

**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, 2021**
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _ TO _
COMMISSION FILE NUMBER **001-38501**

BLACK DIAMOND THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware | 81-4254660 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| One Main Street, 10th Floor Cambridge, Massachusetts | 02142 |
| (Address of principal executive offices) | (Zip Code) |
| (617) 252-0848 | |
| (Registrant's telephone number, including area code) | |

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|----------------------------------|-------------------|---|
| Common stock, par value \$0.0001 | BDTX | The Nasdaq Global Select Market |

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

Indicate by check mark whether the registrant has submitted electronically 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 | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input checked="" type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| | | Emerging growth company | <input checked="" type="checkbox"/> |

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 6, 2021, the registrant had 36,213,654 shares of common stock, \$0.0001 par value per share, outstanding.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Quarterly Report”), contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may”, “will”, “should”, “expects”, “intends”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential”, “continue” or the negative of these terms or other comparable terminology. These statements are not guarantees of future results or performance and involve substantial risks and uncertainties. Forward-looking statements in this Quarterly Report include, but are not limited to, statements about:

- the timing and success of preclinical studies and our ongoing clinical trial of BDTX-189 and any other product candidates, including the availability, timing and announcement of data and results of such studies and trials;
 - the initiation, timing, progress and results of our research and development programs, preclinical studies, any clinical trials and investigational new drug applications, or IND, and other regulatory submissions;
 - our ability to obtain and maintain regulatory approval for BDTX-189 or any of our other current or future product candidates that we may identify or develop;
 - our need to raise additional funding before we can expect to generate any revenues from product sales;
 - our ability to identify future product candidates for treatment of additional disease indications;
 - our ability to develop our current product candidates for the treatment of various cancers;
 - the rate and degree of market acceptance and clinical utility for any current or future product candidates we may develop;
 - the effects of competition with respect to BDTX-189 or any of our other current or future product candidates, as well as innovations by current and future competitors in our industry;
 - the implementation of our strategic plans for our business, any product candidates we may develop, and our MAP platform;
 - our ability to successfully develop companion diagnostics for use with our current or future product candidates;
 - our intellectual property position, including the scope of protection we are able to establish, maintain and enforce for intellectual property rights covering our product candidates and MAP platform;
 - our ability to use the proceeds of our initial public offering in ways that increase the value of your investment;
 - our ability to obtain additional funding for our operations, when needed, including funding necessary to complete further development and commercialization of our product candidates, if approved, and to further expand our MAP platform;
 - the accuracy of our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
 - our financial performance and our ability to effectively manage our anticipated growth;
 - our estimates regarding the market opportunities for our product candidates;
 - our ability to maintain an effective system of internal controls; and
 - the ultimate impact of the current coronavirus pandemic, or any other health epidemic, on our business, our clinical trials and preclinical studies, our research programs, healthcare systems or the global economy as a whole.
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Any forward-looking statements in this Quarterly Report reflect our current views with respect to future events and with respect to our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those described in our most recent Annual Report on Form 10-K for the year ended December 31, 2020 and in other SEC filings. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

All of our forward-looking statements are as of the date of this Quarterly Report only. In each case, actual results may differ materially from such forward-looking information. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of or any material adverse change in one or more of the risk factors or risks and uncertainties referred to in this Quarterly Report or included in our other public disclosures or our other periodic reports or other documents or filings filed with or furnished to the Securities and Exchange Commission, or the SEC, could materially and adversely affect our business, prospects, financial condition and results of operations. Except as required by law, we do not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections or other circumstances affecting such forward-looking statements occurring after the date of this Quarterly Report, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. Any public statements or disclosures by us following this Quarterly Report that modify or impact any of the forward-looking statements contained in this Quarterly Report will be deemed to modify or supersede such statements in this Quarterly Report.

We may from time to time provide estimates, projections and other information concerning our industry, the general business environment, and the markets for certain diseases, including estimates regarding the potential size of those markets and the estimated incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events, circumstances or numbers, including actual disease prevalence rates and market size, may differ materially from the information reflected in this Quarterly Report. Unless otherwise expressly stated, we obtained this industry, business information, market data, prevalence information and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data, and similar sources, in some cases applying our own assumptions and analysis that may, in the future, prove not to have been accurate.

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| PART I - FINANCIAL INFORMATION | |
| Item 1. Condensed Consolidated Financial Statements (Unaudited) | 5 |
| Condensed Consolidated Balance Sheets | 5 |
| Condensed Consolidated Statements of Operations and Comprehensive Loss | 6 |
| Condensed Consolidated Statements of Cash Flows | 7 |
| Condensed Consolidated Statements of Stockholders' Equity | 8 |
| Notes to Unaudited Condensed Consolidated Financial Statements | 9 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 21 |
| Item 3. Quantitative and Qualitative Disclosures about Market Risk | 32 |
| Item 4. Controls and Procedures | 32 |
| PART II - OTHER INFORMATION | |
| Item 1. Legal Proceedings | 33 |
| Item 1A. Risk Factors | 33 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 33 |
| Item 3. Defaults Upon Senior Securities | 34 |
| Item 4. Mine Safety Disclosures | 34 |
| Item 5. Other Information | 34 |
| Item 6. Exhibits | 35 |
| SIGNATURES | 36 |

We have applied for various trademarks that we use in connection with the operation of our business. This Quarterly Report may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or products in this Quarterly Report is not intended to, and does not imply a relationship with, or endorsement or sponsorship by us. Solely for convenience, the trademarks, service marks and trade names referred to in this Quarterly Report may appear without the ®, TM or SM symbols, but the omission of such references is not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or that the applicable owner of these trademarks, service marks and trade names will not assert, to the fullest extent under applicable law, its rights.

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

Part I - FINANCIAL INFORMATION**Item I. Condensed Consolidated Financial Statements (Unaudited)**

Black Diamond Therapeutics, Inc.
Condensed Consolidated Balance Sheets (Unaudited)
(in thousands, except share and per share data)

| | As of | |
|--|-------------------|----------------------|
| | June 30, 2021 | December 31, 2020 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 37,324 | \$ 34,605 |
| Investments | 226,146 | 280,462 |
| Prepaid expenses and other current assets | 7,477 | 4,487 |
| Total current assets | 270,947 | 319,554 |
| Property and equipment, net | 2,433 | 385 |
| Restricted cash | 1,223 | 1,223 |
| Right-of-use asset | 13,181 | 8,402 |
| Other non-current assets | 98 | 106 |
| Total assets | <u>\$ 287,882</u> | <u>\$ 329,670</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 5,030 | \$ 2,538 |
| Accrued expenses and other current liabilities | 18,456 | 11,680 |
| Total current liabilities | 23,486 | 14,218 |
| Non-current operating lease liability | 13,376 | 7,694 |
| Total liabilities | 36,862 | 21,912 |
| Commitments and contingencies (Note 11) | — | — |
| Stockholders' equity: | | |
| Preferred stock, \$0.0001 par value; 10,000,000 shares and 10,000,000 shares authorized at June 30, 2021 and December 31, 2020, respectively; no shares issued or outstanding at June 30, 2021 and December 31, 2020 | — | — |
| Common stock; \$0.0001 par value; 500,000,000 shares authorized at June 30, 2021 and 500,000,000 shares authorized at December 31, 2020; 36,205,826 shares issued and outstanding at June 30, 2021 and 36,078,383 shares issued and outstanding at December 31, 2020 | 5 | 5 |
| Additional paid-in capital | 433,680 | 425,363 |
| Accumulated other comprehensive income | 211 | 614 |
| Accumulated deficit | (182,876) | (118,224) |
| Total stockholders' equity | 251,020 | 307,758 |
| Total liabilities and stockholders' equity | <u>\$ 287,882</u> | <u>\$ 329,670</u> |

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

Black Diamond Therapeutics, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)
(in thousands, except share and per share data)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-------------|------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Operating expenses: | | | | |
| Research and development | \$ 26,719 | \$ 10,170 | \$ 49,539 | \$ 17,524 |
| General and administrative | 7,996 | 4,858 | 15,889 | 10,383 |
| Total operating expenses | 34,715 | 15,028 | 65,428 | 27,907 |
| Loss from operations | (34,715) | (15,028) | (65,428) | (27,907) |
| Other income (expense): | | | | |
| Interest expense | — | (1) | — | (1) |
| Interest income | 948 | 881 | 2,100 | 1,625 |
| Other (expense) income | (584) | (423) | (1,324) | (433) |
| Total other income (expense), net | 364 | 457 | 776 | 1,191 |
| Net loss | \$ (34,351) | \$ (14,571) | \$ (64,652) | \$ (26,716) |
| Net loss per share, basic and diluted | \$ (0.95) | \$ (0.41) | \$ (1.79) | \$ (0.92) |
| Weighted average common shares outstanding, basic and diluted | 36,182,541 | 35,910,718 | 36,152,942 | 29,804,987 |
| Comprehensive loss: | | | | |
| Net loss | \$ (34,351) | \$ (14,571) | \$ (64,652) | \$ (26,716) |
| Other comprehensive income: | | | | |
| Change in unrealized loss on investments | (124) | 1,012 | (403) | 1,012 |
| Comprehensive loss | \$ (34,475) | \$ (13,559) | \$ (65,055) | \$ (25,704) |

