

10.3 Waiver. Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

10.4 Complete Agreement. This Agreement, together with the Severance Plan and the Proprietary Agreement, constitutes the entire agreement between Executive and the Company with regard to the subject matter hereof and is the complete, final, and exclusive embodiment of the Company's and Executive's agreement with regard to this subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. It cannot be modified or amended except in a writing signed by a duly authorized officer of the Company, with the exception of those changes expressly reserved to the Company's discretion in this Agreement.

10.5 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but both of which taken together will constitute one and the same Agreement.

10.6 Headings. The headings of the paragraphs hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

10.7 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign any of Executive's duties hereunder and Executive may not assign any of Executive's rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

10.8 Tax Withholding. All payments and awards contemplated or made pursuant to this Agreement will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. Executive acknowledges and agrees that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. Executive has had the opportunity to retain a tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to this Agreement.

10.9 Non-Solicitation. Executive agrees that for the one year period after the date Executive's employment ends, Executive will not, as an officer, director, employee, consultant, owner, partner, or in any other capacity, either directly or through others, solicit, induce, encourage, or participate in soliciting, inducing or encouraging any employee, consultant, or independent contractor of the Company to terminate his, her or its relationship with the Company or its affiliates, even if Executive did not initiate the discussion or seek out the contact.

10.10 Non-disparagement. Executive agrees not to disparage the Company and its affiliates, and the Company's and its affiliates' officers, directors, employees, shareholders, investors and agents, in any manner likely to be harmful to them or their business, business reputation or personal reputation; provided that Executive may respond accurately and fully to any question, inquiry or request for information when required by legal process or as part of a government

investigation. Notwithstanding the foregoing, nothing herein shall limit Executive's right to voluntarily communicate with the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Securities and Exchange Commission, other federal government agency or similar state or local agency or to discuss the terms and conditions of Executive's employment with others to the extent expressly permitted by Section 7 of the National Labor Relations Act.

Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

TURNING POINT THERAPEUTICS, INC.

By: /s/ Athena Countouriotis

Athena Countouriotis, M.D.
Chief Executive Officer

EXECUTIVE

/s/ Siegfried Reich

Siegfried Reich, Ph.D.

Exhibit 10.15

TURNING POINT THERAPEUTICS, INC.

SEVERANCE BENEFIT PLAN – C-SUITE

1. INTRODUCTION. This Turning Point Therapeutics, Inc. Severance Benefit Plan – C-Suite (the "***Plan***") is established by Turning Point Therapeutics, Inc. (the "***Company***") effective September 18, 2017 (the "***Effective Date***"), amended effective September 29, 2018, February 20, 2019 and July 25, 2019 and amended and restated February 15, 2020. The Plan provides for severance benefits to selected employees of the Company. This document also constitutes the Summary Plan Description for the Plan.

2. DEFINITIONS. For purposes of the Plan, the following terms are defined as follows:

(a) "***Board***" means the Board of Directors of the Company.

(b) "***C-level Executive***" means any officer of the Company with "Chief" in his or her title and any Executive Vice President.

(c) "***Cause***" means the occurrence of any one or more of the following: (i) the Participant's conviction of, or plea of no contest with respect to, any felony, or of any misdemeanor involving dishonesty or moral turpitude; (ii) the Participant's participation in a fraud or act of dishonesty (or an attempted fraud or act of dishonesty) against the Company, or that results in (or could result in) material harm to the Company, including but not limited to material harm to reputational interests; (iii) the Participant's violation of a fiduciary duty or a duty of loyalty owed to the Company; (iv) the Participant's material breach of any fully executed agreement between the Participant and the Company, including but not limited to the Employment, Confidential Information and Invention Assignment Agreement, or any applicable written Company policies; (v) persistent, unsatisfactory performance or neglect of the Participant's job duties, which is not cured within thirty (30) business days after the Participant is provided written notice by the Company (provided, that, such written notice and opportunity to cure are not required if the Participant's performance or neglect is not reasonably susceptible to being cured); or (vi) the Participant's gross misconduct or material failure to comply with a written instruction of the Company.

(d) "***Change in Control***" for purposes of this Plan shall have the meaning ascribed to such term in the Company's 2013 Equity Incentive Plan.

(e) "***Change in Control Protection Period***" means the period that occurs three months prior to, and ends twelve months after, a Change in Control.

(f) "***Change in Control Termination***" means a Participant's Covered Termination, that occurs during the Change in Control Protection Period.

(g) "***Code***" means the Internal Revenue Code of 1986, as amended.

(h) "***Common Stock***" means the common stock of the Company.

(i) "***Covered Termination***" means an Involuntary Termination or a Participant's resignation for Good Reason, in either case, resulting in a Separation from Service.

(j) "***Disability***" means the Participant's inability, due to physical or mental incapacity, to perform the Participant's duties with reasonable accommodation for a period of ninety (90) consecutive days or one hundred and twenty (120) days during any consecutive six-month period.

(k) "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

(l) "***Good Reason***" shall mean: (i) a material reduction of the Participant's base compensation, unless such reduction is consistent with and generally applicable to all the Company's executive officers and is agreed to in writing by the Participant; (ii) a material reduction of the Participant's authority, responsibilities or duties with the Company; or (iii) the Participant being required to relocate the Participant's principal place of employment with the Company as of the Effective Date to a principal place of employment more than fifty (50) miles from San Diego, California, in each case without the Participant's prior consent; *provided, however,* that the Participant's termination shall only be for Good Reason if: (i) the Participant gives the Board written notice of the intent to terminate for Good Reason within sixty (60) days following the first occurrence of the condition(s) that the Participant believes constitutes Good Reason, which notice shall describe such condition(s), and (ii) the Board has a period of not less than thirty (30) days to cure the Good Reason resignation triggering condition following its receipt of such notice (the "***Cure Period***"), (iii) the Good Reason resignation triggering condition is not cured prior to expiration of the Cure Period, and (iv) the Participant resigns within the thirty (30) day period following the expiration of the Cure Period.

