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

FORM 10-Q

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

For the quarterly period ended June 30, 2017.

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 001-13341

Titan Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**94-3171940**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
400 Oyster Point Blvd., Suite 505, South San Francisco, California	**94080**
(Address of principal executive offices)	**(Zip Code)**

(650) 244-4990
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)		
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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at August 4, 2017**
Common Stock, Par value $0.001	21,203,744

Titan Pharmaceuticals, Inc.

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Part I. Financial Information

Item 1. Financial Statements

TITAN PHARMACEUTICALS, INC.

CONDENSED BALANCE SHEETS
(in thousands)

	June 30, 2017 (unaudited)	December 31, 2016 (Note 1)
Assets		
Current assets:		
Cash and cash equivalents	$ 8,350	$ 14,006
Receivables	87	3,587
Prepaid expenses and other current assets	317	237
Total current assets	8,754	17,830
Property and equipment, net	660	837
Total assets	$ 9,414	$ 18,667
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 928	$ 3,015
Accrued clinical trials expenses	385	1,387
Other accrued liabilities	556	455
Total current liabilities	1,869	4,857
Warrant liabilities	7	619
Total liabilities	1,876	5,476
Commitments and contingencies		
Stockholders' equity:		
Common stock, at amounts paid-in	297,855	297,855
Additional paid-in capital	25,103	24,300
Accumulated deficit	(315,420)	(308,964)
Total stockholders' equity	7,538	13,191
Total liabilities and stockholders' equity	$ 9,414	$ 18,667

See Notes to Condensed Financial Statements

TITAN PHARMACEUTICALS, INC.

CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in thousands, except per share amount)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Revenues:				
License revenue	$ 77	$ 15,004	$ 117	$ 15,004
Total revenue	77	15,004	117	15,004
Operating expenses:				
Research and development	2,501	1,746	4,627	2,446
General and administrative	1,197	1,214	2,548	2,345
Total operating expenses	3,698	2,960	7,175	4,791
Income (loss) from operations	(3,621)	12,044	(7,058)	10,213
Other expense:				
Other expense, net	(20)	(6)	(10)	(25)
Non-cash gain (loss) on changes in the fair value of warrants	190	(110)	612	(106)
Other income (expense), net	170	(116)	602	(131)
Net income (loss) and comprehensive income (loss)	$ (3,451)	$ 11,928	$ (6,456)	$ 10,082
Basic net income (loss) per common share	$ (0.16)	$ 0.58	$ (0.30)	$ 0.50
Diluted net income (loss) per common share	$ (0.17)	$ 0.55	$ (0.33)	$ 0.48
Weighted average shares used in computing basic net income (loss) per common share	21,204	20,508	21,199	20,284
Weighted average shares used in computing diluted net income (loss) per common share	21,204	21,878	21,201	21,223

See Notes to Condensed Financial Statements

TITAN PHARMACEUTICALS, INC.

CONDENSED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six months Ended June 30,	
	2017	**2016**
Cash flows from operating activities:		
Net income (loss)	$ (6,456)	$ 10,082
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	203	186
Non-cash (gain) loss on changes in fair value of warrants	(612)	106
Stock-based compensation	803	581
Changes in operating assets and liabilities:		
Receivables	3,500	(638)
Prepaid expenses and other assets	(80)	(63)
Accounts payable and other accrued liabilities	(2,988)	1,215
Net cash provided by (used in) operating activities	(5,630)	11,469
Cash flows from investing activities:		
Purchases of furniture and equipment	(26)	(48)
Net cash used in investing activities	(26)	(48)
Cash flows from financing activities:		
Issuance of common stock from the exercise of options	—	27
Net cash provided by (used in) financing activities	—	27
Net increase (decrease) in cash and cash equivalents	(5,656)	11,448
Cash and cash equivalents at beginning of period	14,006	7,857
Cash and cash equivalents at end of period	$ 8,350	$ 19,305

See Notes to Condensed Financial Statements

TITAN PHARMACEUTICALS, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS
(unaudited)

1. Organization and Summary of Significant Accounting Policies

The Company

We are a pharmaceutical company developing proprietary therapeutics for the treatment of serious medical disorders. Our product development programs utilize our proprietary long-term drug delivery platform, ProNeura™, and focus primarily on innovative treatments for select chronic diseases for which steady state delivery of a drug provides an efficacy and/or safety benefit. We are directly developing our product candidates and also utilize corporate, academic and government partnerships as appropriate. We operate in only one business segment, the development of pharmaceutical products.

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statement presentation. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three and six-month periods ended June 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017, or any future interim periods.

The balance sheet at December 31, 2016 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. These unaudited condensed financial statements should be read in conjunction with the audited financial statements and footnotes thereto included in the Titan Pharmaceuticals, Inc. Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission ("SEC").

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The accompanying financial statements have been prepared assuming we will continue as a going concern.

In May 2016, the U.S. Food and Drug Administration ("FDA") approved our Probuphine New Drug Application ("NDA") and pursuant to our license agreement with Braeburn Pharmaceuticals, Inc. ("Braeburn"), as amended to date, we received a $15 million milestone payment and subsequently transferred the NDA to Braeburn.

At June 30, 2017, we had cash and cash equivalents of approximately $8.4 million. On July 27, 2017, we entered into the Loan Agreement with Horizon, which provides for up to $10,000,000 in loans, including an initial loan in the amount of $7,000,000 extended upon signing of the Loan Agreement. An additional $3,000,000 loan is subject to our achievement of certain revenue and operational milestones on or prior to March 31, 2018. We believe that our funds at June 30, 2017, together with the approximately $6.8 million in net proceeds from the Horizon loan, are sufficient to fund our planned operations into the first quarter of 2019. We will require additional funds, either through payments from Braeburn under the license agreement or through other financing arrangements, to advance our current ProNeura development programs beyond this period and to complete the regulatory approval process necessary to commercialize any products we might develop.