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

Black Diamond Therapeutics, Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

| | Six Months Ended June 30, | |
|---|------------------------------|------------------|
| | 2021 | 2020 |
| Cash flows from operating activities: | | |
| Net loss | \$ (64,652) | \$ (26,716) |
| Adjustment to reconcile net loss to net cash used in operating activities: | | |
| Stock-based compensation expense | 7,652 | 3,296 |
| Depreciation expense | 39 | 23 |
| Amortization of premium on investments | 1,326 | (400) |
| Noncash rent expense | 748 | 94 |
| Other non-cash items | (14) | — |
| Changes in current assets and liabilities: | | |
| Prepaid expenses and other current assets | (2,956) | (2,708) |
| Other non-current assets | 8 | (21) |
| Accounts payable | 1,635 | (1,359) |
| Amounts due to related party | — | 15 |
| Accrued expenses and other current liabilities | 7,355 | 2,994 |
| Non-current operating lease liability | (761) | (104) |
| Net cash used in operating activities | (49,620) | (24,886) |
| Cash flows from investing activities: | | |
| Purchases of equipment | (888) | (25) |
| Proceeds from sales and maturities of investments | 95,138 | — |
| Purchases of investments | (42,576) | (279,615) |
| Net cash provided by (used in) investing activities | 51,674 | (279,640) |
| Cash flows from financing activities: | | |
| Proceeds from exercise of common stock options | 665 | — |
| Proceeds from initial public offering, net of issuance costs of \$1,275 | — | 213,844 |
| Net cash provided by financing activities | 665 | 213,844 |
| Net decrease in cash and cash equivalents | 2,719 | (90,682) |
| Cash, cash equivalents and restricted cash, beginning of period | 35,828 | 154,721 |
| Cash, cash equivalents and restricted cash, end of period | \$ 38,547 | \$ 64,039 |
| Cash and cash equivalents, end of period | \$ 37,324 | \$ 63,984 |
| Restricted cash, end of period | 1,223 | 55 |
| Cash, cash equivalents and restricted cash, end of period | \$ 38,547 | \$ 64,039 |
| Supplemental disclosure of non-cash investing and financing activities: | | |
| Purchases of equipment included in accounts payable and accrued expenses | \$ 1,199 | \$ — |
| Conversion of preferred stock into common stock upon closing of initial public offering | \$ — | \$ 200,573 |
| Reclassification of warrants to additional paid-in capital | \$ — | \$ 16 |
| Right-of-use assets obtained in exchange for operating lease obligation | \$ 5,717 | \$ — |
| Right-of-use asset derecognized upon early lease termination | \$ 476 | \$ — |

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

Black Diamond Therapeutics, Inc.
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)
(in thousands, except share data)

| | Common stock | | Additional paid-in capital | Accumulated other comprehensive income | Accumulated deficit | Total stockholders' equity (deficit) |
|---|--------------|-----------|----------------------------------|---|------------------------|---|
| | Shares | Par Value | | | | |
| BALANCE - December 31, 2019 | 2,236,672 | \$ 1 | \$ 3,812 | \$ — | \$ (50,970) | \$ (47,157) |
| Conversion of preferred stock to common stock upon closing of the initial public offering | 21,499,770 | 3 | 200,570 | — | — | 200,573 |
| Issuance of common stock, net of issuance costs | 12,174,263 | 1 | 212,100 | — | — | 212,101 |
| Reclassification of warrants to additional paid-in capital | — | — | 16 | — | — | 16 |
| Stock-based compensation | — | — | 1,877 | — | — | 1,877 |
| Net loss | — | — | — | — | (12,145) | (12,145) |
| BALANCE - March 31, 2020 | 35,910,705 | 5 | 418,375 | — | (63,115) | 355,265 |
| Stock-based compensation | — | — | 1,419 | — | — | 1,419 |
| Unrealized gain on investments | — | — | — | 1,012 | — | 1,012 |
| Net loss | — | — | — | — | (14,571) | (14,571) |
| BALANCE - June 30, 2020 | 35,910,705 | 5 | 419,794 | 1,012 | (77,686) | 343,125 |
| BALANCE - December 31, 2020 | 36,078,383 | \$ 5 | \$ 425,363 | \$ 614 | \$ (118,224) | \$ 307,758 |
| Exercise of common stock options | 62,607 | — | 481 | — | — | 481 |
| Vesting of restricted stock units | 4,998 | — | — | — | — | — |
| Stock-based compensation | 1,224 | — | 3,094 | — | — | 3,094 |
| Unrealized loss on investments | — | — | — | (279) | — | (279) |
| Net loss | — | — | — | — | (30,301) | (30,301) |
| BALANCE - March 31, 2021 | 36,147,212 | 5 | 428,938 | 335 | (148,525) | 280,753 |
| Exercise of common stock options | 48,014 | — | 184 | — | — | 184 |
| Vesting of restricted stock units | 8,331 | — | — | — | — | — |
| Stock-based compensation | 2,269 | — | 4,558 | — | — | 4,558 |
| Unrealized loss on investments | — | — | — | (124) | — | (124) |
| Net loss | — | — | — | — | (34,351) | (34,351) |
| BALANCE - June 30, 2021 | 36,205,826 | \$ 5 | \$ 433,680 | \$ 211 | \$ (182,876) | \$ 251,020 |

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

Black Diamond Therapeutics, Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Amounts in thousands, except share and per share amounts)

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Black Diamond Therapeutics, Inc. (the “Company”) is a precision oncology medicine company pioneering the discovery and development of small molecule, MasterKey therapies. We target undrugged oncogenic driver mutations in patients with genetically defined cancers. The Company was originally organized as a limited liability company in December 2014 under the name ASET Therapeutics LLC. In September 2016, the Company was converted to a corporation under the laws of the State of Delaware under the name ASET Therapeutics, Inc. The Company changed its name to Black Diamond Therapeutics, Inc. in January 2018. Since its inception, the Company has devoted substantially all of its efforts to raising capital, obtaining financing, and incurring research and development costs related to the development of BDTX-189 and its earlier-stage pipeline programs as well as its mutation, allostery, and pharmacology computational and discovery platform.

The Company is subject to risks and uncertainties common to early stage companies in the biotechnology industry. There can be no assurance that the Company’s research and development will be successfully completed, that adequate protection for the Company’s technology will be obtained, that any products developed will obtain necessary government regulatory approval or that any products, if approved, will be commercially viable. The Company operates in an environment of rapid technological innovation and substantial competition from pharmaceutical and biotechnological companies. In addition, the Company is dependent upon the services of its employees, consultants and service providers. Even if the Company’s product development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

On January 21, 2020, the Company effected a 1-for-3.01581 reverse stock split of the Company’s common stock. All shares, stock options, warrants and per share information presented in the condensed consolidated financial statements have been adjusted to reflect the reverse stock split on a retroactive basis for all periods presented. There was no change in the par value of the Company’s common stock.

On February 3, 2020, the Company completed an initial public offering (the “IPO”) of 12,174,263 shares of its common stock, including the exercise in full by the underwriters of their option to purchase up to 1,587,947 additional shares of common stock, for aggregate gross proceeds of \$231 million and its shares started trading on The Nasdaq Global Select Market under the ticker symbol “BDTX.” The Company received \$212 million in net proceeds after deducting underwriting discounts and commissions and other estimated offering expenses payable by the Company. Upon closing of the IPO, all of the Company’s outstanding shares of convertible preferred stock automatically converted into 21,499,770 shares of common stock.

On February 1, 2021, the Company filed a shelf registration statement on Form S-3 ASR (the “Shelf”), with the Securities and Exchange Commission (the “SEC”), which covers the offering, issuance and sale of the Company’s common stock, preferred stock, debt securities, warrants and/or units of any combination thereof. The Company simultaneously entered into an Open Market Sale AgreementSM with Jefferies LLC, as sales agent, to provide for the issuance and sale by the Company of up to \$150 million of its common stock from time to time through Jefferies as its sales agent (the “ATM Program”). The Shelf became automatically effective upon filing on February 1, 2021. As of June 30, 2021, no sales have been made pursuant to the ATM Program.

The accompanying condensed consolidated financial statements have been prepared on the basis of continuity of operations, realization of assets, and the satisfaction of liabilities and commitments in the ordinary course of business. Historically, the Company has funded its operations primarily with proceeds from the sale of preferred and common stock. The Company expects to continue to generate operating losses for the foreseeable future.

As of August 12, 2021, the issuance date of the condensed consolidated financial statements, the Company expects that its cash, cash equivalents and investments will be sufficient to fund its operating expenses and capital requirements into 2023.

The Company may seek additional funding through private or public equity financings, debt financings, collaborations, strategic alliances, and marketing, distribution or licensing arrangements. The Company may not be able to obtain financing on acceptable terms, or at all, and the Company may not be able to enter into collaborations or other arrangements. The terms of any financing may adversely affect the holdings or the rights of the Company's stockholders. If the Company is unable to obtain funding, the Company could be forced to delay, reduce or eliminate some or all of its research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects. Although management continues to pursue these plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

The COVID-19 pandemic continues to present a substantial public health and economic challenge around the world, and to date has led to the implementation of various responses, including government-imposed quarantines, stay-at-home orders, travel restrictions, mandated business closures and other public health safety measures.

The Company is closely monitoring the impact of the COVID-19 pandemic on all aspects of the Company's business, including how it has impacted and may continue to impact the Company's operations and the operations of its suppliers, vendors and business partners, and may take further precautionary and preemptive actions as may be required by federal, state or local authorities. In addition, the Company has taken steps to minimize the current environment's impact on its business and strategy, including devising contingency plans and securing additional resources from third party service providers. Furthermore, for the safety of the Company's employees and families, the Company has introduced enhanced safety measures for scientists to be present in its labs and increased the use of third party service providers for the conduct of certain experiments and studies for research programs. Certain of the Company's third party service providers have also experienced shutdowns or other business disruptions. The Company does not yet know the full extent of potential delays or impacts on the Company's business, clinical trials, research programs, healthcare systems or the global economy and cannot presently predict the scope and severity of any potential business shutdowns or disruptions.

The extent to which COVID-19 ultimately impacts the Company's business, results of operations or financial condition will depend on future developments, which, despite progress in vaccination efforts, remain highly uncertain and cannot be predicted with confidence, such as the duration of the COVID-19 pandemic, new strains of the virus which may impact rates of infection and vaccination efforts, developments or perceptions regarding the safety of vaccines, new information that may emerge concerning the severity of COVID-19, and any additional preventative and protective actions taken to contain the pandemic or treat its impact, among others. In addition, a recurrence or "additional waves" of COVID-19 cases could cause other widespread or more severe impacts depending on where infection rates are highest. While certain measures have been relaxed in certain parts of the world as increasing numbers of people have received COVID-19 vaccines, others have remained in place with some areas continuing to experience renewed outbreaks and surges in infection rates. The extent to which such measures are removed or new measures are put in place will depend upon how the pandemic evolves, as well as the distribution of available vaccines, the rates at which they are administered and the emergence of new variants of the virus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of these condensed consolidated financial statements.

Principles of consolidation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of the Company and its wholly owned subsidiaries, Black Diamond Therapeutics (Canada), Inc. and Black Diamond Therapeutics Security Corporation, after elimination of all significant intercompany accounts and transactions.

Unaudited interim financial information

The condensed consolidated financial statements of the Company included herein have been prepared, without audit, pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted from this Quarterly Report, as is permitted by such rules and regulations. Accordingly, these condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the SEC on March 25, 2021. In the opinion of the Company's management, all adjustments (consisting of normal and recurring adjustments) considered necessary for a fair statement of the results for the interim periods presented have been included.