(m) "***Involuntary Termination***" means a Participant's termination of employment by the Company for a reason other than due to death, Disability, or for Cause.

(n) "***Non-CiC Termination***" means a Participant's Covered Termination that does not occur during the Change in Control Protection Period.

(o) "***Participant***" means each individual who is employed by the Company, has been designated as a Participant by the Plan Administrator, and has received and returned a signed Participation Notice.

(p) "***Participation Notice***" means the latest notice delivered by the Company to a Participant informing the Participant that he or she is eligible to participate in the Plan, substantially in the form attached hereto as **Exhibit A**.

(q) "***Plan Administrator***" means the Board or any committee of the Board duly authorized to administer the Plan, including the Compensation Committee of the Board, or any member of senior management of the Company designated by the Board (including, for example, the head of Human Resources). The Board may at any time administer the Plan, in whole or in part, notwithstanding that the Board has previously appointed a committee or other person to act as the Plan Administrator. Notwithstanding the foregoing, upon and after the consummation of a Change in Control, the Plan Administrator shall mean the Representative.

(r) ***"Person"*** means a "person" as such term is used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended

(s) "***Release Effective Date***" means the date, which must occur during the Release Period, on which the Release becomes effective and is no longer revocable by the Participant.

(t) "***Release***" has the meaning set forth in Section 5.

(u) "***Release Period***" means the sixty-day period following a Participant's Covered Termination during which the Release must be executed (and not revoked) by the Participant.

(v) "***Representative***" means one or more members of the Board or other persons designated by the Board (including a member of senior management such as the head of Human Resources) prior to or in connection with a Change in Control to administer the Plan.

(w) "***Separation from Service***" means a "separation from service" within the meaning of Treasury Regulations Section 1.409A-1(h), without regard to any alternative definition thereunder.

(x) "***Severance Period***" means the number of weeks or months, as applicable, of severance payable under this Plan to the Participant with respect to the applicable Covered Termination, which will be indicated as either a "Non-CiC Severance Period" or a "CiC Severance Period" in the Participant's Participation Notice.

3. **Eligibility for Benefits.** Subject to the terms and conditions of the Plan, the Company will provide the benefits described in Section 4 to the affected Participant. A Participant will not receive benefits under the Plan (or will receive reduced benefits under the Plan) in the following circumstances, as determined by the Plan Administrator, in its sole discretion:

(a) The Participant's employment is terminated by the Company for any reason other than an Involuntary Termination;

(b) The Participant's employment is terminated by the Participant for any reason other than for Good Reason;

(c) The Participant has not entered into the Company's standard form of Employee Invention Assignment and Confidentiality Agreement or any similar or successor document (the "***Confidentiality Agreement***");

(d) The Participant has failed to execute and allow to become effective the Release (as defined and described below) within the Release Period; and

(e) The Participant has failed to return all Company Property. For this purpose, "***Company Property***" means all paper and electronic Company documents (and all copies thereof) created and/or received by the Participant during his or her period of employment with the Company and other Company materials and property that the Participant has in his or her possession or control, including, without limitation, Company files, notes, drawings records, plans, forecasts, reports, studies, analyses, proposals, agreements, financial information, research and

development information, sales and marketing information, operational and personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, without limitation, leased vehicles, computers, computer equipment, software programs, facsimile machines, mobile telephones, servers), credit and calling cards, entry cards, identification badges and keys, and any materials of any kind that contain or embody any proprietary or confidential information of the Company (and all reproductions thereof, in whole or in part). As a condition to receiving benefits under the Plan, a Participant must not make or retain copies, reproductions or summaries of any such Company documents, materials or property. However, a Participant is not required to return his or her personal copies of documents evidencing the Participant's hire, termination, compensation, benefits and stock options and any other documentation received as a stockholder of the Company.

4. Payments & Benefits Upon a Covered Termination. Except as may otherwise be provided in the Participant's Participation Notice, in the event of a Covered Termination, the Company will provide the payments and benefits described in this Section 4, subject to the terms and conditions of the Plan. For the avoidance of doubt, the Plan does not provide for duplication (in whole or in part) of benefits with any other agreement or plan.

(a) Payment of Accrued Obligations. The Company shall pay to each eligible Participant who incurs a Covered Termination a lump sum payment in cash, paid in accordance with applicable law, equal to the sum of (i) the Participant's accrued but unpaid base salary and any accrued but unpaid vacation pay through the date of the Covered Termination, and (ii) any earned but unpaid annual bonus for any fiscal year preceding the fiscal year in which the termination occurs.

(b) Non-CiC Termination.

(i) Cash Severance. Subject to the execution (and non-revocation) of the Release, upon a Non-CiC Termination, the Participant will receive as severance an amount equal to the Participant's (x) Severance Base Pay and (y) solely with respect to the Company's Chief Executive Officer and Executive Vice President, Chief Financial Officer, the Bonus Multiple. Such amounts will be payable in accordance with Section 4(b)(i)(3) below.

(1) ***Severance Base Pay***. For this purpose, "***Severance Base Pay***" means an amount equal to the product of (A) the Participant's annual base salary or annualized wages (excluding incentive pay, premium pay, commissions, overtime, bonuses and other forms of variable compensation) as in effect on the date of the Non-CiC Termination and (B) a fraction, the numerator of which is the number of months represented by the Non-CiC Severance Period and the denominator of which is twelve (12).

(2) ***Bonus Multiple***. For this purpose, the "***Bonus Multiple***" means an amount equal to the product of (A) the Participant's target annual bonus (under the Company's annual bonus plan or program, or under the Participant's employment agreement or offer letter with the Company) calculated at 100% of target levels as specified in such Company bonus plan or program as in effect immediately prior to the date of the Non-CiC Termination and (B) a fraction, the numerator of which is the number of months represented by the Non-CiC Severance Period and the denominator of which is twelve (12).