Going concern assessment

In accordance with Accounting Standard Update, or ASU No. 2014-15, we assessed going concern uncertainty in our financial statements to determine if we have sufficient cash and cash equivalents on hand and working capital to operate for a period of at least one year from the date the financial statements are issued or available to be issued, which is referred to as the "look-forward period" as defined by ASU No. 2014-15. As part of this assessment, based on conditions that are known and reasonably knowable to us, we considered various scenarios, forecasts, projections, estimates and made certain key assumptions, including the timing and nature of projected cash expenditures or programs, and our ability to delay or curtail expenditures or programs, if necessary, among other factors. Based on this assessment, as necessary or applicable, we made certain assumptions around implementing curtailments or delays in the nature and timing of programs and expenditures to the extent we deem probable those implementations can be achieved and we have the proper authority to execute them within the look-forward period in accordance with ASU No. 2014-15.

Based upon the above assessment, we believe our cash and cash equivalents of approximately $8.4 million at June 30, 2017 along with approximately $6.8 million in net proceeds from the debt transaction completed on July 27, 2017 are sufficient to fund our planned operations into the first quarter of 2019. We will require additional funds, either through payments from Braeburn under the license agreement or through other financing arrangements, to advance our current ProNeura development programs beyond the planned activities for 2018 and to complete the regulatory approval process necessary to commercialize any products we might develop.

Revenue Recognition

We generate revenue principally from collaborative research and development arrangements, technology licenses, and government grants. Consideration received for revenue arrangements with multiple components is allocated among the separate units of accounting based on their respective selling prices. The selling price for each unit is based on vendor-specific objective evidence, or VSOE, if available, third party evidence if VSOE is not available, or estimated selling price if neither VSOE nor third party evidence is available. The applicable revenue recognition criteria are then applied to each of the units.

Revenue is recognized when the four basic criteria of revenue recognition are met: (1) a contractual agreement exists; (2) transfer of technology has been completed or services have been rendered; (3) the fee is fixed or determinable; and (4) collectability is reasonably assured. For each source of revenue, we comply with the above revenue recognition criteria in the following manner:

- Technology license agreements typically consist of non-refundable upfront license fees, annual minimum access fees or royalty payments. Non-refundable upfront license fees and annual minimum payments received with separable stand-alone values are recognized when the technology is transferred or accessed, provided that the technology transferred or accessed is not dependent on the outcome of our continuing research and development efforts.

- Royalties earned are based on third-party sales of licensed products and are recorded in accordance with contract terms when third-party results are reliably measurable and collectability is reasonably assured.

- Government grants, which support our research efforts in specific projects, generally provide for reimbursement of approved costs as defined in the notices of grants. Grant revenue is recognized when associated project costs are incurred.

- Collaborative arrangements typically consist of non-refundable and/or exclusive technology access fees, cost reimbursements for specific research and development spending, and various milestone and future product royalty payments. If the delivered technology does not have stand-alone value, the amount of revenue allocable to the delivered technology is deferred. Non-refundable upfront fees with stand-alone value that are not dependent on future performance under these agreements are recognized as revenue when received, and are deferred if we have continuing performance obligations and have no evidence of fair value of those obligations. Cost reimbursements for research and development spending are recognized when the related costs are incurred and when collections are reasonably expected. Payments received related to substantive, performance-based "at-risk" milestones are recognized as revenue upon achievement of the clinical success or regulatory event specified in the underlying contracts, which represent the culmination of the earnings process. Amounts received in advance are recorded as deferred revenue until the technology is transferred, costs are incurred, or a milestone is reached.

Research and Development Costs and Related Accrual

Research and development expenses include internal and external costs. Internal costs include salaries and employment related expenses, facility costs, administrative expenses and allocations of corporate costs. External expenses consist of costs associated with outsourced contract research organization, or CRO, activities, sponsored research studies, product registration, patent application and prosecution, and investigator sponsored trials. We also record accruals for estimated ongoing clinical trial costs. Clinical trial costs represent costs incurred by CROs and clinical sites. These costs are recorded as a component of research and development expenses. Under our agreements, progress payments are typically made to investigators, clinical sites and CROs. We analyze the progress of the clinical trials, including levels of patient enrollment, invoices received and contracted costs when evaluating the adequacy of accrued liabilities. Significant judgments and estimates must be made and used in determining the accrued balance in any accounting period. Actual results could differ from those estimates under different assumptions. Revisions are charged to expense in the period in which the facts that give rise to the revision become known.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments,* addressing eight specific cash flow issues in an effort to reduce diversity in practice. The amended guidance is effective for fiscal years beginning after December 31, 2017, and for interim periods within those years. Early adoption is permitted. We do not expect the amended guidance to have a material impact on our statements of cash flows.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires most lessees to recognize right of use assets and lease liabilities, but recognize expenses in a manner similar with current accounting standards. The new standard is effective for fiscal years and interim periods beginning after December 15, 2018. Entities are required to use a modified retrospective approach, with early adoption permitted. We are currently evaluating the impact of this new standard on the financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

The standard is effective for annual periods beginning after December 15, 2017, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). We are currently evaluating the impact of our pending adoption of ASU 2014-09 on our financial statements and have not yet determined the method by which we will adopt the standard.

Subsequent Events

We have evaluated events that have occurred after June 30, 2017 and through the date that the financial statements are issued.