Use of estimates

The preparation of the Company's condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of expenses during the reporting periods. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, the accrual of research and development expenses, the valuation of common stock and the valuation of stock-based awards. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results may differ from those estimates or assumptions.

The full extent to which the COVID-19 pandemic will directly or indirectly impact the Company's business, results of operations and financial condition, including expenses, research and development costs and employee-related amounts, will depend on future developments, which, despite progress in vaccination efforts, remain highly uncertain and cannot be predicted with confidence, such as the duration of the COVID-19 pandemic, new strains of the virus which may impact rates of infection and vaccination efforts, developments or perceptions regarding the safety of vaccines, new information that may emerge concerning COVID-19, and any additional preventative and protective actions taken to contain the pandemic or treat its impact, among others. The Company has considered the impact of COVID-19 on estimates within its financial statements and there may be changes to those estimates in future periods. As of the date of issuance of these consolidated financial statements, the Company has not experienced material business disruptions or incurred impairment losses in the carrying value of its assets as a result of the pandemic and is not aware of any specific related event or circumstance that would require it to update its estimates. The Company will continue to monitor the latest developments as it deals with the disruptions and uncertainties relating to the COVID-19 pandemic, including the pace of vaccinations and the emergence of new and more contagious strains of the virus, and any resulting impact on our business, financial condition, results of operations and prospects. Any resulting financial impact cannot be reasonably estimated at this time and may have a material adverse impact on the Company's business, financial condition and results of operations.

Recently adopted accounting pronouncements

In December 2019, the FASB issued ASU 2019-12, *Income Taxes-Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). ASU 2019-12 eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The standard is effective for annual periods beginning after December 15, 2020 and interim periods within, with early adoption permitted. The new standard was effective for the Company beginning January 1, 2021. The adoption of ASU 2019-12 did not have a material impact on the Company's disclosures, financial position or results or operations upon adoption.

Recently issued accounting pronouncements

In May 2021, the FASB issued ASU 2021-04, *Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options (a consensus of the FASB Emerging Issues Task Force)* (“ASU-2021-04”). ASU 2021-04 clarifies and reduces diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The ASU provides guidance that will clarify whether an issuer should account for a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange as (1) an adjustment to equity and, if so, the related earnings per share (EPS) effects, if any, or (2) an expense and, if so, the manner and pattern of recognition. The new guidance is effective for annual and interim periods beginning after December 15, 2021, and early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the impact that this new guidance will have on its condensed consolidated financial statements.

3. FAIR VALUE MEASUREMENTS

The following tables present information about the Company’s financial assets and liabilities measured at fair value on a recurring basis and indicate the level of the fair value hierarchy used to determine such fair values:

| | Fair value measurements at June 30, 2021 using: | | | |
|--------------------------|---|-------------------|-------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Cash equivalents: | | | | |
| Money market funds | \$ 37,324 | \$ — | \$ — | \$ 37,324 |
| Investments: | | | | |
| Commercial paper | — | 15,986 | — | 15,986 |
| Corporate bonds | — | 157,537 | — | 157,537 |
| U.S. Government agencies | — | 52,623 | — | 52,623 |
| Total | \$ 37,324 | \$ 226,146 | \$ — | \$ 263,470 |

| | Fair value measurements at December 31, 2020 using: | | | |
|--------------------------|---|-------------------|-------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Cash equivalents: | | | | |
| Money market funds | \$ 32,501 | \$ — | \$ — | \$ 32,501 |
| Investments: | | | | |
| Commercial paper | — | 35,559 | — | 35,559 |
| Corporate bonds | — | 192,573 | — | 192,573 |
| U.S. Government agencies | — | 52,330 | — | 52,330 |
| Total | \$ 32,501 | \$ 280,462 | \$ — | \$ 312,963 |

When developing fair value estimates, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. When available, the Company uses quoted market prices to measure fair value. The valuation technique used to measure fair value for the Company's Level 1 and Level 2 assets is a market approach, using prices and other relevant information generated by market transactions involving identical or comparable assets. If market prices are not available, the fair value measurement is based on models that use primarily market-based parameters including yield curves, volatilities, credit ratings and currency rates. In certain cases where market rate assumptions are not available, the Company is required to make judgments about assumptions market participants would use to estimate the fair value of a financial instrument.

There were no transfers in or out of Level 3 categories in the periods presented.

4. INVESTMENTS

As of June 30, 2021, investments were comprised of the following:

| | Amortized Cost | Unrealized Gains | Unrealized Losses | Fair Value |
|--------------------------|-------------------|------------------|-------------------|-------------------|
| Commercial paper | \$ 15,985 | \$ 2 | \$ (1) | \$ 15,986 |
| Corporate bonds | 157,302 | 307 | (72) | 157,537 |
| U.S. Government agencies | 52,648 | 35 | (60) | 52,623 |
| Total | <u>\$ 225,935</u> | <u>\$ 344</u> | <u>\$ (133)</u> | <u>\$ 226,146</u> |

As of December 31, 2020, investments were comprised of the following:

| | Amortized Cost | Unrealized Gains | Unrealized Losses | Fair Value |
|--------------------------|-------------------|------------------|-------------------|-------------------|
| Commercial paper | \$ 35,543 | \$ 21 | \$ (5) | \$ 35,559 |
| Corporate bonds | 191,977 | 608 | (12) | 192,573 |
| U.S. Government agencies | 52,328 | 22 | (20) | 52,330 |
| Total | <u>\$ 279,848</u> | <u>\$ 651</u> | <u>\$ (37)</u> | <u>\$ 280,462</u> |

As of June 30, 2021, all marketable securities held by the Company had remaining contractual maturities of three years or less.

As of June 30, 2021, the marketable securities in a loss position had a maturity of one to three years.

There have been no impairments of the Company's assets measured and carried at fair value during the six months ended June 30, 2021.

5. PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following:

| | June 30, 2021 | December 31, 2020 |
|-----------------------------------|------------------|----------------------|
| Laboratory equipment | \$ 253 | \$ 253 |
| Computer and office equipment | 120 | 83 |
| Leasehold improvements | 97 | 66 |
| Construction in process | 2,166 | 147 |
| Property and equipment | <u>2,636</u> | <u>549</u> |
| Less: accumulated depreciation | (203) | (164) |
| Total Property and Equipment, net | <u>\$ 2,433</u> | <u>\$ 385</u> |

Depreciation expense for the six months ended June 30, 2021 and 2020 was \$39 and \$23, respectively.

6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

| | June 30, 2021 | December 31, 2020 |
|--|------------------|----------------------|
| Contracted research services | \$ 11,472 | \$ 5,102 |
| Payroll and related expenses | 3,460 | 3,729 |
| Professional and consulting fees | 2,383 | 1,603 |
| Legal fees | 659 | 199 |
| Current portion of operating lease liability | 482 | 1,047 |
| Total accrued expenses and other current liabilities | <u>\$ 18,456</u> | <u>\$ 11,680</u> |

7. STOCKHOLDERS' EQUITY

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are not entitled to receive dividends, unless declared by the board of directors.

Upon closing of the IPO on February 3, 2020, all of the preferred stock converted into an aggregate of 21,499,770 shares of common stock.

On February 3, 2020, in connection with the closing of the IPO, the Company filed an amended and restated certificate of incorporation, which, among other things, restated the number of shares of all classes of stock that the Company has authority to issue to 510,000,000 shares, of which (i) 500,000,000 shares shall be a class designated as common stock, par value \$0.0001 per share, and (ii) 10,000,000 shares shall be a class designated as undesignated preferred stock, par value \$0.0001 per share.

8. STOCK-BASED COMPENSATION

2020 Stock Option and Incentive Plan

The 2020 Stock Option and Incentive Plan (the "2020 Plan") was approved by our board of directors on December 5, 2019, and the Company's stockholders on January 14, 2020 and became effective on the date immediately prior to the date on which the registration statement for the Company's IPO was declared effective. The 2020 Plan provides for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock units, restricted stock awards, unrestricted stock awards, cash-based awards and dividend equivalent rights to the Company's officers, employees, directors and consultants. The 2020 Plan provides for an annual increase, to be added on the first day of each fiscal year, by up to 4% of the Company's outstanding shares of common stock as of the last day of the prior year. On January 1, 2021, 1,443,135 shares of common stock, representing 4% of the Company's outstanding shares of common stock as of December 31, 2020, were added to the 2020 Plan.

2020 Employee Stock Purchase Plan

The 2020 Employee Stock Purchase Plan (the "2020 ESPP") was approved by the Company's board of directors on December 5, 2019, and our stockholders on January 14, 2020, and became effective on the date immediately prior to the date on which the registration statement for the Company's IPO was declared effective. The 2020 ESPP provides for an annual increase, to be added on the first day of each fiscal year, by up to 1% of the number of shares of the Company's common stock outstanding on the immediately preceding December 31. The number of authorized shares reserved for issuance under the 2020 Plan was increased by 326,364 shares effective as of January 1, 2021.

Stock-based compensation expense

The Company recorded stock-based compensation expense in the following award type categories included within the condensed consolidated statements of operations and comprehensive loss:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|------------------------|--------------------------------|-----------------|------------------------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Stock options | \$ 4,216 | \$ 1,419 | \$ 7,010 | \$ 3,296 |
| Restricted stock units | 290 | — | 560 | — |
| Other | 52 | — | 82 | — |
| | <u>\$ 4,558</u> | <u>\$ 1,419</u> | <u>\$ 7,652</u> | <u>\$ 3,296</u> |

For the six months ended June 30, 2021, the Company issued 3,493 shares of common stock out of our 2020 Plan under our policy where non-employee Directors may elect to receive their compensation in the form of common stock in lieu of cash.