(3) ***Payment Schedule***. The Company will pay the Severance Base Pay and the Bonus Multiple, if applicable, in a lump sum on the first payroll date that occurs more than five (5) days after the Release Effective Date. Notwithstanding the foregoing, to the extent required to comply with Section 409A (as defined below), in the event that the Release Period spans two calendar years such that the Release Effective Date could occur in either of such calendar years, the Severance Base Pay and Bonus Multiple, if applicable, to be paid to the Participant will be made in the second calendar year.

(ii) COBRA Payments; Special Severance Payments.

(1) ***COBRA Payment Period***. If the Participant is eligible for and has made the necessary elections for continuation coverage pursuant to COBRA under a group health, dental or vision plan sponsored by the Company, the Company will pay, as and when due directly to the COBRA carrier, the COBRA premiums necessary to continue the Participant's COBRA coverage for the Participant and the Participant's eligible dependents from the date of the Non-CiC Termination until the earliest to occur of (i) end of the Non-CiC Severance Period, (ii) the expiration of the Participant's eligibility for the continuation coverage under COBRA, and (iii) the date on which the Participant becomes eligible for health insurance coverage in connection with new employment or self-employment (such period for purposes of this Section 4(b)(ii), the "***COBRA Payment Period***"). The Participant agrees to promptly notify the Company as soon as the Participant becomes eligible for health insurance coverage in connection with new employment or self-employment.

(2) ***Special Severance Payment***. Notwithstanding Section 4(b)(ii)(1) above, if at any time the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code or any statute or regulation of similar effect (including, without limitation, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act and any other subsequent amendments), then in lieu of providing the benefit set forth in Section 4(b)(ii)(1) above, the Company will instead pay the Participant, on the first day of each month of the remainder of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings and deductions (such amount for purposes of this Section 4(b)(ii), the "***Special Severance Payment***").

(3) ***Payment Schedule.*** The Company will make the first payment under this Section 4(b)(ii) (and, in the case of the Special Severance Payment, such payment will be made to the Participant, in a lump sum) within five (5) business days after the Release Effective Date. Notwithstanding the foregoing, to the extent required to comply with Section 409A (as defined below), in the event that the Release Period spans two calendar years such that the Release Effective Date could occur in either of such calendar years, the first payment to be made under this Section 4(b)(ii) will be made in the second calendar year (and, if applicable, will include any amounts that the Company otherwise would have paid through such date), with the balance of the payments (if applicable) paid thereafter on the original schedule.

(iii) **Accelerated Vesting**. Solely with respect to the Company's Chief Executive Officer and Executive Vice President, Chief Financial Officer, and subject to such Participant's execution (and non-revocation) of the Release, and notwithstanding anything to the

contrary set forth in the applicable equity plans, upon a Non-CiC Termination, the vesting and exercisability (if applicable) of the number of then unvested time-based vesting equity awards then held by such Participant that would have vested had such Participant remained an employee of the Company through the end of the Non-CiC Severance Period shall immediately accelerate and become exercisable, if applicable, by such Participant upon such termination and shall remain exercisable, if applicable, following such Participant's termination as set forth in the applicable equity award documents. With respect to any performance-based vesting equity award, such award shall continue to be governed in all respects by the terms of the applicable equity award documents.

(c) Change in Control Termination.

(i) Cash Severance. Subject to the execution (and non-revocation) of the Release, upon a Change in Control Termination, (A) the Participant will receive as severance an amount equal to the Participant's Severance Base Pay, and (B) the Participant will also receive as severance an amount equal to the Participant's Bonus Multiple. Such amounts, as applicable, will be payable in accordance with Section 4(c)(i)(3) below.

(1) ***Severance Base Pay***. For this purpose, "***Severance Base Pay***" means an amount equal to the product of (A) the Participant's annual base salary or annualized wages (excluding incentive pay, premium pay, commissions, overtime, bonuses and other forms of variable compensation) as in effect on the date of the Change in Control and (B) a fraction, the numerator of which is the number of months represented by the CiC Severance Period and the denominator of which is twelve (12).

(2) ***Bonus Multiple***. For this purpose, the "***Bonus Multiple***" means an amount equal to the product of (A) the Participant's target annual bonus (under the Company's annual bonus plan or program, or under the Participant's employment agreement or offer letter with the Company) calculated at 100% of target levels as specified in such Company bonus plan or program as in effect immediately prior to the date of the Change in Control Termination and (B) a fraction, the numerator of which is the number of months represented by the CiC Severance Period and the denominator of which is twelve (12).

(3) ***Payment Schedule***. The Company will pay the Severance Base Pay and the Bonus Multiple in a lump sum on the first payroll date that occurs more than five (5) days after the Release Effective Date. Notwithstanding the foregoing, to the extent required to comply with Section 409A (as defined below), in the event that the Release Period spans two calendar years such that the Release Effective Date could occur in either of such calendar years, the Severance Base Pay and Bonus Multiple to be paid to the Participant will be made in the second calendar year.

(ii) COBRA Payments; Special Severance Payments.

(1) ***COBRA Payment Period***. If the Participant is eligible for and has made the necessary elections for continuation coverage pursuant to COBRA under a group health, dental or vision plan sponsored by the Company, the Company will pay, as and when due directly to the COBRA carrier, the COBRA premiums necessary to continue the Participant's COBRA

coverage for the Participant and the Participant's eligible dependents from the date of the Change in Control Termination until the earliest to occur of (i) end of the CiC Severance Period, (ii) the expiration of the Participant's eligibility for the continuation coverage under COBRA, and (iii) the date on which the Participant becomes eligible for health insurance coverage in connection with new employment or self-employment (such period for purposes of this Section 4(c)(ii), the "***COBRA Payment Period***"). The Participant agrees to promptly notify the Company as soon as the Participant becomes eligible for health insurance coverage in connection with new employment or self-employment.

