# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, DC 20549**

# FORM 10-Q

**(Mark One)**

☒ **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: 001-38959**

# BridgeBio Pharma, Inc.

**(Exact Name of Registrant as Specified in its Charter)**

| **Delaware** | **84-1850815** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **421 Kipling Street Palo Alto, CA** | **94301** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant's telephone number, including area code: (650) 391-9740**

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 | BBIO | 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

As of July 30, 2021, the registrant had 149,765,414 shares of common stock, $0.001 par value per share, outstanding.

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**BRIDGEBIO PHARMA, INC.**
**Condensed Consolidated Balance Sheets**
***(in thousands, except shares and per share amounts)***

| | June 30, 2021 | December 31, 2020 |
|---|---|---|
| | *(Unaudited)* | (1) |
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 378,420 | $ 356,082 |
| Short-term marketable securities | 459,243 | 251,011 |
| Accounts receivable | 1,213 | — |
| Receivable from licensing and collaboration agreements | 35,363 | — |
| Receivable from a related party | 8,962 | — |
| Prepaid expenses and other current assets | 26,670 | 35,731 |
| Total current assets | 909,871 | 642,824 |
| Property and equipment, net | 26,272 | 20,325 |
| Operating lease right-of-use assets, net | 15,964 | 16,508 |
| Long-term marketable securities | 60,688 | — |
| Investment in equity securities | 18,894 | — |
| Other assets | 49,797 | 23,931 |
| Total assets | $ 1,081,486 | $ 703,588 |
| **Liabilities, Redeemable Convertible Noncontrolling Interests and Stockholders' Equity (Deficit)** | | |
| Current liabilities: | | |
| Accounts payable | $ 22,329 | $ 8,945 |
| Accrued compensation and benefits | 21,865 | 29,682 |
| Accrued research and development liabilities | 55,620 | 27,290 |
| Accrued professional services | 6,378 | 5,579 |
| LEO call option liability | — | 5,550 |
| Operating lease liabilities, current portion | 4,540 | 3,795 |
| Term loans, current portion | — | 1,458 |
| Other accrued liabilities | 21,177 | 13,349 |
| Total current liabilities | 131,909 | 95,648 |
| Term loans, net of current portion | 102,611 | 92,421 |
| 2029 Notes, net | 732,202 | — |
| 2027 Notes, net | 539,102 | 383,436 |
| Operating lease liabilities, net of current portion | 18,022 | 14,677 |
| Other liabilities | 13,265 | 9,520 |
| Total liabilities | 1,537,111 | 595,702 |
| Commitments and contingencies (Note 8) | | |
| Redeemable convertible noncontrolling interests | 1,865 | 1,630 |
| Stockholders' equity (deficit): | | |
| Undesignated preferred stock, $0.001 par value; 25,000,000 shares authorized; no shares issued and outstanding | — | — |
| Common stock, $0.001 par value; 500,000,000 shares authorized; 152,894,108 shares issued and 149,614,740 shares outstanding as of June 30, 2021, 125,264,070 shares issued and 122,849,389 shares outstanding as of December 31, 2020 | 153 | 125 |
| Treasury stock, at cost; 3,279,368 shares as of June 30, 2021, 2,414,681 shares as of December 31, 2020 | (130,308) | (75,000) |
| Additional paid-in capital | 799,679 | 1,021,344 |
| Accumulated other comprehensive income (loss) | 36 | 192 |
| Accumulated deficit | (1,133,854) | (888,755) |
| Total BridgeBio stockholders' equity (deficit) | (464,294) | 57,906 |
| Noncontrolling interests | 6,804 | 48,350 |
| Total stockholders' equity (deficit) | (457,490) | 106,256 |
| Total liabilities, redeemable convertible noncontrolling interests and stockholders' equity (deficit) | $ 1,081,486 | $ 703,588 |

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

(1) The condensed consolidated balance sheet as of December 31, 2020 is derived from the audited consolidated financial statements as of that date.

**BRIDGEBIO PHARMA, INC.**

**Condensed Consolidated Statements of Operations**
***(Unaudited)***
***(in thousands, except shares and per share amounts)***