The Company recorded stock-based compensation expense in the following expense categories of its condensed consolidated statements of operations and comprehensive loss:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|----------------------------|--------------------------------|-----------------|------------------------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Research and development | \$ 2,234 | \$ 655 | \$ 3,854 | \$ 1,219 |
| General and administrative | 2,324 | 764 | 3,798 | 2,077 |
| | <u>\$ 4,558</u> | <u>\$ 1,419</u> | <u>\$ 7,652</u> | <u>\$ 3,296</u> |

Options

The following table summarizes the stock option activity under the Company's equity awards plans:

| | Options | Weighted Average Exercise Price | Weighted Average Remaining Life (in Years) | Intrinsic Value (in thousands) |
|---|------------------|--|--|--------------------------------------|
| Outstanding December 31, 2020 | 3,752,744 | \$ 15.71 | 9.0 | \$ 62,842 |
| Granted | 1,623,094 | \$ 24.66 | | |
| Exercised | (110,621) | \$ 6.02 | | |
| Cancelled or forfeited | (55,473) | \$ 26.62 | | |
| Outstanding June 30, 2021 | <u>5,209,744</u> | \$ 18.59 | 8.9 | \$ 8,002 |
| Options vested or expected to vest at June 30, 2021 | <u>5,209,744</u> | \$ 18.59 | 8.9 | \$ 8,002 |
| Options exercisable at June 30, 2021 | 1,226,756 | \$ 12.39 | 8.3 | \$ 3,671 |

For the six months ended June 30, 2021, total unrecognized compensation cost related to the unvested stock-options was \$46,566, which is expected to be recognized over a weighted average period of 3.0 years.

Restricted stock units

The fair values of restricted stock units are based on the market value of the Company's stock on the date of the grant. Under terms of the restricted stock agreements covering the common stock, shares of restricted common stock are subject to a vesting schedule. The following table summarizes restricted stock activity since January 1, 2020:

| | Number of shares | | Weighted average grant date fair value |
|---|---------------------|----|---|
| Unvested restricted common stock as of January 1, 2020 | — | \$ | — |
| Granted | 61,000 | \$ | 29.65 |
| Vested | (6,664) | \$ | 30.00 |
| Unvested restricted common stock as of December 31, 2020 | 54,336 | \$ | 29.68 |
| Granted | 10,000 | \$ | 28.69 |
| Vested | (13,329) | \$ | 30.00 |
| Unvested restricted common stock as of June 30, 2021 | 51,007 | \$ | 29.32 |

The total fair value of restricted stock units vested during the six months ended June 30, 2021 was \$401.

For the six months ended June 30, 2021, total unrecognized compensation cost related to the unvested restricted stock units was \$1,166, which is expected to be recognized over a weighted average period of 1.8 years.

Employee stock purchase plan

The 2020 ESPP was approved by the Company's board of directors on December 5, 2019, and our stockholders on January 14, 2020, and became effective on the date immediately prior to the date on which the registration statement for the Company's IPO was declared effective. The 2020 ESPP enables eligible employees to purchase shares of the Company's common stock at the end of each six-month offering period at a price equal to 85% of the fair market value of the shares on the first business day or the last business day of the offering period, whichever is lower. Eligible employees generally included all employees. Offering periods begin on the first trading day of January and July of each year and end on the last trading day in June and December of each year, except for the first offering period which began on the first trading day in March and ended on the last trading day in June. Share purchases are funded through payroll deductions of up to 10% of an employee's eligible compensation for each payroll period, up to \$25 each calendar year.

During the six months ended June 30, 2021 and 2020, there were no shares issued under the 2020 ESPP.

9. NET LOSS PER SHARE***Net loss per share***

The following table summarizes the computation of basic and diluted net loss per share of the Company (in thousands, except share and per share amounts):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-------------|------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Net loss | \$ (34,351) | \$ (14,571) | \$ (64,652) | \$ (26,716) |
| Weighted average common shares outstanding, basic and diluted | 36,182,541 | 35,910,718 | 36,152,942 | 29,804,987 |
| Net loss per share, basic and diluted | \$ (0.95) | \$ (0.41) | \$ (1.79) | \$ (0.92) |

The Company's potentially dilutive securities, which include options, unvested restricted stock and warrants to purchase common stock, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted average number of common shares outstanding used to calculate both basic and diluted net loss per share is the same. The Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

| | Six Months Ended June 30, | |
|--|------------------------------|-----------|
| | 2021 | 2020 |
| Options to purchase common stock | 5,209,744 | 3,240,362 |
| Unvested restricted stock | 51,007 | — |
| Shares issuable under employee stock purchase plan | 2,940 | — |
| Warrants to purchase common stock | 10,757 | 10,757 |
| | 5,274,448 | 3,251,119 |

10. LEASES

The Company has historically entered into lease arrangements for its facilities. As of June 30, 2021, the Company had two operating leases with required future minimum payments. In applying the transition guidance under ASC 842, the Company determined the classification of these leases to be operating leases and recorded right-of-use assets and lease liabilities as of the effective dates. The Company's leases generally do not include termination or purchase options.

Operating Leases

In July 2020, the Company entered into a seven-year agreement with an option to extend for five additional years to lease two floors totaling approximately 25,578 square feet of office space for its principal office, which is located in Cambridge, MA. The lease on the first floor commenced on August 1, 2020 and the lease on the second floor commenced March 9, 2021. The Company recognized the respective lease balances on the condensed consolidated balance sheets when the lease of each floor commenced. Under the terms of the lease, the Company was required to issue a \$1,168 letter of credit as security for the lease.

[Table of Contents](#)

The Company previously leased an office space in Cambridge, MA under a lease that commenced in February 2019 for approximately 2,357 square feet of office space, which was set to expire on April 30, 2022, subject to an option to extend the lease for three additional years. Effective June 15, 2021, the lease was terminated, and the remaining right-of-use asset and lease liability were derecognized. A gain of \$5 was recognized for the termination of the lease.

In December 2020, the Company entered into an eleven-year agreement to lease approximately 18,120 square feet of office and laboratory space in New York, NY. The Company has an option to extend the lease for five additional years. The Company currently expects the lease to commence in the third quarter of 2021 when the landlord delivers the space in accordance with the lease terms. The Company recognizes the lease balance on the consolidated balance sheet when the lease has commenced. Under the terms of the lease, the Company is required to make up to \$21,302 in total minimum payments during the term of the lease. The table below excludes the minimum rental payments for the lease that has been executed but not commenced as of June 30, 2021.

The following table contains a summary of the lease costs recognized under ASC 842 and other information pertaining to the Company's operating lease for the three and six months ended June 30, 2021:

| | Three Months Ended June 30, 2021 | Six Months Ended June 30, 2021 |
|-------------------------|-------------------------------------|-----------------------------------|
| Lease Cost | | |
| Operating lease cost | \$ 613 | \$ 1,075 |
| Short-term lease cost | 288 | 575 |
| Variable lease cost | 43 | 76 |
| Total lease cost | \$ 944 | \$ 1,726 |

Other Operating Lease Information

| | June 30, 2021 |
|--|---------------|
| Gain on lease termination | \$ 5 |
| Cash paid for amounts included in the measurement of lease liability | 732 |
| Weighted-average remaining lease term | 7.1 |
| Weighted-average discount rate | 5.3 % |

The variable lease costs for the three and six months ended June 30, 2021 include common area maintenance and other operating charges. As the Company's leases do not provide an implicit rate, the Company utilized its incremental borrowing rate to discount lease payments, which reflects the fixed rate at which the Company could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment.

Future minimum lease payments under the Company's operating leases as of June 30, 2021 were as follows:

| | As of June 30, 2021 |
|---|---------------------|
| 2021 (excluding the six months ended June 30, 2021) | \$ 1,055 |
| 2022 | 2,356 |
| 2023 | 2,415 |
| 2024 | 2,476 |
| 2025 | 2,538 |
| Thereafter | 7,073 |
| Total lease payments | 17,913 |
| Less: interest | (3,045) |
| Total lease liability | \$ 14,868 |

11. COMMITMENTS AND CONTINGENCIES

We enter into contracts in the normal course of business with contract research organizations ("CROs"), contract manufacturing organizations ("CMOs") and other third parties for preclinical research studies, clinical trials and testing and manufacturing services. These contracts do not contain minimum purchase commitments and are cancelable upon prior written notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including noncancelable obligations of service providers, up to the date of cancellation.

License Agreements

The Company is party to license agreements, which include contingent payments. These payments will become payable if and when certain development, regulatory and commercial milestones are achieved. As of June 30, 2021, the satisfaction and timing of the contingent payments is uncertain and not reasonably estimable.

Indemnification agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and executive officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not aware of any indemnification arrangements that could have a material effect on its financial position, results of operations or cash flows, and it has not accrued any liabilities related to such obligations in its condensed consolidated financial statements as of June 30, 2021 or December 31, 2020.

Legal proceedings

The Company is not currently party to and is not aware of any material legal proceedings. At each reporting date, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. The Company expenses as incurred the costs related to such legal proceedings.

12. BENEFIT PLANS

In 2021, the Company transitioned from a Simplified Employee Pension ("SEP") defined-contribution savings plan to a tax-qualified 401(k) and Profit Sharing defined contribution plan (the "401(k) Plan"). Under the 401(k) Plan, the Company provides an employer safe harbor matching contribution equal to 100% of a participant's eligible contributions of up to 6% of eligible compensation, subject to limits established by the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). All matching contributions are fully vested when made. During the three and six months ended June 30, 2021 and 2020 the Company contributed \$220 and \$565 to the 401(k) Plan and \$118 and \$267 to the SEP plan, respectively.

13. RELATED-PARTY TRANSACTIONS

The Company was party to a services agreement, which was entered into in March 2017 and amended in November 2017 and March 2020, with Ridgeline. Ridgeline is an entity owned by one of the Company's investors, whereby employees of Ridgeline provided the Company with scientific consulting services. In 2020, the Company transitioned to a more limited consulting arrangement whereby Ridgeline invoiced the Company for services performed on an ongoing monthly basis. The services agreement expired December 31, 2020.

There was no amount due to Ridgeline at June 30, 2021 or December 31, 2020. Total service fees incurred were \$223 and \$2,103, respectively, for the three and six months ended June 30, 2020. With the expiration of the services agreement, there have been no fees incurred in 2021.

* * * * *

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

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report and our audited consolidated financial statements and related notes thereto for the year ended December 31, 2020 included in our Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the SEC on March 25, 2021. This discussion and analysis and other parts of this Quarterly Report contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions, such as statements regarding our plans, objectives, expectations, intentions and projections. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth in our Annual Report on Form 10-K and in other SEC filings.

Overview

We are a precision oncology medicine company pioneering the discovery and development of small molecule, MasterKey therapies. We target undrugged oncogenic driver mutations in patients with genetically defined cancers. The foundation of our company is built upon a deep understanding of cancer genetics, protein structure and function, and medicinal chemistry. Our proprietary technology platform, which we refer to as our Mutation-Allostery-Pharmacology, or MAP, platform, is designed to allow us to analyze population-level genetic sequencing data to discover oncogenic mutations that promote cancer across tumor types. Our goal is to identify families of mutations that can be inhibited with a single small molecule therapy, termed a MasterKey therapy.