Fair Value Measurements

We measure the fair value of financial assets and liabilities based on authoritative guidance which defines fair value, establishes a framework consisting of three levels for measuring fair value, and expands disclosures about 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 on the measurement date. There are three levels of inputs that may be used to measure fair value:

Level 1 – quoted prices in active markets for identical assets or liabilities;
Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable;
Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions).

Financial instruments, including receivables, accounts payable and accrued liabilities are carried at cost, which we believe approximates fair value due to the short-term nature of these instruments. Our warrant liabilities are classified within level 3 of the fair value hierarchy because the value is calculated using significant judgment based on our own assumptions in the valuation of these liabilities.

As a result of the fair value adjustment of the warrant liabilities, we recorded a non-cash gains on decreases in the fair value of $0.2 million and $0.6 million for the three and six-month periods ended June 30, 2017, respectively, and non-cash losses on increases in the fair value of $0.1 million for the three and six-month periods ended June 30, 2016 in our Condensed Statements of Operations and Comprehensive Income (Loss). See Note 6, “Warrant Liability” for further discussion on the calculation of the fair value of the warrant liability.

(in thousands)	Warrant liability
Total warrant liability at December 31, 2016	$ 619
Adjustment to record warrants at fair value	(612)
Total warrant liability at June 30, 2017	$ 7

2. Stock Plans

The following table summarizes the stock-based compensation expense recorded for awards under the stock option plans for the three and six-month periods ended June 30, 2017 and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share amounts)	2017	2016	2017	2016
Research and development	$ 128	$ 85	$ 245	$ 217
General and administrative	254	164	558	364
Total stock-based compensation expenses	$ 382	$ 249	$ 803	$ 581

No tax benefit was recognized related to stock-based compensation expense since we have accumulated operating losses and we have established a full valuation allowance to offset all the potential tax benefits associated with our deferred tax assets.

We use the Black-Scholes-Merton option-pricing model with the following assumptions to estimate the stock-based compensation expense for the three and six-month periods ended June 30, 2017 and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Weighted-average risk-free interest rate	2.0%	1.5%	2.1%	1.5%
Expected dividend payments	—	—	—	—
Expected holding period (years) [1]	6.5	6.5	6.5	6.5
Weighted-average volatility factor [2]	0.88	0.92	0.88	0.92
Estimated forfeiture rates [3]	27%	29%	28%	29%

(1) Expected holding period is based on historical experience of similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules and the expectations of future employee behavior.

(2) Weighted average volatility is based on the historical volatility of our common stock.

(3) Estimated forfeiture rates are based on historical data.

Options to purchase approximately 60,000 shares of common stock were granted during the three-month period ended June 30, 2017. No options were granted during the three-month period ended June 30, 2016. Options to purchase approximately 496,000 and 168,000 shares of common stock were granted during the six-month periods ended June 30, 2017 and 2016, respectively.

The following table summarizes option activity for the six-month period ended June 30, 2017:

(in thousands, except per share amounts)	Options	Weighted Average Exercise Price	Weighted Average Remaining Option Term	Aggregate Intrinsic Value
Outstanding at January 1, 2017	2,002	$ 5.67	5.68	$ 203
Granted	496	3.70		
Exercised	—	—		
Expired or cancelled	(19)	13.43		
Forfeited	—	—		
Outstanding at June 30, 2017	2,479	$ 5.22	6.13	$ —
Exercisable at June 30, 2017	1,938	$ 5.54	5.23	$ —

No shares of restricted stock were awarded to employees, directors and consultants during the three and six-month periods ended June 30, 2017 and 2016.

As of June 30, 2017, there was approximately $1.0 million of total unrecognized compensation expense related to non-vested stock options. This expense is expected to be recognized over a weighted-average period of 1.3 years.

3. Net Income (Loss) Per Share

Basic net income (loss) per share excludes the effect of dilution and is computed by dividing net income (loss) by the weighted-average number of shares outstanding for the period. Diluted net income (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue shares were exercised into shares. In calculating diluted net income (loss) per share, the numerator is adjusted for the change in the fair value of the warrant liability (only if dilutive) and the denominator is increased to include the number of potentially dilutive common shares assumed to be outstanding during the period using the treasury stock method.

The following table sets forth the reconciliation of the numerator and denominator used in the computation of basic and diluted net income (loss) per common share for the three and six-months ended June 30, 2017 and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share amounts)	**2017**	**2016**	**2017**	**2016**
Numerator:				
Net income (loss) used for basic earnings per share	$ (3,451)	$ 11,928	$ (6,456)	$ 10,082
Less change in fair value of warrant liability	(190)	—	(612)	—
Net income (loss) used for diluted earnings per share	$ (3,641)	$ 11,928	$ (7,068)	$ 10,082
Denominator:				
Basic weighted-average outstanding common shares	21,204	20,508	21,199	20,284
Effect of dilutive potential common shares resulting from options	—	254	2	129
Effect of dilutive potential common shares resulting from warrants	—	1,116	—	810
Weighted-average shares outstanding—diluted	21,204	21,878	21,201	21,223
Net income (loss) per common share:				
Basic	$ (0.16)	$ 0.58	$ (0.30)	$ 0.50
Diluted	$ (0.17)	$ 0.55	$ (0.33)	$ 0.48

The table below presents common shares underlying stock options and warrants that are excluded from the calculation of the weighted average number of common shares outstanding used for the calculation of diluted net income (loss) per common share. These are excluded from the calculation due to their anti-dilutive effect for the three and six-months ended June 30, 2017 and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Weighted-average anti-dilutive common shares resulting from options	2,437	1,244	2,324	1,280
Weighted-average anti-dilutive common shares resulting from warrants	1,117	—	517	12
	3,554	1,244	2,841	1,292

4. Comprehensive Income (Loss)

Comprehensive income (loss) for the periods presented is comprised solely of our net income (loss). We had no items of other comprehensive income (loss) during the three and six-month periods ended June 30, 2017 and 2016. Comprehensive loss for the three and six-month periods ended June 30, 2017 was $3.5 million and $6.5 million, respectively. Comprehensive loss for the three and six-month periods ended June 30, 2016 was $11.9 million and $10.1 million, respectively.