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue: | | | | |
| License revenue | $ 53,037 | $ — | $ 53,499 | $ — |
| Product sales | 987 | — | 987 | — |
| Total revenue | 54,024 | — | 54,486 | — |
| Operating costs and expenses: | | | | |
| Cost of products sold | 109 | — | 109 | — |
| Research and development | 101,960 | 86,598 | 224,519 | 154,823 |
| Selling, general and administrative | 45,970 | 37,969 | 91,377 | 72,231 |
| Total operating costs and expenses | 148,039 | 124,567 | 316,005 | 227,054 |
| Loss from operations | (94,015) | (124,567) | (261,519) | (227,054) |
| Other income (expense), net: | | | | |
| Interest income | 323 | 934 | 717 | 2,875 |
| Interest expense | (10,839) | (10,754) | (20,577) | (14,764) |
| Other income (expense), net | 2,457 | (1,827) | 8,223 | (1,353) |
| Total other income (expense), net | (8,059) | (11,647) | (11,637) | (13,242) |
| Net loss | (102,074) | (136,214) | (273,156) | (240,296) |
| Net loss attributable to redeemable convertible noncontrolling interests and noncontrolling interests | 5,726 | 15,180 | 13,729 | 27,412 |
| Net loss attributable to common stockholders of BridgeBio | $ (96,348) | $ (121,034) | $ (259,427) | $ (212,884) |
| Net loss per share, basic and diluted | $ (0.66) | $ (1.03) | $ (1.82) | $ (1.81) |
| Weighted-average shares used in computing net loss per share, basic and diluted | 146,754,299 | 117,012,062 | 142,713,463 | 117,407,750 |

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

**BRIDGEBIO PHARMA, INC.**

**Condensed Consolidated Statements of Comprehensive Loss**
***(Unaudited)***
***(in thousands)***

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Net loss | $ (102,074) | $ (136,214) | $ (273,156) | $ (240,296) |
| Other comprehensive income (loss): | | | | |
| Unrealized gain (loss) on available-for-sale securities | 93 | 132 | (156) | 604 |
| Comprehensive loss | (101,981) | (136,082) | (273,312) | (239,692) |
| Comprehensive loss attributable to redeemable convertible noncontrolling interests and noncontrolling interests | 5,726 | 15,180 | 13,729 | 27,412 |
| Comprehensive loss attributable to common stockholders of BridgeBio | $ (96,255) | $ (120,902) | $ (259,583) | $ (212,280) |

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

**BRIDGEBIO PHARMA, INC.**

**Condensed Consolidated Statements of Redeemable Convertible Noncontrolling Interests and Stockholders' Equity (Deficit)**
**(*Unaudited*)**
***(in thousands, except shares and per share amounts)***

| | Six Months Ended June 30, 2021 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Redeemable Convertible Noncontrolling Interests | Common Stock | | Treasury Stock | | Additional Paid-In Capital | Accumulated Other Comprehensive Income | Accumulated Deficit | Total BridgeBio Stockholders' Equity (Deficit) | Noncontrol-ling Interests | Total Stockholders' Equity (Deficit) |
| | | Shares | Amount | Shares | Amount | | | | | | |
| **Balances as of December 31, 2020** (2) | $ 1,630 | 122,849,389 | $ 125 | 2,414,681 | $ (75,000) | $ 1,021,344 | $ 192 | $ (888,755) | $ 57,906 | $ 48,350 | $ 106,256 |
| Cumulative effect of ASU 2020-06 adoption | — | — | — | — | — | (168,078) | — | 14,328 | (153,750) | — | (153,750) |
| Issuance of shares under equity compensation plans | — | 819,113 | 1 | — | — | 6,841 | — | — | 6,842 | — | 6,842 |
| Stock-based compensation | — | — | — | — | — | 19,841 | — | — | 19,841 | — | 19,841 |
| Purchase of capped calls | — | — | — | — | — | (61,295) | — | — | (61,295) | — | (61,295) |
| Repurchase of common stock | — | (759,993) | — | 759,993 | (50,000) | — | — | — | (50,000) | — | (50,000) |
| Issuance of common stock under ESPP | — | 65,298 | — | — | — | 1,651 | — | — | 1,651 | — | 1,651 |
| Repurchase of common stock to satisfy tax withholding | — | (15,653) | — | — | — | (1,021) | — | — | (1,021) | — | (1,021) |
| Repurchase of Eidos noncontrolling interests for cash and shares, including transaction costs of $70,734 | — | 26,156,446 | 26 | — | — | (53,856) | — | — | (53,830) | (38,167) | (91,997) |
| Issuance of noncontrolling interests | — | — | — | — | — | — | — | — | — | 5,080 | 5,080 |
| Transfers from (to) noncontrolling interests | 517 | — | — | — | — | 1,690 | — | — | 1,690 | (2,207) | (517) |
| Unrealized loss on available-for-sale securities | — | — | — | — | — | — | (249) | — | (249) | — | (249) |
| Net loss | (876) | — | — | — | — | — | — | (163,079) | (163,079) | (7,127) | (170,206) |
| **Balances as of March 31, 2021** | 1,271 | 149,114,600 | 152 | 3,174,674 | (125,000) | 767,117 | (57) | (1,037,506) | (395,294) | 5,929 | (389,365) |
| Issuance of shares under equity compensation plans | — | 646,250 | 1 | — | — | 3,750 | — | — | 3,751 | — | 3,751 |
| Stock-based compensation | — | — | — | — | — | 32,509 | — | — | 32,509 | | 32,509 |
| Repurchase of common stock | — | (104,694) | — | 104,694 | (5,308) | — | — | — | (5,308) | — | (5,308) |
| Repurchase of common stock to satisfy tax withholding | — | (41,416) | — | — | — | (2,281) | — | — | (2,281) | — | (2,281) |
| Fair value of PellePharm noncontrolling interest on consolidation | 5,074 | — | — | — | — | — | — | — | — | — | — |
| Issuance of noncontrolling interests | 700 | — | — | — | — | — | — | — | — | 5 | 5 |
| Transfers from (to) noncontrolling interests | (3,618) | — | — | — | — | (1,416) | — | — | (1,416) | 5,034 | 3,618 |
| Unrealized gains on available-for-sale securities | — | — | — | — | — | — | 93 | — | 93 | | 93 |
| Net loss | (1,562) | — | — | — | — | — | — | (96,348) | (96,348) | (4,164) | (100,512) |
| **Balances as of June 30, 2021** | $ 1,865 | 149,614,740 | $ 153 | 3,279,368 | $ (130,308) | $ 799,679 | $ 36 | $ (1,133,854) | $ (464,294) | $ 6,804 | $ (457,490) |