We have designed our lead product candidate, BDTX-189, to potently and selectively inhibit a spectrum of oncogenic proteins defined by mutations which occur outside the adenosine triphosphate, or ATP, site, and which we refer to as non-canonical mutations. Non-canonical mutations occur across a range of tumor types that affect both the epidermal growth factor receptor, or EGFR, and the human epidermal growth factor receptor 2, or HER2. We have designed BDTX-189 to bind to the active site of these mutant kinases and inhibit their function. BDTX-189 is also designed to spare normal, or wild type, EGFR, which we believe will improve upon the toxicity profiles of current EGFR and HER2 kinase inhibitors. We are also leveraging our MAP platform to identify other families of non-canonical mutations in validated oncogenes beyond EGFR and HER2, which has the potential to expand the reach of targeted therapies.

Since our inception in 2014, we have devoted substantially all of our efforts and financial resources to organizing and staffing our company, business planning, raising capital, discovering product candidates and securing related intellectual property rights while conducting research and development activities for our programs. We do not have any products approved for sale and have not generated any revenue from product sales. We may never be able to develop or commercialize a marketable product. We have not yet successfully completed any pivotal clinical trials, obtained any regulatory approvals, manufactured a commercial-scale drug, or conducted sales and marketing activities.

In July 2020, we were granted Fast Track designation for BDTX-189 for the treatment of adult patients with solid tumors harboring an allosteric HER2 mutation or an EGFR or HER2 Exon 20 insertion mutation who have progressed following prior treatment and who have no satisfactory treatment options.

To date, we have funded our operations with proceeds from the sale of preferred stock and common stock. Since inception we have incurred significant operating losses. Our net losses were \$64.7 million and \$26.7 million for the six months ended June 30, 2021 and 2020, respectively. As of June 30, 2021, we had an accumulated deficit of \$182.9 million. 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 current or future product candidates. We expect that our expenses and capital requirements will increase substantially in connection with our ongoing activities, particularly if and as we:

- continue preclinical studies and initiate or advance clinical trials for BDTX-189, BDTX-1535, our programs and other product candidates;

- continue to develop and expand our proprietary MAP platform to identify additional product candidates;
- obtain, maintain, expand and protect our intellectual property portfolio;
- hire additional clinical, scientific and commercial personnel;
- seek marketing approvals for our product candidates that successfully complete clinical trials, if any;
- acquire or in-license additional product candidates;
- expand our infrastructure and facilities to accommodate our growing employee base; and
- add operational, financial and management information systems and personnel, including personnel to support our research and development programs, any future commercialization efforts and our transition to 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 the sale of equity, debt financings or other capital sources, which may include collaborations with other companies or other strategic transactions. 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 as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of one or more of our product candidates or delay our pursuit of potential in-licenses or acquisitions.

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

As of June 30, 2021, we had cash, cash equivalents and investments of \$263.5 million, which we believe will fund our operating expenses and capital expenditure requirements into 2023. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. See “—Liquidity and capital resources.” To finance our operations beyond that point, we will need to raise additional capital, which cannot be assured. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of our product candidates or other research and development initiatives.

COVID-19 Considerations

The COVID-19 pandemic continues to present a substantial public health and economic challenge around the world, and to date has led to the implementation of various responses, including government-imposed quarantines, stay-at-home orders, travel restrictions, mandated business closures and other public health safety measures.

We continue to closely monitor the impact of the COVID-19 pandemic on all aspects of our business, including how it has and may continue to impact our operations and the operations of our suppliers, vendors and business partners, and may take further precautionary and preemptive actions as may be required by federal, state or local authorities. In addition, we have taken steps to minimize the current environment's impact on our business and strategy, including devising contingency plans and securing additional resources from third party service providers. For the safety of our employees and families, we have introduced enhanced safety measures for scientists to be present in our labs and increased the use of third party service providers for the conduct of certain experiments and studies for research programs. Certain of our third party service providers have also experienced shutdowns or other business disruptions. We do not yet know the full extent of potential delays or impacts on our business, our clinical trials, our research programs, healthcare systems or the global economy and we cannot presently predict the scope and severity of any potential business shutdowns or disruptions. In particular, our ability to conduct our MasterKey-01 trial in a timely manner that meets our current projected timelines could be adversely impacted. While the Phase 1 portion of the trial currently remains on track to complete by the first half of 2021, potential COVID-19-associated risks include delays in patient recruitment and principal investigator availability, clinical trial site shutdowns or other interruptions and potential limitations on the quality, completeness and interpretability of data we are able to collect. Additionally, our drug product supply chain, early stage research & development programs and activities and other aspects of our business operations could be negatively impacted by the pandemic and COVID-19-related delays or disruptions.

Beyond the impact on our pipeline, the extent to which COVID-19 ultimately impacts our business, results of operations and financial condition will depend on future developments, which, despite progress in vaccination efforts, remain highly uncertain and cannot be predicted with confidence, such as the duration of the COVID-19 pandemic, new strains of the virus which may impact rates of infection and vaccination efforts, developments or perceptions regarding the safety of vaccines, new information that may emerge concerning the severity of COVID-19 and the effectiveness of any additional preventative and protective actions taken to contain COVID-19 or treat its impact, among others. While certain measures have been relaxed in certain parts of the world as increasing numbers of people have received COVID-19 vaccines, others have remained in place with some areas continuing to experience renewed outbreaks and surges in infection rates. The extent to which such measures are removed or new measures are put in place will depend upon how the pandemic evolves, as well as the distribution of available vaccines, the rates at which they are administered and the emergence of new variants of the virus. If we or any of the third parties with whom we engage, however, were to experience any additional shutdowns or other prolonged business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially or negatively affected, which could have a material adverse impact on our business, results of operations and financial condition.

Components of our results of operations

Revenue

To date, we have not generated any revenue from any sources, including from product sales, and we do not expect to generate any revenue from the sale of products in the foreseeable future. If our development efforts for our product candidates are successful and result in regulatory approval, or license agreements with third parties, we may generate revenue in the future from product sales. However, there can be no assurance as to when we will generate such revenue, if at all.

Operating expenses

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 product candidates. We expense research and development costs as incurred, which include:

- expenses incurred to conduct the necessary preclinical studies and clinical trials required to obtain regulatory approval;

- expenses incurred under agreements with contract research organizations, or CROs, that are primarily engaged in the oversight and conduct of our drug discovery efforts and preclinical studies, clinical trials and contract manufacturing organizations, or CMOs, that are primarily engaged to provide preclinical and clinical drug substance and product for our research and development programs;
- other costs related to acquiring and manufacturing materials in connection with our drug discovery efforts and preclinical studies and clinical trial materials, including manufacturing validation batches, as well as investigative sites and consultants that conduct our clinical trials, preclinical studies and other scientific development services;
- payments made in cash or equity securities under third-party licensing, acquisition and option agreements;
- employee-related expenses, including salaries and benefits, travel and stock-based compensation expense for employees engaged in research and development functions;
- costs related to compliance with regulatory requirements; and
- allocated facilities-related costs, depreciation and other expenses, which include rent and utilities.

We recognize external development costs based on an evaluation of the progress to completion of specific tasks using information provided to us by our service providers. This process involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of actual costs. Any nonrefundable advance payments that we make for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. Such amounts are expensed as the related goods are delivered or the related services are performed, or until it is no longer expected that the goods will be delivered or the services rendered.

Our direct external research and development expenses consist primarily of external costs, such as fees paid to outside consultants, CROs, CMOs and research laboratories in connection with our preclinical development, process development, manufacturing and clinical development activities. Our direct research and development expenses also include fees incurred under license, acquisition and option agreements. We do not allocate employee costs, costs associated with our discovery efforts, laboratory supplies, and facilities, including depreciation or other indirect costs, to specific programs because these costs are deployed across multiple programs and, as such, are not separately classified. We use internal resources primarily to conduct our research and discovery as well as for managing our preclinical development, process development, manufacturing and clinical development activities. These employees work across multiple programs and, therefore, we do not track their costs by program.

Research and development activities are central to our business model. Product 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. As a result, we expect that our research and development expenses will increase substantially over the next several years as we continue our clinical trials for BDTX-189, as well as conduct other preclinical and clinical development, including submitting regulatory filings for our other product candidates, including BDTX-1535.

We expect our discovery research efforts and our related personnel costs will increase and, as a result, we expect our research and development expenses, including costs associated with stock-based compensation, will increase above historical levels. In addition, we may incur additional expenses related to milestone and royalty payments payable to third parties with whom we may enter into license, acquisition and option agreements to acquire the rights to future product candidates.

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 product candidates or when, if ever, material net cash inflows may commence from any of our product candidates. The successful development and commercialization of our product candidates is highly uncertain. This uncertainty is due to the numerous risks and uncertainties associated with product development and commercialization, including the uncertainty of the following:

- the scope, progress, outcome and costs of our preclinical development activities, clinical trials and other research and development activities;
- establishing an appropriate safety and efficacy profile with IND-enabling studies;
- successful patient enrollment in and the initiation and completion of clinical trials;
- the timing, receipt and terms of any marketing approvals from applicable regulatory authorities including the FDA and non-U.S. regulators;
- the extent of any required post-marketing approval commitments to applicable regulatory authorities;
- establishing clinical and commercial manufacturing capabilities or making arrangements with third-party manufacturers in order to ensure that we or our third-party manufacturers are able to make product successfully;
- development and timely delivery of clinical-grade and commercial-grade drug formulations that can be used in our clinical trials and for commercial launch;
- obtaining, maintaining, defending and enforcing patent claims and other intellectual property rights;
- significant and changing government regulation;
- launching commercial sales of our product candidates, if and when approved, whether alone or in collaboration with others; and
- maintaining a continued acceptable safety profile of our product candidates following approval, if any, of our product candidates.

Any changes in the outcome of any of these variables with respect to the development of our product candidates in preclinical and clinical development could mean a significant change in the costs and timing associated with the development of these product candidates. For example, if the FDA or another regulatory authority were to delay our planned start of clinical trials or require us to conduct clinical trials or other testing beyond those that we currently expect or if we experience significant delays in enrollment in any of our planned clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development of that product candidate.