5. Braeburn License

We are party to a license agreement with Braeburn pursuant to which we have granted Braeburn the exclusive commercialization rights to Probuphine in the United States and its territories and Canada. Under the agreement (as amended to date, the "Agreement"), we received a non-refundable license fee of $15.75 million (approximately $15.0 million net of expenses) in December 2012 and a $15.0 million milestone payment upon FDA approval of the Probuphine NDA in 2016. We receive royalties on net sales of Probuphine ranging in percentage from the mid-teens to the low twenties. Upon receipt of approval, our obligation was fulfilled and we recognized the full amount of the milestone payment in accordance with the milestone method of revenue recognition. The Agreement also provides for up to $165 million in sales milestones and $35 million in regulatory milestones. In addition, we are entitled to receive a low single digit royalty, up to an aggregate of $50 million, on sales by Braeburn, if any, of other competing continuous delivery treatments for opioid dependence as defined in the Agreement, and can also elect to receive a low single digit royalty on sales by Braeburn, if any, of other products in the addiction market in exchange for a similar reduction in our royalties on Probuphine. We will be reimbursed by Braeburn for any developments services and activities undertaken by us at Braeburn's request.

6. Warrant Liability

We currently have outstanding warrants to purchase an aggregate of 983,395 shares of common stock ("Series A Warrants"). The Series A Warrants are exercisable at $4.85 per share (reflecting an adjustment arising from the issuance of warrants described in Note 8 below) and expire in April 2018. The Series A Warrants contain a provision where the warrant holder has the option to receive cash, equal to the Black Scholes fair value of the remaining unexercised portion of the warrant, as cash settlement in the event that there is a fundamental transaction (contractually defined to include various merger, acquisition or stock transfer activities). Due to this provision, ASC 480, *Distinguishing Liabilities from Equity* requires that these warrants be classified as liabilities. The fair values of these warrants have been determined using the Lattice valuation model, and the changes in the fair value are recorded in the Condensed Statements of Operations and Comprehensive Loss. The Lattice model provides for assumptions regarding volatility and risk-free interest rates within the total period to maturity.

The key assumptions used to value the Series A Warrants were as follows:

Assumption	June 30, 2017
Expected price volatility	50%
Expected term (in years)	0.78
Risk-free interest rate	1.20%
Dividend yield	0.00%
Weighted-average fair value of warrants	$ 0.01

7. Stockholders' Equity

Common Stock

In May and June 2016, 1,072,307 shares of common stock were issued upon the cashless net exercise of 2,016,075 Class A Warrants in accordance with their terms. There were 847,569 Class A Warrants outstanding at June 30, 2017.

In May and June 2016, 58,569 shares of common stock were issued upon the cashless net exercise of 114,546 Underwriter Warrants in accordance with their terms. There were no remaining Underwriter Warrants outstanding at June 30, 2017.

8. Subsequent events

On July 27, 2017, we entered into a venture loan and security agreement (the "Loan Agreement") with Horizon Technology Finance Corporation (the "Horizon"), which provides for up to $10,000,000 in loans, including an initial loan in the amount of $7,000,000 extended upon signing of the Loan Agreement. An additional $3,000,000 loan is subject to our achievement of the following milestones on or prior to March 31, 2018:

- Revenue resulting from royalty payments of not less than $750,000;
- Execution of a partnership or similar agreement for the marketing and sale of Probuphine in Europe; and
- Market capitalization of not less than $50,000,000.

Repayment of the loans is on an interest-only basis through December 31, 2018, followed by monthly payments of principal and accrued interest for the balance of the four-year term. The loans bear interest at a floating coupon rate of one-month LIBOR (floor of 1.10%) plus 8.40%. A final payment equal to 5.0% of each loan tranche will be due on the scheduled maturity date for such loan. In addition, if we repay all or a portion of the loan prior to the applicable maturity date, we will pay Horizon a prepayment penalty fee, based on a percentage of the then outstanding principal balance, equal to 4% if the prepayment occurs during the interest-only payment period, 3% if the prepayment occurs during the 12 months following such period, and 2% thereafter.

Our obligations under the Loan Agreement are secured by a first priority security interest in all of our assets, with the exception of our intellectual property. We agreed not to pledge or otherwise encumber our intellectual property assets, subject to certain exceptions.

The Loan Agreement includes customary affirmative and restrictive covenants, excluding any covenants to attain or maintain certain financial metrics, and also includes customary events of default, including for payment failures, breaches of covenants, change of control and material adverse changes. Upon the occurrence of an event of default and following any applicable cure periods, a default interest rate of an additional 5% may be applied to the outstanding loan balances, and Horizon may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Loan Agreement.

In connection with the Loan Agreement, we issued Horizon warrants to purchase an aggregate of 280,612 shares of common stock (the "Lender Warrants"). The per share exercise price of the Lender Warrants is the lower of (i) $1.96 or (ii) the price per share of any securities that may be issued in an equity financing during the next 18 months. We issued Horizon an additional warrant that will only become exercisable upon the funding of the second tranche of the loan, the number of shares and exercise price to be calculated at such time. We are required to file a registration statement within the next 90 days covering the resale of the shares underlying the Lender Warrants.