| | Six Months Ended June 30, 2020 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Redeemable Convertible Noncontrolling Interests | Common Stock | | Treasury Stock | | Additional Paid-In Capital | Accumulated Other Comprehensive Income | Accumulated Deficit | Total BridgeBio Stockholders' Equity | Noncontrol-ling Interests | Total Stockholders' Equity |
| | | Shares | Amount | Shares | Amount | | | | | | |
| **Balances as of December 31, 2019 (2)** | $ 2,243 | 123,658,287 | $ 124 | — | $ — | $ 848,107 | $ 254 | $ (440,031) | $ 408,454 | $ 65,279 | $ 473,733 |
| Issuance of shares under equity compensation plans | — | 116,249 | — | — | — | 529 | — | — | 529 | — | 529 |
| Stock-based compensation | — | — | — | — | — | 8,063 | — | — | 8,063 | — | 8,063 |
| Equity component of 2027 Notes, net of issuance costs and deferred tax liability | — | — | — | — | — | 167,726 | — | — | 167,726 | — | 167,726 |
| Purchase of capped calls | — | — | — | — | — | (49,280) | — | — | (49,280) | — | (49,280) |
| Repurchase of common stock | — | (2,414,681) | — | 2,414,681 | (75,000) | — | — | — | (75,000) | — | (75,000) |
| Issuance of noncontrolling interests | 1,102 | — | — | — | — | — | — | — | — | 26,565 | 26,565 |
| Transfers from (to) noncontrolling interests | 574 | — | — | — | — | 11,601 | — | — | 11,601 | (12,175) | (574) |
| Unrealized gains on available-for-sale securities | — | — | — | — | — | — | 472 | — | 472 | — | 472 |
| Net loss | (866) | — | — | — | — | — | — | (91,850) | (91,850) | (11,366) | (103,216) |
| **Balances as of March 31, 2020** | 3,053 | 121,359,855 | 124 | 2,414,681 | (75,000) | 986,746 | 726 | (531,881) | 380,715 | 68,303 | 449,018 |
| Issuance of shares under equity compensation plans | — | 264,583 | — | — | — | 691 | — | — | 691 | — | 691 |
| Issuance of shares under the 2020 Stock and Equity Exchange Program | — | 626,820 | 1 | — | — | 1,069 | — | — | 1,070 | (1,070) | — |
| Stock-based compensation | — | — | — | — | — | 7,295 | — | — | 7,295 | — | 7,295 |
| Issuance of noncontrolling interests | — | — | — | — | — | — | — | — | — | 3,537 | 3,537 |
| Transfers from (to) noncontrolling interests | 431 | — | — | — | — | (3,110) | — | — | (3,110) | 2,679 | (431) |
| Unrealized gains on available-for-sale securities | — | — | — | — | — | — | 132 | — | 132 | — | 132 |
| Net loss | (1,578) | — | — | — | — | — | — | (121,034) | (121,034) | (13,602) | (134,636) |
| **Balances as of June 30, 2020** | $ 1,906 | 122,251,258 | $ 125 | 2,414,681 | $ (75,000) | $ 992,691 | $ 858 | $ (652,915) | $ 265,759 | $ 59,847 | $ 325,606 |

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

(2) The consolidated balances as of December 31, 2020 and 2019 are derived from the audited consolidated financial statements as of those dates.