General and administrative expenses

General and administrative expenses consist primarily of salaries and benefits, travel and stock-based compensation expense for personnel in executive, business development, finance, human resources, legal, information technology, pre-commercial and support personnel functions. General and administrative expenses also include direct and allocated facility-related costs as well as insurance costs and professional fees for legal, patent, consulting, investor and public relations, accounting and audit services.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research activities and development of our product candidates and prepare for potential commercialization activities. We also anticipate that we will incur significantly increased accounting, audit, legal, regulatory, compliance and director and officer insurance costs as well as investor and public relations expenses associated with operating as a public company. Additionally, if and when we believe a regulatory approval of a product candidate appears likely, we anticipate an increase in payroll and other employee-related expenses as a result of our preparation for commercial operations, especially as it relates to the sales and marketing of that product candidate.

Other income (expense)

Other income (expense) consists primarily of interest income earned on our cash equivalents and investment balances, and realized and unrealized foreign currency transaction gains and losses.

Results of operations**Comparison of the three months ended June 30, 2021 and 2020**

The following table summarizes our results of operations for the three months ended June 30, 2021 and 2020:

| | Three Months Ended June 30, | | Change |
|-----------------------------------|--------------------------------|-------------|-------------|
| | 2021 | 2020 | |
| (in thousands) | | | |
| Operating expenses: | | | |
| Research and development | \$ 26,719 | \$ 10,170 | \$ 16,549 |
| General and administrative | 7,996 | 4,858 | 3,138 |
| Total operating expenses | 34,715 | 15,028 | 19,687 |
| Loss from operations | (34,715) | (15,028) | (19,687) |
| Other income (expense): | | | |
| Interest expense | — | (1) | 1 |
| Interest income | 948 | 881 | 67 |
| Other (expense) income | (584) | (423) | (161) |
| Total other income (expense), net | 364 | 457 | (93) |
| Net loss | \$ (34,351) | \$ (14,571) | \$ (19,780) |

Research and development

Research and development expenses were \$26.7 million for the three months ended June 30, 2021, compared to \$10.2 million for the three months ended June 30, 2020. The following table summarizes our research and development expenses for the three months ended June 30, 2021 and 2020:

| | Three Months Ended June 30, | | Change |
|---|--------------------------------|-----------|-----------|
| | 2021 | 2020 | |
| (in thousands) | | | |
| BDTX-189 research and development expenses | \$ 7,369 | \$ 4,068 | \$ 3,301 |
| Other research programs and platform development expenses | 11,156 | 3,035 | 8,121 |
| Personnel expenses | 7,122 | 2,556 | 4,566 |
| Allocated facility expenses | 840 | 124 | 716 |
| Other expenses | 232 | 387 | (155) |
| | \$ 26,719 | \$ 10,170 | \$ 16,549 |

The increase of \$16.5 million was primarily due to an increase of \$8.1 million in other research programs and platform development as we increased research activities related to our platform and new programs. In addition, we incurred an additional \$3.3 million for BDTX-189 for the three months ended June 30, 2021, compared to the three months ended June 30, 2020. Personnel expenses increased \$4.6 million as we have increased our headcount and related personnel expenses. Facility costs increased \$0.7 million for the three months ended June 30, 2021, compared to the three months ended June 30, 2020 due to the signing of a new lease.

General and administrative

General and administrative expenses were \$8.0 million for the three months ended June 30, 2021, compared to \$4.9 million for the three months ended June 30, 2020. The increase of \$3.1 million was primarily a result of higher personnel-related costs due to additional headcount and higher legal and other professional fees due to operating as a public company.

Other income (expense)

Other income was \$0.4 million for the three months ended June 30, 2021, compared to \$0.5 million for the three months ended June 30, 2020. The decrease was primarily attributable to interest income increasing at a slower rate than the amortization of premium on investments in 2021 compared to 2020.

Comparison of the six months ended June 30, 2021 and 2020

The following table summarizes our results of operations for the six months ended June 30, 2021 and 2020:

| | Six Months Ended June 30, | | Change |
|-----------------------------------|------------------------------|-------------|-------------|
| | 2021 | 2020 | |
| (in thousands) | | | |
| Operating expenses: | | | |
| Research and development | \$ 49,539 | \$ 17,524 | \$ 32,015 |
| General and administrative | 15,889 | 10,383 | 5,506 |
| Total operating expenses | 65,428 | 27,907 | 37,521 |
| Loss from operations | (65,428) | (27,907) | (37,521) |
| Other income (expense): | | | |
| Interest expense | — | (1) | 1 |
| Interest income | 2,100 | 1,625 | 475 |
| Other (expense) income | (1,324) | (433) | (891) |
| Total other income (expense), net | 776 | 1,191 | (415) |
| Net loss | \$ (64,652) | \$ (26,716) | \$ (37,936) |

Research and development

Research and development expenses were \$49.5 million for the six months ended June 30, 2021, compared to \$17.5 million for the six months ended June 30, 2020. The following table summarizes our research and development expenses for the six months ended June 30, 2021 and 2020:

| | Six Months Ended June 30, | | Change |
|---|------------------------------|-----------|-----------|
| | 2021 | 2020 | |
| (in thousands) | | | |
| BDTX-189 research and development expenses | \$ 15,487 | \$ 6,683 | \$ 8,804 |
| Other research programs and platform development expenses | 19,676 | 5,488 | 14,188 |
| Personnel expenses | 12,710 | 4,617 | 8,093 |
| Allocated facility expenses | 1,348 | 134 | 1,214 |
| Other expenses | 318 | 602 | (284) |
| | \$ 49,539 | \$ 17,524 | \$ 32,015 |

The increase of \$32.0 million was primarily due to an increase of \$14.2 million in other research programs and platform development as we increased research activities related to our platform and new programs. In addition, we incurred an additional \$8.8 million for BDTX-189 for the six months ended June 30, 2021, compared to the six months ended June 30, 2020. Personnel expenses increased \$8.1 million as we have increased our headcount and related personnel expenses. Facility costs increased \$1.2 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020 due to the signing of a new lease.

General and administrative

General and administrative expenses were \$15.9 million for the six months ended June 30, 2021, compared to \$10.4 million for the six months ended June 30, 2020. The increase of \$5.5 million was primarily a result of higher personnel-related costs due to additional headcount and higher legal and other professional fees due to operating as a public company.

Other income (expense)

Other income was \$0.8 million for the six months ended June 30, 2021, compared to \$1.2 million for the six months ended June 30, 2020. The decrease was primarily attributable to amortization of premium on investments in 2021 and none in 2020.

Liquidity and capital resources

Sources of liquidity

Since our inception, we have not generated any revenue from any product sales or any other sources and have incurred significant operating losses and negative cash flows from our operations. We have not yet commercialized any of our product candidates, and we do not expect to generate revenue from sales of any product candidates for several years, if at all. We have funded our operations to date primarily with proceeds from the sale of preferred stock. On February 3, 2020, we completed an IPO of 12,174,263 shares of our common stock, including the exercise in full by the underwriters of their option to purchase up to 1,587,947 additional shares of common stock, for aggregate gross proceeds of \$231.3 million. We received \$212.1 million in net proceeds after deducting underwriting discounts and commissions and other estimated offering expenses payable by us. Through June 30, 2021, we had received net cash proceeds of \$200.6 million from previous sales of our preferred stock and as of June 30, 2021, we had cash, cash equivalents and investments of \$263.5 million.

Cash flows

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

| | Six Months Ended June 30, | |
|--|------------------------------|-------------|
| | 2021 | 2020 |
| Cash used in operating activities | \$ (49,620) | \$ (24,886) |
| Cash provided by (used in) investing activities | 51,674 | (279,640) |
| Cash provided by financing activities | 665 | 213,844 |
| Net increase (decrease) in cash and cash equivalents | \$ 2,719 | \$ (90,682) |

Operating activities

During the six months ended June 30, 2021, we used cash in operating activities of \$49.6 million, primarily resulting from our net loss of \$64.7 million, partially offset by the non-cash charge related to stock compensation expense of \$7.7 million and an increase in prepaid expenses and other current assets.

[Table of Contents](#)

During the six months ended June 30, 2020, we used cash in operating activities of \$24.9 million, primarily resulting from our net loss of \$26.7 million, partially offset by the non-cash charge related to stock compensation expense of \$3.3 million.

Changes in accounts payable and accrued expenses in all periods were generally due to growth in our business, the advancement of our product candidates, and the timing of vendor invoicing and payments.

Investing activities

During the six months ended June 30, 2021, we had cash provided by investing activities of \$51.7 million primarily from the sales and maturities of investments.

During the six months ended June 30, 2020, we had cash used in investing activities of \$279.6 million for the purchase of investments.

Financing activities

During the six months ended June 30, 2021, we had cash provided by financing activities of \$0.7 million, consisting of proceeds from exercise of stock options.

During the six months ended June 30, 2020, we had cash provided by financing activities of \$213.8 million consisting primarily of proceeds from the IPO.

Funding requirements

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the preclinical activities and clinical trials of our product candidates. In addition, we expect to incur additional costs associated with operating as a public company, including significant legal, accounting, investor relations and other expenses. The timing and amount of our operating expenditures will depend largely on our ability to:

- advance BDTX-189 through clinical trials;
- advance preclinical development of our early stage programs, including BDTX-1535 IND-enabling related activities;
- manufacture, or have manufactured on our behalf, our preclinical and clinical drug material and develop processes for late stage and commercial manufacturing;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- establish a sales, marketing, medical affairs and distribution infrastructure to commercialize any product candidates for which we may obtain marketing approval and intend to commercialize on our own;
- hire additional clinical, quality control and scientific personnel;
- expand our operational, financial and management systems and increase personnel, including personnel to support our clinical development, manufacturing and commercialization efforts and our operations as a public company; and
- obtain, maintain, expand and protect our intellectual property portfolio.

As of June 30, 2021, we had cash, cash equivalents and investments of \$263.5 million, which we believe will fund our operating expenses and capital expenditure requirements into 2023. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. We anticipate that we will require additional capital as we seek regulatory approval of our product candidates and if we choose to pursue in-licenses or acquisitions of other product candidates. If we receive regulatory approval for BDTX-189 or our other product candidates, we expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution, depending on where we choose to commercialize.