As a result of anti-dilution provisions contained in the outstanding Series A warrants, the exercise price of such warrants was reduced from $4.89 to $4.85 per share.

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

The following discussion contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934(the "Exchange Act"). Such statements include, but are not limited to, any statements relating to our product development programs and any other statements that are not historical facts. Such statements involve risks and uncertainties that could negatively affect our business, operating results, financial condition and stock price. Factors that could cause actual results to differ materially from management's current expectations include those risks and uncertainties relating to the regulatory approval process, the development, testing, production and marketing of our drug candidates, patent and intellectual property matters and strategic agreements and relationships. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions or circumstances on which any such statement is based, except as required by law.

Probuphine® and ProNeura™ are trademarks of Titan Pharmaceuticals, Inc. This Form 10-Q also includes trade names and trademarks of companies other than Titan Pharmaceuticals, Inc.

References herein to "we," "us," "Titan," and "our company" refer to Titan Pharmaceuticals, Inc. and its subsidiaries unless the context otherwise requires.

Overview

We are a pharmaceutical company developing proprietary therapeutics for the treatment of serious medical disorders. Our product development programs utilize our proprietary long-term drug delivery platform, ProNeura™, and focus primarily on innovative treatments for select chronic diseases for which steady state delivery of a drug provides an efficacy and/or safety benefit.

Probuphine®, our first product candidate based on the ProNeura platform, was approved by the FDA last year for the maintenance treatment of opioid dependence in patients who are stable on low to moderate doses of daily sublingual buprenorphine treatment. We have licensed development and commercialization rights of Probuphine for the U.S. and Canadian markets to Braeburn and pursuant to the license agreement as amended to date, we received a $15 million milestone payment upon FDA approval of the Probuphine NDA, and are entitled to receive royalties on net sales of Probuphine ranging in percentage from the mid-teens to the low twenties based on a tiered structure. The agreement also provides for up to an additional $165 million in sales milestones and $35 million in regulatory milestones on Probuphine. Additionally, in certain circumstances the agreement entitles us to a low single digit royalty, up to an aggregate of $50 million, on net sales by Braeburn, if any, of other future competing products in the addiction market, e.g. a monthly depot injection. Braeburn commenced commercialization activities in support of the Probuphine product launch following FDA approval.

During the second half of 2016, Braeburn focused on training qualified health care providers in the implant insertion and removal procedures, physician outreach, payment and reimbursement discussions with third party payors, and sales and marketing efforts associated with the launch, especially hiring personnel for a field sales force. In January 2017, Braeburn indicated that more than 2,500 health care providers from all 50 states and Puerto Rico were certified to provide Probuphine to their patients, and more than 70 payors, including private insurers, the Centers for Medicare & Medicaid Services (CMS) and Veterans Administration programs covered Probuphine. Also, the permanent J-code for Probuphine as the first six-month buprenorphine implant for the maintenance treatment of opioid addiction became effective on January 1, 2017, and we believe it has been incorporated into the reimbursement processing systems of most third party payor plans during this past quarter. With a field sales force and medical support staff of more than 60 in place by early first quarter 2017, Braeburn commenced a full commercial launch focused on more than 80 key treatment centers throughout the U.S. to establish 'sites of excellence' for the long-term maintenance treatment with Probuphine. As with the launch of any new method of medical treatment in the current reimbursement environment, progress was slow during the initial several months while the challenges of the third party payor system were being addressed. Braeburn has devoted substantial resources to support the patient and the physician community to facilitate this process of getting prior approvals from third party payors for treatment with Probuphine. They have indicated good progress with some payors, but continuing difficulties with others and in early second quarter Braeburn expanded its distribution channels and processing capacity by adding a second specialty pharmacy company to increase coverage across the country. While Braeburn continues to face challenges, the number of patients seeking treatment with Probuphine during the second quarter showed a steady growth from month to month. The second quarter revenues represented an increase of 93% over the first quarter, although total revenues to Titan this year from Probuphine have been limited. We were also advised that most patients completing the first six month treatment with Probuphine during the quarter opted for treatment continuation. We are encouraged by Braeburn's recent appointment of Mike Derkacz as President and Chief Executive Officer. Mr. Derkacz has 25 years of commercial experience, most recently as Senior Vice President and Head of Global Central Nervous System and Pain Therapeutic Areas at Teva Pharmaceuticals. In its press release, Braeburn noted Mr. Derkacz's deep expertise in launching new products, creating highly effective teams and focused organizational leadership and his strong commitment to Braeburn's product portfolio. We believe we will benefit from the trend of opioid addiction treatment's move towards extended release formulations, like one week and one month depot injections, for which two companies have recently submitted the New Drug Application, or NDA, to the FDA. These products, if approved, will focus on patients during the initial stages of treatment which can enable clinicians and patients to become accustomed to procedure oriented treatment, which may further enhance the potential use of Probuphine during the maintenance treatment stage. However, in light of the difficulties encountered to date, we cannot predict either the timing or the degree to which Probuphine will be accepted by the medical community.