(2) ***Special Severance Payment***. Notwithstanding Section 4(c)(ii)(1) above, if at any time the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code or any statute or regulation of similar effect (including, without limitation, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act and any other subsequent amendments), then in lieu of providing the benefit set forth in Section 4(c)(ii)(1) above, the Company will instead pay the Participant, on the first day of each month of the remainder of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings and deductions (such amount for purposes of this Section 4(c)(ii), the "***Special Severance Payment***").

(3) ***Payment Schedule*.** The Company will make the first payment under this Section 4(c)(ii) (and, in the case of the Special Severance Payment, such payment will be made to the Participant, in a lump sum) within five (5) business days after the Release Effective Date. Notwithstanding the foregoing, to the extent required to comply with Section 409A (as defined below), in the event that the Release Period spans two calendar years such that the Release Effective Date could occur in either of such calendar years, the first payment to be made under this Section 4(c)(ii) will be made in the second calendar year (and, if applicable, will include any amounts that the Company otherwise would have paid through such date), with the balance of the payments (if applicable) paid thereafter on the original schedule.

(iii) **Accelerated Vesting.** Subject to the Participant's execution (and non-revocation) of the Release, and notwithstanding anything to the contrary set forth in the applicable equity plans, upon a Change in Control Termination, the vesting and exercisability (if applicable) of all outstanding unvested time-based equity awards granted under the Company's equity incentive plans that are held by a Participant on the date of the Change in Control Termination will be accelerated in full. With respect to any performance-based vesting equity award, such award shall continue to be governed in all respects by the terms of the applicable equity award documents.

5. CONDITIONS AND LIMITATIONS ON BENEFITS.

(a) **Release.** To be eligible to receive any benefits under the Plan, a Participant must sign a general waiver and release in substantially the form attached hereto as **EXHIBIT B**, **EXHIBIT C**, or **EXHIBIT D**, as appropriate (the "***Release***"), and such release must be executed (and not revoked) by the Participant in accordance with its terms, in each case within the Release Period. The Plan Administrator, in its sole discretion, may modify the form of the required Release to comply with applicable law, and any such Release may be incorporated into a termination agreement or other agreement with the Participant.

(b) Prior Agreements; Certain Reductions. The Plan Administrator will reduce a Participant's benefits under the Plan by any other statutory severance obligations or contractual severance benefits, obligations for pay in lieu of notice, and any other similar benefits payable to the Participant by the Company (or any successor thereto) that are due in connection with the Participant's Covered Termination and that are in the same form as the benefits provided under the Plan (e.g., equity award vesting credit). Without limitation, this reduction includes a reduction for any benefits required pursuant to (i) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act of 1988 and any similar state or local laws (collectively, the "***WARN Act***"), (ii) a written employment, severance or equity award agreement with the Company, (iii) any Company policy or practice providing for the Participant to remain on the payroll for a limited period of time after being given notice of the termination of the Participant's employment, and (iv) any required salary continuation, notice pay, statutory severance payment, or other payments either required by local law, or owed pursuant to a collective labor agreement, as a result of the termination of the Participant's employment. The benefits provided under the Plan are intended to satisfy, to the greatest extent possible, and not to provide benefits duplicative of, any and all statutory, contractual and collective agreement obligations of the Company in respect of the form of benefits provided under the Plan that may arise out of a Covered Termination, and the Plan Administrator will so construe and implement the terms of the Plan. Reductions may be applied on a retroactive basis, with benefits previously provided being recharacterized as benefits pursuant to the Company's statutory or other contractual obligations. The payments pursuant to the Plan are in addition to, and not in lieu of, any unpaid salary, bonuses or employee welfare benefits to which a Participant may be entitled for the period ending with the Participant's Covered Termination.

(c) Mitigation. Except as otherwise specifically provided in the Plan, a Participant will not be required to mitigate damages or the amount of any payment provided under the Plan by seeking other employment or otherwise, nor will the amount of any payment provided for under the Plan be reduced by any compensation earned by a Participant as a result of employment by another employer or any retirement benefits received by such Participant after the date of the Participant's termination of employment with the Company.

(d) Indebtedness of Participants. If a Participant is indebted to the Company on the effective date of his or her Covered Termination, the Company reserves the right to offset the payment of any benefits under the Plan by the amount of such indebtedness. Such offset will be made in accordance with all applicable laws. The Participant's execution of the Participation Notice constitutes knowing written consent to the foregoing.

(e) Parachute Payments.

(i) Except as otherwise expressly provided in an agreement between a Participant and the Company, if any payment or benefit the Participant would receive in connection with a Change in Control from the Company or otherwise (a "***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment will be equal to the Reduced Amount. The "***Reduced Amount***" will be either (A) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax, or (B) the largest portion, up to and including the total, of the Payment,

whichever amount ((A) or (B)), after taking into account all applicable federal, state, provincial, foreign, and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in the Participant's receipt, on an after-tax basis, of the greatest economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction in the payments and/or benefits will occur in the manner that results in the greatest economic benefit to the Participant, as determined in this paragraph; *provided*, that if more than one method of reduction will result in the same economic benefit, the portions of the Payment shall be reduced pro rata.

(ii) The professional firm engaged by the Company for general tax purposes as of the day prior to the effective date of the Change in Control shall make all determinations required to be made under this Section 5(e). If the professional firm so engaged by the Company is serving as an accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such professional firm required to be made hereunder. Any good faith determinations of the professional firm made hereunder shall be final, binding and conclusive upon the Company and the Participant.