Because of the numerous risks and uncertainties associated with research, development and commercialization of product candidates, we are unable to estimate the exact amount of our working capital requirements. Our future funding requirements will depend on and could increase significantly as a result of many factors, including:

- the scope, progress, results and costs of researching and developing our product candidates, and conducting preclinical and clinical trials;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs, timing and ability to manufacture our product candidates to supply our clinical and preclinical development efforts and our clinical trials;
- the costs of future activities, including product sales, medical affairs, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;
- the costs of manufacturing commercial-grade product and necessary inventory to support commercial launch;
- the ability to receive additional non-dilutive funding;
- the revenue, if any, received from commercial sale of our products, should any of our product candidates receive marketing approval;
- the costs of preparing, filing and prosecuting patent applications, obtaining, maintaining, expanding and enforcing our intellectual property rights and defending intellectual property-related claims;
- our ability to establish and maintain collaborations on favorable terms, if at all; and
- the extent to which we acquire or in-license other product candidates and technologies.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our operations through a combination of public or private equity offerings, debt financings, collaborations, strategic partnerships and alliances or marketing, distribution or licensing arrangements with third parties. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest may be materially diluted, and the terms of such securities could 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 restrictive covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. In addition, debt financing would result in fixed payment obligations.

If we raise additional funds through collaborations, strategic partnerships and 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 product 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 develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Contractual obligations and commitments

The following summarizes our contractual obligations as of June 30, 2021:

| | Payments Due by Period | | | | |
|-------------------------------------|------------------------|-----------------|-----------------|-------------------|------------------|
| | Less than 1 Year | 1 to 3 Years | 3 to 5 Years | More than 5 Years | Total |
| | (in thousands) | | | | |
| Property leases - commenced | \$ 2,223 | \$ 4,831 | \$ 5,075 | \$ 5,784 | \$ 17,913 |
| Property leases - not yet commenced | 42 | 1,485 | 1,907 | 17,868 | 21,302 |
| Total | \$ 2,265 | \$ 6,316 | \$ 6,982 | \$ 23,652 | \$ 39,215 |

Property leases – commenced

The amounts reported for property leases represent future minimum lease payments under non-cancelable operating leases in effect as of June 30, 2021. The minimum lease payments do not include common area maintenance charges or real estate taxes.

Property leases – not yet commenced

In December 2020, we entered into a lease agreement for office and laboratory space New York, NY, which is described in further detail in Note 10 of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. In connection therewith, we have committed to making at least \$21,302,000 in rental payments over a lease term of eleven years.

Other contractual obligations

The contractual obligations table does not include any potential future milestone payments or royalty payments we may be required to make under our existing license agreements due to the uncertainty of the occurrence of the events requiring payment under those agreements.

Off-balance sheet arrangements

We did not have during the periods presented, and we do not have, any off-balance sheet arrangements, as defined under applicable SEC rules.

Critical accounting policies and significant judgments and use of estimates

Our condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of our condensed consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies are described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations— Critical Accounting Policies and Use of Estimates” in our Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the SEC on March 25, 2021. During the six months ended June 30, 2021, there were no material changes to our critical accounting policies from those previously disclosed.

Recently issued accounting pronouncements

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

Emerging growth company status

The Jumpstart Our Business Startups Act of 2012 permits an “emerging growth company” such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected to not “opt out” of this provision and, as a result, we will adopt new or revised accounting standards at the time private companies adopt the new or revised accounting standard and will do so until such time that we either (i) irrevocably elect to “opt out” of such extended transition period or (ii) no longer qualify as an emerging growth company.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

We had cash, cash equivalents and investments of approximately \$263.5 million as of June 30, 2021. The primary objectives of our investment activities are to preserve principal, provide liquidity and maximize income without significantly increasing risk. Our primary exposure to market risk relates to fluctuations in interest rates, which are affected by changes in the general level of U.S. interest rates. Given the short-term nature of our cash, cash equivalents and investments, we do not expect that a sudden change in market interest rates would have a material impact on our financial condition and/or results of operations. We do not own any derivative financial instruments.

We contract with vendors in foreign countries and have a subsidiary in Canada. As such, we have exposure to adverse changes in exchange rates of foreign currencies associated with our foreign transactions. We believe this exposure to be immaterial. We do not hedge against this exposure to fluctuations in exchange rates.

We do not believe that our cash, cash equivalents and investments have significant risk of default or illiquidity. While we believe our cash, cash equivalents and investments do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash, cash equivalents and investments at one or more financial institutions that are in excess of federally insured limits.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation had a material effect on our results of operations during the six months ended June 30, 2021 and 2020.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2021.

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) of the Exchange Act) that occurred during the period covered by this Quarterly Report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The information required with respect to this item can be found under “Legal Proceedings” in Note 11 to our condensed financial statements included elsewhere in this Quarterly Report on Form 10-Q and is incorporated by reference into this Item 1. From time to time, we may become involved in legal proceedings arising in the ordinary course of our business, the resolution of which we do not anticipate would have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations.

Item 1A. Risk Factors

Our business faces significant risks and uncertainties. Certain important factors may have a material adverse effect on our business prospects, financial condition and results of operations, and you should carefully consider them. Accordingly, in evaluating our business, we encourage you to carefully consider the discussion of risk factors in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020, which could materially affect our business, financial condition or future results, in addition to other information contained in or incorporated by reference into this Quarterly Report on Form 10-Q and our other public filings with the Securities and Exchange Commission, or the SEC. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, prospects, financial condition and results of operations. Certain statements in this Quarterly Report are forward-looking statements. Please also see the section entitled “Special Note Regarding Forward-Looking Statements.”

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

Set forth below is information regarding shares of equity securities sold, and options granted, by us during the three months ended June 30, 2021 that were not registered under the Securities Act.

Recent Sales of Unregistered Equity Securities

The information required by Item 701 of Regulation S-K was previously included in Quarterly Report on Form 10-Q filed with the SEC on May 7, 2021.

During the three months ended June 30, 2021, we issued to certain of our employees and advisors, options to purchase an aggregate of 486,592 shares of our common stock at an exercise price ranging from \$12.55-\$24.75 per share and no restricted stock units. We deemed these issuances to be exempt from registration under the Securities Act in reliance on Rule 701 of the Securities Act as sales and offers under compensatory benefit.

Use of Proceeds from IPO of Common Stock

On February 3, 2020, we completed the IPO of our common stock pursuant to which we issued and sold 12,174,263 shares of our common stock, including the exercise in full by the underwriters of their option to purchase up to 1,587,947 additional shares of common stock, at a public offering price of \$19.00 per share.

The offer and sale of all of the shares of our common stock in our IPO were registered under the Securities Act pursuant to a registration statement on Form S-1, as amended (File No. 333-235789), which was declared effective by the SEC on January 29, 2020. J.P. Morgan Securities LLC, Jefferies LLC, Cowen and Company, LLC and Canaccord Genuity LLC acted as joint book-running managers of the offering and as representatives of the underwriters.

We received aggregate gross proceeds from our IPO of \$231.3 million, or aggregate net proceeds of \$212.1 million after deducting underwriting discounts and commissions and other offering costs. None of the underwriting discounts and commissions or offering expenses were incurred or paid, directly or indirectly, to any of our directors or officers or their associates or to persons owning 10% or more of our common stock or to any of our affiliates.

There has been no material change in our planned use of the net proceeds from the IPO as described in our final prospectus dated January 30, 2020.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The exhibits listed on the Exhibit Index immediately preceding such exhibits, which is incorporated herein by reference, are filed or furnished as part of this Quarterly Report.

| Exhibit No. | Exhibit Index |
|--------------------|---|
| 10.1*# | Employment Agreement between the Registrant and Elizabeth Buck. |
| 31.1* | Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1*+ | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.LAB | Inline XBRL Taxonomy Extension Labels Linkbase Document. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.) |

| | |
|---|---|
| * | Filed herewith. |
| + | This certification will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by reference into such filing. |
| # | Indicates a management contract or any compensatory plan, contract or arrangement. |

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Black Diamond Therapeutics, Inc.

Date: August 12, 2021

By: /s/ David M. Epstein

David M. Epstein
President and Chief Executive Officer
(Principal Executive Officer)

Black Diamond Therapeutics, Inc.

Date: August 12, 2021

By: /s/ Thomas Leggett

Thomas Leggett
Chief Financial Officer
(Principal Financial Officer)

EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (“Agreement”) is made between Black Diamond Therapeutics, Inc., a Delaware corporation (the “Company”), and Elizabeth Buck, Ph.D. (the “Executive”) and is effective as of August 11, 2021 (the “Effective Date”). Except with respect to the Equity Documents (as defined below), this Agreement supersedes in all respects all prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation (i) the Employment Agreement between the Executive and the Company effective as of January 29, 2020 (the “Prior Agreement”) (ii) the Employment Agreement between the Executive and ASET Therapeutics, Inc. dated March 14, 2017 (the “Original Agreement”), and (iii) any other offer letter, employment agreement or severance agreement.

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company with a new position and new base salary as provided herein and on the new terms and conditions contained herein.

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

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and continuing until such employment is terminated in accordance with the provisions hereof (the “Term”). The Executive’s employment with the Company will continue to be “at will,” meaning that the Executive’s employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement.

(b) Position and Duties. The Executive shall serve as the Chief Scientific Officer of the Company and shall have such powers and duties as may from time to time be prescribed by the Chief Executive Officer (the “CEO”) or other duly authorized executive. The Executive shall devote the Executive’s full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the Board of Directors of the Company (the “Board”), or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and do not interfere with the Executive’s performance of the Executive’s duties to the Company. To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any of its respective subsidiaries and affiliates upon the termination of the Executive’s employment for any reason. The Executive shall execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

2. Compensation and Related Matters.

(a) Base Salary. The Executive's initial base salary shall be paid at the rate of \$407,550 per year. The Executive's base salary shall be subject to periodic review by the Board or the Compensation Committee of the Board (the "Compensation Committee"). The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices for executive officers.

(b) Incentive Compensation. The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation shall be 40 percent of the Executive's Base Salary. The target annual incentive compensation in effect at any given time is referred to herein as "Target Bonus." The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee, subject to the terms of any applicable incentive compensation plan that may be in effect from time to time. Except as otherwise provided herein, to earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) Other Benefits. The Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Paid Time Off. The Executive shall be entitled to take paid time off in accordance with the Company's applicable paid time off policy for executives, as may be in effect from time to time.

(f) Equity. The equity awards held by the Executive shall continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards held by the Executive (collectively, the "Equity Documents"); provided, however, and notwithstanding anything to the contrary in the Equity Documents, Section 5, 6(c), and 7(a)(ii) shall apply in the event of a termination of the Executive's employment covered by those provisions pursuant to the terms of this Agreement.