We have continued to make progress in the efforts to advance potential commercialization of Probuphine outside of the U.S. and Canada. During the first quarter 2017, the European Medicines Agency, or EMA, granted eligibility for Probuphine to follow the centralized review and approval process for its Marketing Authorization Application or MAA. During the second quarter 2017, the EMA granted a pediatric indication waiver which removes the need for submitting with the MAA detailed clinical evaluation plans for a pediatric indication. The EMA has also appointed two member countries as rapporteur and co-rapporteur, and we have established a dialogue with the regulatory authorities to familiarize them with the development of Probuphine and the safety and efficacy data set, as well as receive their advice on the MAA preparation and presentation. While we are still early in this process, it is our estimate that an MAA could be filed in the fourth quarter of 2017. We have also been granted Small Manufacturing Entity, or SME, status in Europe, which provides for some monetary benefits during the application process and commercialization. We have continued the interactions regarding potential partnerships for Probuphine in Europe and elsewhere, and this regulatory clarity has helped in advancing the dialogue.

We believe that our ProNeura long term drug delivery platform has the potential to be used in the treatment of other chronic conditions where maintaining stable, around the clock blood levels of a medication may benefit the patient and improve medical outcomes. We have two products in early development using the ProNeura platform, an implant designed to provide long-term delivery of ropinirole, a dopamine agonist approved as a daily dosed oral formulation for the treatment of Parkinson's disease, and an implant designed to provide long-term delivery of T3, a synthetic thyroid hormone approved as a daily dosed oral formulation for the treatment of hypothyroidism.

The ropinirole implant IND was submitted to the FDA in January 2017. In late February 2017, in a telephone conversation, we received comments from the FDA following its initial review of the IND requesting additional information related to final test results for the ropinirole implant and the applicator, as well as the name of the Principal Investigator, and we were asked to hold the initiation of the clinical study. We received the FDA's written comments in late March giving details of the requested information. All the work required to collect the FDA requested information was completed as planned and the information submitted to the FDA. The review date communicated by the FDA is August 13, 2017 and as previously indicated, we hope to be able to commence the clinical study in the third quarter, although there is no assurance that the FDA will clear the IND within that timeframe, if at all.

During 2016 we identified refinements to the T3 implant formulation and after we obtained the requisite supply of the API in the first quarter 2017, we commenced work towards the optimization of the T3 implant. While non-clinical testing of the implants is in progress, we continue to have further discussions with experts on the clinical development pathway, and the timing of further development activities will be dependent on those discussions and the availability of additional financial resources.

Our goal is to opportunistically expand the product pipeline, and we are currently evaluating other drugs and disease settings for use with the ProNeura platform in potential treatment applications where conventional treatment is limited by variability in blood drug levels and poor patient compliance. Recently we entered into a Cooperative Research and Development Agreement, or CRADA, with Walter Reed Army Institute of Research and Southwest Research Institute to evaluate the development of ProNeura based implants for a long-term regimen in the prevention of malaria.

We operate in only one business segment, the development of pharmaceutical products.

Recent Accounting Pronouncements

See Note 1 to the accompanying unaudited condensed financial statements included in Part 1, Item 1 of this Quarterly Report on Form 10-Q for information on recent accounting pronouncements.

Results of Operations for the Three and Six-Months Ended June 30, 2017 and June 30, 2016

License revenues of approximately $77,000 and $117,000 for the three and six-month periods ended June 30, 2017, respectively, primarily reflect the recognition of royalties earned on net sales of our Probuphine product by Braeburn. License revenues of approximately $15.0 million for the three and six-month periods ended June 30, 2016 primarily reflect the recognition of the milestone payment earned upon FDA approval of our Probuphine NDA in May 2016.

Research and development expenses for the three-month period ended June 30, 2017 were approximately $2.5 million, compared to approximately $1.7 million for the comparable period in 2016, an increase of approximately $0.8 million, or 47%. The increase in research and development costs was primarily associated with increases in external research and development expenses related to the support of the ropinirole implant program and some expenses on other ProNeura product development programs, employee related expenses and other research and development expenses. Research and development expenses for the six-month period ended June 30, 2017 were approximately $4.6 million, compared to approximately $2.4 million for the comparable period in 2016, an increase of approximately $2.2 million, or 92%. The increase in research and development costs was primarily associated with increases in external research and development expenses related to the support of the ropinirole implant program and limited expenses on other ProNeura product development programs, employee related expenses and other research and development expenses. During the three and six-month periods ended June 30, 2017, external research and development expenses relating to our product development programs were approximately $1.5 million and $2.6 million, respectively, compared to approximately $0.9 million and $1.4 million, respectively, for the comparable periods in 2016. Other research and development expenses include internal operating costs such as clinical research and development personnel-related expenses, clinical trials related travel expenses, and allocation of facility and corporate costs. As a result of the risks and uncertainties inherently associated with pharmaceutical research and development activities described elsewhere in this report, we are unable to estimate the specific timing and future costs of our research and development programs or the timing of material cash inflows, if any, from our product candidates.

General and administrative expenses for the three-month periods ended June 30, 2017 and 2016 were approximately $1.2 million. General and administrative expenses for the six-month period ended June 30, 2017 were approximately $2.5 million, compared to approximately $2.3 million for the comparable period in 2016, an increase of approximately $0.2 million, or 9%. The increase in general and administrative expenses during the six-month period ended June 30, 2017 was primarily related to increases in employee related costs of approximately $0.2 million.

Net other income for the three and six-month periods ended June 30, 2017 was approximately $0.2 million and $0.6 million, respectively. Net other income consisted primarily of non-cash gains on changes in the fair value of warrants. Net other expense for the three and six-month periods ended June 30, 2016 was approximately $0.1 million. Net other expense consisted primarily of non-cash losses on changes in the fair value of warrants.