6. TAX MATTERS.

(a) Application of Section 409A of the Code. It is intended that all of the payments and benefits provided under the Plan satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect (collectively, "***Section 409A***") provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5), and 1.409A-1(b)(9), and the Plan will be construed to the greatest extent possible as consistent with those provisions. To the extent not so exempt, the Plan (and any definitions in the Plan) will be construed in a manner that complies with Section 409A, and will incorporate by reference all required definitions and payment terms. Notwithstanding anything to the contrary herein, to the extent required to comply with Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of the Plan providing for the payments of amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of the Plan, references to a "resignation," "termination, "termination of employment" or like terms shall mean separation from service. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulations Section 1.409A-2(b)(2)(iii)), a Participant's right to receive any installment payments under the Plan will be treated as a right to receive a series of separate payments and, accordingly, each installment payment under the Plan will at all times be considered a separate and distinct payment. If the Plan Administrator determines that any of the payments upon a Separation from Service provided under the Plan (or under any other arrangement with the Participant) constitute "deferred compensation" under Section 409A and if the Participant is a "specified employee" of the Company, as such term is defined in Section 409A(a)(2)(B)(i), at the time of his or her Separation from Service, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the payments upon a Separation from Service will be delayed as follows: on the earlier to occur of (i) the date that is six (6) months and

one (1) day after the effective date of the Participant's Separation from Service, and (ii) the date of the Participant's death (such earlier date, the "***Delayed Initial Payment Date***"), the Company will (A) pay to the Participant a lump sum amount equal to the sum of the payments upon Separation from Service that the Participant would otherwise have received through the Delayed Initial Payment Date if the commencement of the payments had not been delayed pursuant to this Section 6(a), and (B) commence paying the balance of the payments in accordance with the applicable payment schedules set forth above. No interest will be due on any amounts so deferred.

(b) Withholding. All payments and benefits under the Plan will be subject to all applicable deductions and withholdings, including, without limitation, obligations to withhold for federal, state, provincial, foreign and local income and employment taxes.

(c) Tax Advice. By becoming a Participant in the Plan, the Participant agrees to review with Participant's own tax advisors the federal, state, provincial, local, and foreign tax consequences of participation in the Plan. The Participant will rely solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant understands that the Participant (and not the Company) will be responsible for the Participant's own tax liability that may arise as a result of becoming a Participant in the Plan.

7. Reemployment. In the event of a Participant's reemployment by the Company during the Severance Period, the Company, in its sole and absolute discretion, may require such Participant to repay to the Company all or a portion of such severance benefits as a condition of reemployment.

8. Clawback; Recovery. All payments and severance benefits provided under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of common stock of the Company or other cash or property upon the occurrence of a termination of employment for Cause.

9. Right to Interpret Plan; Amendment and Termination.

(a) Exclusive Discretion. The Plan Administrator (or the Representative, as applicable) will have the exclusive discretion and authority to establish rules, forms, and procedures for the administration of the Plan and to construe and interpret the Plan and to decide any and all questions of fact, interpretation, definition, computation or administration arising in connection with the operation of the Plan, including, without limitation, the eligibility to participate in the Plan, the amount of benefits paid under the Plan and any adjustments that need to be made in accordance with the laws applicable to a Participant. The rules, interpretations, computations and other actions of the Plan Administrator (or the Representative, as applicable) will be binding and conclusive on all persons.

(b) Amendment or Termination. This Plan and any Participation Notice executed hereunder cannot be amended, modified or terminated with respect to a Participant except by a written agreement signed by the Participant and the Company.

10. No Implied Employment Contract. The Plan will not be deemed (i) to give any employee or other service provider any right to be retained in the employ or services of the Company, or (ii) to interfere with the right of the Company to discharge any employee or other service provider at any time, with or without Cause, which right is hereby reserved.

11. Legal Construction. The Plan will be governed by and construed under the laws of the State of California (without regard to principles of conflict of laws), except to the extent preempted by ERISA.

12. Claims, Inquiries And Appeals.

(a) Applications for Benefits and Inquiries. Any application for benefits, inquiries about the Plan or inquiries about present or future rights under the Plan must be submitted to the Plan Administrator in writing by an applicant (or his or her authorized representative). The Plan Administrator is set forth in Section 14(d).

(b) Denial of Claims. In the event that any application for benefits is denied in whole or in part, the Plan Administrator must provide the applicant with written or electronic notice of the denial of the application, and of the applicant's right to review the denial. Any electronic notice will comply with the regulations of the U.S. Department of Labor. The notice of denial will be set forth in a manner designed to be understood by the applicant and will include the following:

(1) the specific reason or reasons for the denial;

(2) references to the specific Plan provisions upon which the denial is based;

(3) a description of any additional information or material that the Plan Administrator needs to complete the review and an explanation of why such information or material is necessary; and

(4) an explanation of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA following a denial on review of the claim, as described in Section 12(d).

The notice of denial will be given to the applicant within ninety (90) days after the Plan Administrator receives the application, unless special circumstances require an extension of time, in which case, the Plan Administrator has up to an additional ninety (90) days for processing the application. If an extension of time for processing is required, written notice of the extension will be furnished to the applicant before the end of the initial ninety (90) day period.

The notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the application.

(c) Request for a Review. Any person (or that person's authorized representative) for whom an application for benefits is denied, in whole or in part, may appeal the denial by submitting a request for a review to the Plan Administrator within sixty (60) days after the application is denied. A request for a review will be in writing and will be addressed to:

Turning Point Therapeutics, Inc.
Attn: Plan Administrator of the Severance Benefit Plan – C-Suite
10628 Science Center Drive, Ste. 200
San Diego, California 92121

A request for review must set forth all of the grounds on which it is based, all facts in support of the request and any other matters that the applicant feels are pertinent. The applicant (or the applicant's representative) will have the opportunity to submit (or the Plan Administrator may require the applicant to submit) written comments, documents, records, and other information relating to his or her claim. The applicant (or his or her representative) will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his or her claim. The review will take into account all comments, documents, records and other information submitted by the applicant (or his or her representative) relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(d) Decision on Review. The Plan Administrator will act on each request for review within sixty (60) days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional sixty (60) days), for processing the request for a review. If an extension for review is required, written notice of the extension will be furnished to the applicant within the initial sixty (60) day period. This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the review. The Plan Administrator will give prompt, written or electronic notice of its decision to the applicant. Any electronic notice will comply with the regulations of the U.S. Department of Labor. In the event that the Plan Administrator confirms the denial of the application for benefits, in whole or in part, the notice will set forth, in a manner designed to be understood by the applicant, the following:

(1) the specific reason or reasons for the denial;

(2) references to the specific Plan provisions upon which the denial is based;

(3) a statement that the applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the applicant's claim; and

(4) a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA.