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) the willful failure, disregard or refusal by the Executive to perform the Executive's material duties or obligations under this Agreement which, to the extent it is curable by the Executive, is not cured within thirty (30) days after written notice thereof is given to the Executive by the Company;

(ii) any willful, intentional or grossly negligent act by the Executive having the effect of materially injuring (whether financially or otherwise) the business or reputation of the Company or any of its affiliates, including but not limited to, any senior officer, director or executive of the Company or any of its affiliates;

(iii) willful misconduct by the Executive with respect to any of the material duties or obligations of the Executive under this Agreement, including, without limitation, willful insubordination with respect to lawful directions received by the Executive from the Board which, to the extent it is curable by the Executive, is not cured within thirty (30) days after written notice thereof is given to the Executive by the Company;

(iv) the commission by the Executive of acts satisfying the elements of (A) any felony or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(v) the determination, after a reasonable and good-faith investigation by the Company, that the Executive engaged in some form of harassment or

discrimination prohibited by law (including, without limitation, age, sex or race harassment or discrimination);

(vi) the Executive's material misappropriation or embezzlement of the property of the Company or its Affiliates (whether or not a misdemeanor or felony);

(vii) material breach by the Executive of any of the provisions of this Agreement, of any Company policy, and/or of the Executive's Restrictive Covenants Agreement (as defined below); or

(viii) the Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(d) Termination by the Company without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material adverse change in Executive's duties, authority, responsibilities or reporting chain relative to Executive's duties, authority, or responsibilities in effect immediately prior to such change;

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company;

(iii) a material change in the geographic location at which the Executive provides services to the Company, such that there is an increase of at least thirty (30) miles of driving distance to such location from the Executive's principal residence as of such change; or

(iv) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

- (i) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;
- (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition;
- (iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition;
- (iv) notwithstanding such efforts, the Good Reason Condition continues to exist; and
- (v) the Executive terminates employment within 60 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

4. Notice and Date of Termination.

(a) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by death, the date of death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the

end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

5. Severance Pay and Benefits Upon Death or Disability. If the Executive's employment is terminated by death pursuant to Section 3(a) or disability pursuant to Section 3(b), then, subject to the Executive (or the Executive's estate or heirs, as applicable) signing the Separation Agreement and Release (as defined below) and the Separation Agreement and Release becoming fully effective, all within the time frame set forth in the Separation Agreement and Release but in no event more than 60 days after the Date of Termination, the Executive, the Executive's estate, or the Executive's heirs, as applicable, shall be entitled to: (1) continuation of the Executive's salary Base Salary for a period of 75 days following the Date of Termination; and (2) partial accelerated vesting of each of the Executive's outstanding stock options that were granted on or prior to the effective date of the Prior Agreement such that, on the effective date of the Separation Agreement and Release, the Executive shall receive immediate accelerated vesting of each option with respect to the same number of shares that would have vested if the Executive had continued in employment with the Company through the next anniversary of the grant date for such option, in accordance with the vesting schedule applicable to such option, provided, however, that if the Date of Termination falls on an anniversary of the grant date of any stock option, no accelerated vesting will be provided for such stock option; provided further, that any termination or forfeiture of the unvested portion of such options that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the effective date of the Separation Agreement and Release and will only occur if the vesting pursuant to this Section does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein. Notwithstanding the foregoing, no additional vesting of the options shall occur during the period between the Executive's Date of Termination and the effective date of the Separation Agreement and Release. The amounts payable under Section 5, to the extent taxable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over two-and-a-half months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the amount, to the extent it qualifies as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e), each outside of the Change in Control Period (as defined below), then, in addition to the Accrued Obligations,

and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and, in the Company's sole discretion, a one-year post-employment noncompetition agreement, and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement and Release"), and (ii) the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement and Release), which shall include a seven (7) business day revocation period:

(a) the Company shall pay the Executive an amount equal to the sum of (A) 12 months of the Executive's Base Salary plus (B) the Executive's Target Bonus for the then-current year (the "Severance Amount"); provided in the event the Executive is entitled to any payments pursuant to the Restrictive Covenants Agreement, the Severance Amount received in any calendar year will be reduced by the amount the Executive is paid in the same such calendar year pursuant to the Restrictive Covenants Agreement (the "Restrictive Covenants Agreement Setoff");

(b) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 12 month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under COBRA; provided, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates; and

(c) accelerated vesting of each of the Executive's outstanding stock options that were granted on or prior to the effective date of the Prior Agreement shall occur such that, on the effective date of the Separation Agreement and Release, the Executive shall receive immediate accelerated vesting of each option with respect to the same number of shares that would have vested if the Executive had continued in employment with the Company through the next anniversary of the grant date for such option, in accordance with the vesting schedule applicable to such option, provided, however, that if the Date of Termination falls on an anniversary of the grant date of any stock option, no accelerated vesting will be provided for such stock option; provided further, that any termination or forfeiture of the unvested portion of such options that would otherwise occur on the Date of Termination in the absence of this

Agreement will be delayed until the effective date of the Separation Agreement and Release and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein. For the avoidance of doubt, the portion of the Executive's stock options that are accelerated pursuant to this Section will remain exercisable for ninety (90) days following the Date of Termination.

The amounts payable under Section 6, to the extent taxable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over 12 months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount, to the extent it qualifies as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

7. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 7 shall apply in lieu of, and expressly supersede, the provisions of Section 6 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is within 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period"). These provisions shall terminate and be of no further force or effect after a Change in Control Period.

(a) If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the signing of the Separation Agreement and Release by the Executive and the Separation Agreement and Release becoming fully effective, all within the time frame set forth in the Separation Agreement and Release but in no event more than 60 days after the Date of Termination:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to 1.0 times the sum of (A) the Executive's then current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher) plus (B) the Executive's Target Bonus for the then-current year (the "Change in Control Payment"); provided the Change in Control Payment shall be reduced by the amount of the Restrictive Covenants Agreement Setoff, if applicable, paid or to be paid in the same calendar year; and

(ii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options and other stock-based awards held by the Executive (the "Equity Awards") shall immediately accelerate and

become fully exercisable or nonforfeitable as of the later of (i) the Date of Termination or (ii) the effective date of the Separation Agreement and Release (the “Accelerated Vesting Date”); *provided* that any termination or forfeiture of the unvested portion of such Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the effective date of the Separation Agreement and Release and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein. Notwithstanding the foregoing, no additional vesting of the Equity Awards shall occur during the period between the Executive’s Date of Termination and the Accelerated Vesting Date; and

(iii) subject to the Executive’s copayment of premium amounts at the applicable active employees’ rate and the Executive’s proper election to receive benefits under COBRA, the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 12 month anniversary of the Date of Termination; (B) the Executive’s eligibility for group medical plan benefits under any other employer’s group medical plan; or (C) the cessation of the Executive’s continuation rights under COBRA; provided, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company’s regular payroll dates.

The amounts payable under this Section 7(a), to the extent taxable, shall be paid or commence to be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as “non-qualified deferred compensation” within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the “Aggregate Payments”), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code;

provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 7(b), the “After Tax Amount” means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive’s receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 7(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the “Accounting Firm”), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 7, a “Change in Control” shall mean a “Sale Event” as defined in the Black Diamond Therapeutics, Inc. 2019 Stock Option and Incentive Plan, as may be amended from time to time, but only to the extent such Sale Event is also a “change in control event” within the meaning of Section 409A of the Code and the regulations promulgated thereunder.

8. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive’s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive’s separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of

Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement or the Restrictive Covenants Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

9. Continuing Obligations.

(a) Restrictive Covenants Agreement. As a condition of employment, the Executive is required to enter into the Employee Confidentiality, Assignment, Nonsolicitation and Noncompetition Agreement, attached hereto as Exhibit A (the "Restrictive Covenants Agreement"). The Executive acknowledges that the benefits of this Agreement, to which the Executive was not previously entitled, are fair and reasonable consideration independent from the continuation of employment sufficient to support the Restrictive Covenants Agreement. For purposes of this Agreement, the obligations in this Section 9 and those that arise in the Restrictive Covenants Agreement and any other agreement relating to confidentiality, assignment of inventions, or other restrictive covenants shall collectively be referred to as the "Continuing Obligations."

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable outofpocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 9(c).

(d) Relief. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the Continuing Obligations, and that in any event money damages would be an inadequate remedy

for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of the Continuing Obligations, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.

(e) Protected Disclosures and Other Protected Action. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "Government Agency") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing contained in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement or the Restrictive Covenants Agreement for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

10. Consent to Jurisdiction. The parties hereby consent to the exclusive jurisdiction of the state and federal courts of the Commonwealth of Massachusetts. Accordingly, with respect to any such court action, the Executive (a) submits to the exclusive personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

11. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including the Prior Agreement and the Original Agreement, provided that the Equity Documents remain in full force and effect.

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

13. Assignment. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations

under this Agreement (including the Restrictive Covenants Agreement) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets; provided further that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 6 or pursuant to Section 7 of this Agreement solely as a result of such transaction. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns. The Company shall obtain an agreement from any successor to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place, except where such assumption occurs by operation of law.

14. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

19. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or

policies except as otherwise provided in Section 9 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. Except for the Restrictive Covenants Agreement, in the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 6 and Section 7 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 6 and Section 7 of this Agreement.

20. Governing Law. This is a Massachusetts contract and shall be construed under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the First Circuit.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

BLACK DIAMOND THERAPEUTICS, INC.

By: /s/ Brent Hatzis-Schoch

Its: Chief Operating Officer and General Counsel

EXECUTIVE

By: /s/ Elizabeth Buck

Elizabeth Buck, Ph.D.

Exhibit A

Restrictive Covenants Agreement

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, David M. Epstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2021 of Black Diamond 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)) 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. (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
 - 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: August 12, 2021

By: /s/ David M. Epstein

David M. Epstein
President, Chief Executive Officer
and Director
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Thomas Leggett, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2021 of Black Diamond 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)) 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. (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
 - 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: August 12, 2021

By: /s/ Thomas Leggett
Thomas Leggett
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, David M. Epstein, the Chief Executive Officer, and Thomas Leggett, the Chief Financial Officer, of Black Diamond Therapeutics, Inc. (the “Company”), hereby certify, that, to their knowledge:

- (1) the Quarterly Report on Form 10-Q for the period ended June 30, 2021 (the “Report”) of the Company 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 12, 2021

By: /s/ David M. Epstein

David M. Epstein
President, Chief Executive Officer
and Director
(Principal Executive Officer)

Date: August 12, 2021

By: /s/ Thomas Leggett

Thomas Leggett
Chief Financial Officer
(Principal Financial Officer)