Our net loss for the three-month period ended June 30, 2017 was approximately $3.5 million, or approximately $0.16 per share, compared to our net income of approximately $11.9 million, or approximately $0.58 per share, for the comparable period in 2016. Our net loss for the six-month period ended June 30, 2017 was approximately $6.5 million, or approximately $0.30 per share, compared to our net income of approximately $10.1 million, or approximately $0.50 per share, for the comparable period in 2016.

Liquidity and Capital Resources

We have funded our operations since inception primarily through the sale of debt and equity securities, as well as with proceeds from warrant and option exercises, technology licensing, collaborative agreements and government-sponsored research grants. At June 30, 2017, we had working capital of approximately $6.9 million compared to working capital of approximately $13.0 million at December 31, 2016.

Our operating activities used approximately $5.6 million during the six-months ended June 30, 2017. This consisted primarily of the net loss for the period of approximately $6.5 million and $0.6 million related to non-cash gains on changes in the fair value of warrants. This was offset, in part, by non-cash charges of approximately $0.8 million related to stock-based compensation, approximately $0.2 million related to depreciation and amortization and $0.4 million related to net changes in other operating assets and liabilities. Uses of cash in operating activities were primarily to fund product development programs and administrative expenses.

Our investing activities used approximately $26,000 during the six-months ended June 30, 2017, which was primarily related to purchases of equipment.

We had no financing activities during the six-months ended June 30, 2017.

In May 2016, the FDA approved our Probuphine NDA and pursuant to our license agreement with Braeburn, as amended to date, we received a $15 million milestone payment and subsequently transferred the NDA to Braeburn.

At June 30, 2017, we had cash and cash equivalents of approximately $8.4 million. On July 27, 2017, we entered into the Loan Agreement with Horizon, which provides for up to $10,000,000 in loans, including an initial loan in the amount of $7,000,000 extended upon signing of the Loan Agreement. An additional $3,000,000 loan is subject to our achievement of certain revenue and operational milestones on or prior to March 31, 2018. We believe that our funds at June 30, 2017, together with the approximately $6.8 million in net proceeds from the Horizon loan, are sufficient to fund our planned operations into the first quarter of 2019. We will require additional funds, either through payments from Braeburn under the license agreement or through other financing arrangements, to advance our current ProNeura development programs beyond this period and to complete the regulatory approval process necessary to commercialize any products we might develop.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our market risk disclosures set forth in our Annual Report on Form 10-K for the year ended December 31, 2016 have not changed materially.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our President and Chief Executive Officer, being our principal executive and financial officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act as of June 30, 2017, the end of the period covered by this report, and has concluded that our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our principal executive and principal financial officer as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2017 that have materially affected, or are reasonably likely to materially affect, Titan's internal control over financial reporting.

PART II

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016, which could materially affect our business, financial condition or future results (the "10-K Risk Factors"). Except for the risk attendant to the Loan Agreement set forth below, there are no material changes to the 10-K Risk Factors.

The Loan Agreement contains restrictions on our operations and could result in certain adverse results.

The Loan Agreement with Horizon contains a variety of affirmative covenants, including, without limitation, payment obligations, information delivery requirements and certain notice requirements. Additionally, we are bound by certain negative covenants setting forth actions that are not permitted to be taken during the term of the Loan Agreement without Horizon's consent, including, without limitation, incurring certain additional indebtedness, making certain asset dispositions, entering into certain mergers, acquisitions or other business combination transactions or incurring any non-permitted lien or other encumbrance on our assets. Upon the occurrence of an event of default under the Loan Agreement (subject to any applicable cure periods), all amounts owed thereunder would begin to bear interest at a rate that is 5.0% higher than the rate that would otherwise be applicable and the outstanding loan may be declared immediately due and payable. The loan is secured by a perfected security interest in all of our assets, with the exception of our intellectual property, which could be foreclosed upon in the event of a default that is not waived or cured.

Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In May and June 2016, 1,072,307 shares of common stock were issued to investors in the 2014 Offering upon the cashless net exercise of 2,016,075 Class A Warrants in accordance with their terms. The issuance of these shares was exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving a public offering.

In May and June 2016, 58,569 shares of common stock were issued to the underwriter of the 2014 Offering upon the cashless net exercise of 114,546 Underwriter Warrants in accordance with their terms. The issuance of these shares was exempt from the registration requirements of the Securities Act, pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving a public offering.

Item 6. Exhibits

No.	Description
3.1(1)	Amended and Restated Certificate of Incorporation of the Registrant, as amended [7]
3.1(2)	Certificate of Amendment to the Restated Certificate of Incorporation dated September 24, 2015 [18]
3.2	By-laws of the Registrant [1]
3.3	Certificate of Designations of Junior Participating Preferred Stock of Titan Pharmaceuticals, Inc. [10]
4.1	Form of Series A Warrant [11]
4.2	Form of Class A Warrant [17]
4.3	Form of Underwriter Warrant [17]
4.4	Form of Lender Warrant [22]
10.1	2001 Non-Qualified Employee Stock Option Plan [2]
10.2	2002 Stock Option Plan [3]
10.3	Lease for the Registrant's facilities, amended as of October 1, 2004 [4]
10.4	Amendments to lease for Registrant's facilities dated May 21, 2007 and March 12, 2009 [7]
10.5*	License Agreement between the Registrant and Sanofi-Aventis SA effective as of December 31, 1996 [5]
10.6*	Sublicense Agreement between the Registrant and Novartis Pharma AG dated November 20, 1997 [6]