(e) Rules and Procedures. The Plan Administrator will establish rules and procedures, consistent with the Plan and with ERISA, as necessary and appropriate in carrying out its responsibilities in reviewing benefit claims. The Plan Administrator may require an applicant who

wishes to submit additional information in connection with an appeal from the denial of benefits to do so at the applicant's own expense.

(f) Exhaustion of Remedies. No legal action for benefits under the Plan may be brought until the applicant (i) has submitted a written application for benefits in accordance with the procedures described by Section 12(a), (ii) has been notified by the Plan Administrator that the application is denied, (iii) has filed a written request for a review of the application in accordance with the appeal procedure described in Section 12(c), and (iv) has been notified that the Plan Administrator has denied the appeal. Notwithstanding the foregoing, if the Plan Administrator does not respond to an applicant's claim or appeal within the relevant time limits specified in this Section 12, the applicant may bring legal action for benefits under the Plan pursuant to Section 502(a) of ERISA.

13. Basis Of Payments To And From Plan. All benefits under the Plan will be paid by the Company. The Plan will be unfunded, and benefits hereunder will be paid only from the general assets of the Company.

14. Other Plan Information.

(a) Employer and Plan Identification Numbers. The Employer Identification Number assigned to the Company (which is the "Plan Sponsor" as that term is used in ERISA) by the Internal Revenue Service is 46-3826166. The Plan Number assigned to the Plan by the Plan Sponsor pursuant to the instructions of the Internal Revenue Service is 511.

(b) Ending Date for Plan's Fiscal Year. The date of the end of the fiscal year for the purpose of maintaining the Plan's records is December 31.

(c) Agent for the Service of Legal Process. The agent for the service of legal process with respect to the Plan is:

Turning Point Therapeutics, Inc.
Attn: President
10628 Science Center Drive, Ste. 200
San Diego, California 92121

(d) Plan Sponsor and Administrator. The "Plan Sponsor" and the "Plan Administrator" of the Plan is:

Turning Point Therapeutics, Inc.
Attn: Plan Administrator of the Severance Benefit Plan – C-Suite
10628 Science Center Drive, Ste. 200
San Diego, California 92121

The Plan Sponsor's and Plan Administrator's telephone number is (858) 926-5251. The Plan Administrator is the named fiduciary charged with the responsibility for administering the Plan.

15. STATEMENT OF ERISA RIGHTS.

Participants in the Plan (which is a welfare benefit plan sponsored by Turning Point Therapeutics, Inc.) are entitled to certain rights and protections under ERISA. For purposes of this Section 15 and, under ERISA, Participants are entitled to:

Receive Information About the Plan and Benefits

(a) Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series), if applicable, filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;

(b) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series), if applicable, and an updated (as necessary) Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies; and

(c) Receive a summary of the Plan's annual financial report, if applicable. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Participants and beneficiaries. No one, including a Participant's employer, union (if applicable) or any other person, may fire a Participant or otherwise discriminate against a Participant in any way to prevent the Participant from obtaining a Plan benefit or exercising a Participant's rights under ERISA.

Enforcement of Participant Rights

If a claim for a Plan benefit is denied or ignored, in whole or in part, a Participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant requests a copy of Plan documents or the latest annual report from the Plan, if applicable, and does not receive them within thirty (30) days, the Participant may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the Participant up to $110 a day until the Participant receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If a Participant has a claim for benefits that is denied or ignored, in whole or in part, the Participant may file suit in a state or federal court.

If a Participant is discriminated against for asserting the Participant's rights, the Participant may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If a Participant is successful, the court may order the person the Participant has sued to pay these costs and fees. If the Participant loses, the court may order the Participant to pay these costs and fees, for example, if it finds the Participant's claim is frivolous.

Assistance with Questions

If a Participant has any questions about the Plan, the Participant should contact the Plan Administrator. If a Participant has any questions about this statement or about the Participant's rights under ERISA, or if the Participant needs assistance in obtaining documents from the Plan Administrator, the Participant should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the Participant's telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. The Participant may also obtain certain publications about the Participant's rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

16. GENERAL PROVISIONS.

(a) Notices. Any notice, demand or request required or permitted to be given by either the Company or a Participant pursuant to the terms of the Plan will be in writing and will be deemed given when delivered personally, when received electronically (including email addressed to the Participant's Company email account and to the Company email account of the Company's head of legal affairs), or deposited in the U.S. Mail, First Class with postage prepaid, and addressed to the parties, in the case of the Company, at the address set forth in Section 14(d), in the case of a Participant, at the address as set forth in the Company's employment file maintained for the Participant as previously furnished by the Participant or such other address as a party may request by notifying the other in writing.

(b) Transfer and Assignment. The rights and obligations of a Participant under the Plan may not be transferred or assigned without the prior written consent of the Company. The Plan will be binding upon any surviving entity resulting from a Change in Control and upon any other person who is a successor by merger, acquisition, consolidation or otherwise to the business formerly carried on by the Company without regard to whether or not such person or entity actively assumes the obligations hereunder.

(c) Waiver. Any party's failure to enforce any provision or provisions of the Plan will not in any way be construed as a waiver of any such provision or provisions, nor prevent any party from thereafter enforcing each and every other provision of the Plan. The rights granted to the parties herein are cumulative and will not constitute a waiver of any party's right to assert all other legal remedies available to it under the circumstances.

(d) Severability. Should any provision of the Plan be declared or determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

(e) **Section Headings.** Section headings in the Plan are included only for convenience of reference and will not be considered part of the Plan for any other purpose.

17. **Approval of the Plan.** The Plan shall become effective on the date it is adopted and approved by the Board.

Appendix A

Severance Period

Employee Level	Non-CiC Severance Period	CiC Severance Period
Chief Executive Officer	18 months	24 months
Other C-level Executives	12 months	12 months

EXHIBIT A

TURNING POINT THERAPEUTICS, INC.

SEVERANCE BENEFIT PLAN – C-SUITE
PARTICIPATION NOTICE

To:

Date:

Turning Point Therapeutics, Inc. (the "***Company***") has adopted the Turning Point Therapeutics, Inc. Severance Benefit Plan – C-Suite (the "***Plan***"). The Company is providing you this Participation Notice to inform you that you have been designated as a Participant in the Plan. A copy of the Plan document is attached to this Participation Notice. The terms and conditions of your participation in the Plan are as set forth in the Plan and this Participation Notice, which together constitute the Summary Plan Description for the Plan.

Your Non-CiC Severance Period and your CiC Severance Period are for the number of months listed on Appendix A to the Plan with respect to each such related Covered Termination.

Please return to the Company's head of Human Resources a copy of this Participation Notice signed by you and retain a copy of this Participation Notice, along with the Plan document, for your records.

TURNING POINT THERAPEUTICS, INC.

_____
(Signature)

Name: _____

Title: _____

PARTICIPANT:

_____
(Signature)

Name: _____

Date: _____

EXHIBIT B

RELEASE AGREEMENT
[EMPLOYEES AGE 40 OR OVER; INDIVIDUAL TERMINATION]

I understand and agree completely to the terms set forth in the Turning Point Therapeutics, Inc. Severance Benefit Plan – C-Suite (the "*Plan*").

I understand that this Release, together with the Plan, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company, affiliates of the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company or an affiliate of the Company that is not expressly stated therein. Certain capitalized terms used in this Release are defined in the Plan.

I hereby confirm my obligations under my Confidentiality Agreement.

Except as otherwise set forth in this Release, I hereby generally and completely release the Company and its affiliates, and their parents, subsidiaries, successors, predecessors and affiliates, and its and their partners, members, directors, officers, employees, stockholders, shareholders, agents, attorneys, predecessors, insurers, affiliates and assigns, from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date I sign this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company and its affiliates, or their affiliates, or the termination of that employment; (b) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company and its affiliates, or their affiliates; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, provincial and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990 (as amended), the federal Age Discrimination in Employment Act (as amended) ("***ADEA***"), and the federal Employee Retirement Income Security Act of 1974 (as amended).

Notwithstanding the foregoing, I understand that the following rights or claims are not included in my Release: (a) any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company or its affiliate to which I am a party; the charter, bylaws, or operating agreements of the Company or its affiliate; or under applicable law; or (b) any rights which cannot be waived as a matter of law. In addition, I understand that nothing in this Release prevents me from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission or the Department of Labor, except that I hereby waive my right to any monetary benefits in connection with any such claim, charge or proceeding. I hereby represent and warrant that, other than the claims identified in this paragraph, I am not aware of any claims I have or might have that are not included in the Release.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA, and that the consideration given under the Plan for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) my waiver and release do not apply to any rights or claims that may arise after the date I sign this Release; (b) I should consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so); (c) I have twenty-one (21) days to consider this Release (although I may choose voluntarily to sign this Release earlier); (d) I have seven (7) days following the date I sign this Release to revoke the Release by providing written notice to an officer of the Company; and (e) this Release will not be effective until the date upon which the revocation period has expired, which will be the eighth day after I sign this Release.

I hereby represent that I have been paid all compensation owed and for all hours worked; I have received all the leave and leave benefits and protections for which I am eligible pursuant to the Family and Medical Leave Act, or otherwise; and I have not suffered any on-the-job injury for which I have not already filed a workers' compensation claim.

I represent that I am not aware of any claim by me other than the claims that are released by this Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of this Release and which, if known or suspected at the time of entering into this Release, may have materially affected this Release and my decision to enter into it. Nevertheless, I hereby waive any right, claim or cause of action that might arise as a result of such different or additional claims or facts and I hereby expressly waive any and all rights and benefits confirmed upon me by the provisions of California Civil Code Section 1542, which provides as set forth below, as well as under any other statute or common law principles of similar effect:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."**]**[1]

[1] For California employees.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than twenty-one (21) days following the date it is provided to me.

PARTICIPANT:

_____

(Signature)

Name:

_____

Date:

_____

EXHIBIT C

RELEASE AGREEMENT
[EMPLOYEES AGE 40 OR OVER; GROUP TERMINATION]

I understand and agree completely to the terms set forth in the Turning Point Therapeutics, Inc. Severance Benefit Plan – C-Suite (the "*Plan*").

I understand that this Release, together with the Plan, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company, affiliates of the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company or an affiliate of the Company that is not expressly stated therein. Certain capitalized terms used in this Release are defined in the Plan.

I hereby confirm my obligations under my Confidentiality Agreement.

Except as otherwise set forth in this Release, I hereby generally and completely release the Company and its affiliates, and their parents, subsidiaries, successors, predecessors and affiliates, and its and their partners, members, directors, officers, employees, stockholders, shareholders, agents, attorneys, predecessors, insurers, affiliates and assigns, from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date I sign this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company and its affiliates, or their affiliates, or the termination of that employment; (b) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company and its affiliates, or their affiliates; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, provincial and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990 (as amended), the federal Age Discrimination in Employment Act (as amended) ("***ADEA***"), and the federal Employee Retirement Income Security Act of 1974 (as amended).