No.	Description
10.7	Amendment to lease for Registrant's facilities dated June 15, 2010 [8]
10.8	Royalty Purchase Agreement, dated November 14, 2011, by and among the Company, Deerfield Private Design Fund II, L.P., Deerfield Special Situations Fund, L.P. and Horizon Sante TTNP SARL [9]
10.9	Amended and Restated Royalty Agreement, dated November 14, 2011 by and among the Company, Deerfield Private Design Fund II, L.P., Deerfield Special Situations Fund, L.P. and Horizon Sante TTNP SARL [9]
10.10	Cash Management Agreement, dated November 14, 2011, by and among the Company, Deerfield Private Design Fund II, L.P., Deerfield Special Situations Fund, L.P. and Horizon Sante TTNP SARL [9]
10.11	Paying Agent Agreement, dated November 14, 2011, by and among the Company, Deerfield Management Company, L.P. and U.S. Bank National Association [9]
10.12	Agreement, dated as of November 14, 2011, by and among the Company, Deerfield Private Design Fund II, L.P., Deerfield Private Design International II, L.P., Deerfield Special Situations Fund, L.P., and Deerfield Special Situations Fund International Limited [9]
10.13*	License Agreement by and between Titan Pharmaceuticals, Inc. and Braeburn Pharmaceuticals Sprl, dated December 14, 2012 [12]
10.14	Amendment dated May 28, 2013 to License Agreement by and between Titan Pharmaceuticals, Inc. and Braeburn Pharmaceuticals Sprl [13]
10.15	Second Amendment dated July 2, 2013 to License Agreement by and between Titan Pharmaceuticals, Inc. and Braeburn Pharmaceuticals Sprl [14]
10.16	Third Amendment dated November 12, 2013 to License Agreement by and between Titan Pharmaceuticals, Inc. and Braeburn Pharmaceuticals Sprl [15]
10.17	Stock Purchase Agreement dated November 12, 2013 by and between Titan Pharmaceuticals, Inc. and Braeburn Pharmaceuticals Sprl [15]
10.18	2014 Incentive Plan [16]
10.19	Titan Pharmaceuticals, Inc. Amended and Restated 2015 Omnibus Equity Incentive Plan [19]
10.20	Controlled Equity Offering[SM] Sales Agreement, dated September 1, 2016, between the Company and Cantor Fitzgerald & Co. [20]
10.21	Employment Agreement between the Company and Sunil Bhonsle dated September 29, 2016 [21]
10.22	Employment Agreement between the Company and Marc Rubin dated September 29, 2016 [21]
10.23	Venture Loan and Security Agreement, dated July 27, 2017, by and between Titan Pharmaceuticals, Inc. and Horizon Technology Finance Corporation [22]
14.1	Code of Business Conduct and Ethics [17]
31.1	Certification of the Principal Executive and Financial Officer pursuant to Rule 13(a)-14(a) of the Securities Exchange Act of 1934
32.1	Certification of the Principal Executive and Financial Officer pursuant to 18 U.S.C. 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

(1) Incorporated by reference from the Registrant's Registration Statement on Form SB-2 (File No. 33-99386).

(2) Incorporated by reference from the Registrant's Annual Report on Form 10-K for the year ended December 31, 2001.

(3) Incorporated by reference from the Registrant's Annual Report on Form 10-K for the year ended December 31, 2002.

(4) Incorporated by reference from the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005.

(5) Incorporated by reference from the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1996.

(6) Incorporated by reference from the Registrant's Registration Statement on Form S-3 (File No. 333-42367).

(7) Incorporated by reference from the Registrant's Registration Statement on Form 10.

(8) Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2010.

(9) Incorporated by reference from the Registrant's Current Report on Form 8-K filed on November 17, 2011.

(10) Incorporated by reference from the Registrant's Current Report on Form 8-K filed on December 21, 2011.

(11) Incorporated by reference from the Registrant's Current Report on Form 8-K filed on April 10, 2013.

(12) Incorporated by reference from the Registrant's Current Report on Form 8-K/A filed on February 28, 2013.

(13) Incorporated by reference from the Registrant's Current Report on Form 8-K dated May 29, 2013.

(14) Incorporated by reference from the Registrant's Current Report on Form 8-K dated July 5, 2013.

(15) Incorporated by reference from the Registrant's Current Report on Form 8-K dated November 13, 2013.

(16) Incorporated by reference from the Registrant's Annual Report on Form 10-K for the year ended December 31, 2013.

(17) Incorporated by reference from the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012.

(18) Incorporated by reference from the Registrant's Current Report on Form 8-K dated September 28, 2015.

(19) Incorporated by reference from the Registrant's Current Report on Form 8-K dated August 3, 2016.

(20) Incorporated by reference from the Registrant's Current Report on Form 8-K dated September 1, 2016.

(21) Incorporated by reference from the Registrant's Current Report on Form 8-K dated October 3, 2016.

(22) Incorporated by reference from the Registrant's Current Report on Form 8-K dated July 27, 2017.

* Confidential treatment has been granted with respect to portions of this exhibit.

SIGNATURES

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

TITAN PHARMACEUTICALS, INC.

Dated: August 9, 2017

By: /s/ Sunil Bhonsle
Name: **Sunil Bhonsle**
Title: **President and Chief Executive Officer**
(Principal Executive and Principal Financial Officer)

Exhibit 31.1

CERTIFICATION

I, Sunil Bhonsle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Titan Pharmaceuticals, 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant is made known to me 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 my 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: August 9, 2017

/s/ Sunil Bhonsle
Name: Sunil Bhonsle
Title: President and Chief Executive Officer
(Principal Executive Officer and 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 this quarterly report on Form 10-Q of Titan Pharmaceuticals, Inc. (the "Company") for the period ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

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

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

Date: August 9, 2017

/s/ Sunil Bhonsle
Name: Sunil Bhonsle
Title: President and Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)