Notwithstanding the foregoing, I understand that the following rights or claims are not included in my Release: (a) any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company or its affiliate to which I am a party; the charter, bylaws, or operating agreements of the Company or its affiliate; or under applicable law; or (b) any rights which cannot be waived as a matter of law. In addition, I understand that nothing in this Release prevents me from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission, or the Department of Labor, except that I hereby waive my right

to any monetary benefits in connection with any such claim, charge or proceeding. I hereby represent and warrant that, other than the claims identified in this paragraph, I am not aware of any claims I have or might have that are not included in the Release.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA, and that the consideration given under the Plan for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) my waiver and release do not apply to any rights or claims that may arise after the date I sign this Release; (b) I should consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so); (c) I have forty-five (45) days to consider this Release (although I may choose voluntarily to sign this Release earlier); (d) I have seven (7) days following the date I sign this Release to revoke the Release by providing written notice to an officer of the Company; (e) this Release will not be effective until the date upon which the revocation period has expired, which will be the eighth day after I sign this Release; and (f) I have received with this Release a detailed list of the job titles and ages of all employees who were terminated in this group termination and the ages of all employees of the Company in the same job classification or organizational unit who were not terminated.

I hereby represent that I have been paid all compensation owed and for all hours worked; I have received all the leave and leave benefits and protections for which I am eligible pursuant to the Family and Medical Leave Act, or otherwise; and I have not suffered any on-the-job injury for which I have not already filed a workers' compensation claim.

[I represent that I am not aware of any claim by me other than the claims that are released by this Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of this Release and which, if known or suspected at the time of entering into this Release, may have materially affected this Release and my decision to enter into it. Nevertheless, I hereby waive any right, claim or cause of action that might arise as a result of such different or additional claims or facts and I hereby expressly waive any and all rights and benefits confirmed upon me by the provisions of California Civil Code Section 1542, which provides as set forth below, as well as under any other statute or common law principles of similar effect:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."**]**[2]

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2 For California employees.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than forty-five (45) days following the date it is provided to me.

PARTICIPANT:

_____

(Signature)

Name:

_____

Date:

_____

EXHIBIT D

RELEASE AGREEMENT
[EMPLOYEES UNDER AGE 40]

I understand and agree completely to the terms set forth in the Turning Point Therapeutics, Inc. Severance Benefit Plan – C-Suite (the "*Plan*").

I understand that this Release, together with the Plan, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company, affiliates of the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company or an affiliate of the Company that is not expressly stated therein. Certain capitalized terms used in this Release are defined in the Plan.

I hereby confirm my obligations under my Confidentiality Agreement.

Except as otherwise set forth in this Release, I hereby generally and completely release the Company and its affiliates, and their parents, subsidiaries, successors, predecessors and affiliates, and its and their partners, members, directors, officers, employees, stockholders, shareholders, agents, attorneys, predecessors, insurers, affiliates and assigns, from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date I sign this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company and its affiliates, or their affiliates, or the termination of that employment; (b) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company and its affiliates, or their affiliates; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, provincial and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990 (as amended), and the federal Employee Retirement Income Security Act of 1974 (as amended).

Notwithstanding the foregoing, I understand that the following rights or claims are not included in my Release: (a) any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company or its affiliate to which I am a party; the charter, bylaws, or operating agreements of the Company or its affiliate; or under applicable law; or (b) any rights which cannot be waived as a matter of law. In addition, I understand that nothing in this Release prevents me from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission, or the Department of Labor, except that I hereby waive my right to any monetary benefits in connection with any such claim, charge or proceeding. I hereby

represent and warrant that, other than the claims identified in this paragraph, I am not aware of any claims I have or might have that are not included in the Release.

I hereby represent that I have been paid all compensation owed and for all hours worked; I have received all the leave and leave benefits and protections for which I am eligible pursuant to the Family and Medical Leave Act, or otherwise; and I have not suffered any on-the-job injury for which I have not already filed a workers' compensation claim.

[I represent that I am not aware of any claim by me other than the claims that are released by this Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of this Release and which, if known or suspected at the time of entering into this Release, may have materially affected this Release and my decision to enter into it. Nevertheless, I hereby waive any right, claim or cause of action that might arise as a result of such different or additional claims or facts and I hereby expressly waive any and all rights and benefits confirmed upon me by the provisions of California Civil Code Section 1542, which provides as set forth below, as well as under any other statute or common law principles of similar effect:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."**]**[3]

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than fourteen (14) days following the date it is provided to me.

PARTICIPANT:

_____

(Signature)

Name:

_____

Date:

_____

[3] For California employees.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-231372) pertaining to the 2013 Equity Incentive Plan (Prior Plan), 2019 Equity Incentive Plan, and 2019 Employee Stock Purchase Plan of Turning Point Therapeutics, Inc. of our report dated March 17, 2020, with respect to the financial statements of Turning Point Therapeutics, Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2019.

/s/ Ernst & Young LLP

San Diego, California
March 17, 2020

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Athena Countouriotis, certify that:

1. I have reviewed this annual report on Form 10-K of Turning Point 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 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)) [omitted pursuant to Rules 13a-14(a) and 15d-14(a)] for the registrant and have:

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

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

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

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

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

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

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

Date: March 17, 2020

By: /s/ Athena Countouriotis
Athena Countouriotis, M.D.
President & Chief Executive Officer
(*Principal Executive Officer*)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Yi Larson, certify that:

1. I have reviewed this annual report on Form 10-K of Turning Point 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 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)) [omitted pursuant to Rules 13a-14(a) and 15d-14(a)] for the registrant and have:

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

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

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

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

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

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

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

Date: March 17, 2020

By: /s/ Yi Larson
Yi Larson
Executive Vice President and Chief Financial Officer
(*Principal Financial Officer*)

Exhibit 32.1

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

In connection with the Annual Report of Turning Point Therapeutics, Inc. (the "Company") on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that::

(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 result of operations of the Company.

Date: March 17, 2020

By: /s/ Athena Countouriotis

Athena Countouriotis, M.D.
President & Chief Executive Officer
(*Principal Executive Officer*)

Exhibit 32.2

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

In connection with the Annual Report of Turning Point Therapeutics, Inc. (the "Company") on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that::

(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 result of operations of the Company.

Date: March 17, 2020

By: /s/ Yi Larson

Yi Larson
Executive Vice President and Chief Financial Officer
(*Principal Financial Officer*)