**BRIDGEBIO PHARMA, INC.**

**Condensed Consolidated Statements of Cash Flows**
***(Unaudited)***
***(in thousands)***

| | Six Months Ended June 30, | |
|---|---|---|
| **Operating activities:** | **2021** | **2020** |
| Net loss | $ (273,156) | $ (240,296) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock-based compensation | 63,689 | 28,614 |
| Depreciation and amortization | 4,052 | 2,036 |
| Accretion of debt | 2,653 | 6,980 |
| LEO call option expense (income) | (5,550) | 1,198 |
| Other noncash adjustments | 7,206 | 444 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (1,040) | — |
| Receivable from licensing and collaboration agreements | (35,363) | — |
| Receivable from a related party | (8,962) | — |
| Prepaid expenses and other current assets | 1,400 | 1,634 |
| Other assets | (5,723) | (965) |
| Accounts payable | 13,025 | 3,983 |
| Accrued compensation and benefits | (8,494) | (2,051) |
| Accrued research and development liabilities | 2,463 | 16,345 |
| Accrued professional services | 1,499 | 6,388 |
| Operating lease liabilities | (2,776) | (1,418) |
| Other accrued and other liabilities | 2,599 | 5,339 |
| Net cash used in operating activities | (242,478) | (171,769) |
| **Investing activities** | | |
| Purchases of marketable securities | (509,934) | (168,801) |
| Maturities of marketable securities | 238,934 | 82,516 |
| Investment in equity securities | (20,000) | — |
| Increase in cash and cash equivalents from consolidation of PellePharm | 13,654 | — |
| Proceeds from disposal of property and equipment | — | 147 |
| Purchases of property and equipment | (4,248) | (4,823) |
| Net cash used in investing activities | (281,594) | (90,961) |
| **Financing activities** | | |
| Proceeds from issuance of 2029 Notes in 2021 and 2027 Notes in 2020 | 747,500 | 550,000 |
| Issuance costs and discounts associated with issuance of 2029 Notes and 2027 Notes | (16,064) | (13,039) |
| Purchase of capped calls | (61,295) | (49,280) |
| Repurchase of common stock | (55,308) | (75,000) |
| Proceeds from at-the-market issuance of noncontrolling interest by Eidos, net | — | 24,094 |
| Transactions with noncontrolling interests | 70 | 1,000 |
| Repurchase of Eidos noncontrolling interest, including direct transaction costs | (84,840) | — |
| Proceeds from term loan | 25,000 | — |
| Repayment of term loan | (18,108) | — |
| Proceeds from BridgeBio common stock issuances under ESPP | 1,652 | — |
| Repurchase of shares to satisfy tax withholding | (3,302) | — |
| Proceeds from stock option exercises, net of repurchases | 11,216 | 2,101 |
| Net cash provided by financing activities | 546,521 | 439,876 |
| Net increase in cash, cash equivalents and restricted cash | 22,449 | 177,146 |
| Cash, cash equivalents and restricted cash at beginning of period | 358,679 | 364,197 |
| Cash, cash equivalents and restricted cash at end of period | $ 381,128 | $ 541,343 |
| **Supplemental Disclosures of Cash Flow Information:** | | |
| Cash paid for interest | $ 10,814 | $ 4,122 |
| **Supplemental Disclosures of Noncash Investing and Financing Information:** | | |
| Net noncash portion of repurchase of Eidos noncontrolling interests | $ 38,167 | $ — |
| Direct transaction costs in the repurchase of Eidos recorded in Additional paid-in capital previously classified in prepaid expenses and other current assets | $ 8,749 | $ — |
| Noncash contribution by an NCI | $ 21,600 | $ — |
| Recognized intangible asset recorded in Accrued research and development liabilities | $ 20,000 | $ — |
| Leasehold improvement paid by landlord | $ 2,136 | $ — |
| Recognition of property and equipment previously classified in other assets | $ — | $ 10,000 |
| Transfers from noncontrolling interests (Note 6) | $ 274 | $ 8,491 |

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

## 1. Organization and Description of Business

BridgeBio Pharma, Inc. ("BridgeBio") was established to identify and advance transformative medicines to treat patients who suffer from Mendelian diseases, which are diseases that arise from defects in a single gene, and cancers with clear genetic drivers. BridgeBio's pipeline of programs spans early discovery to late-stage development.

Since inception, BridgeBio has either created wholly-owned subsidiaries or has made investments in certain controlled entities, including partially-owned subsidiaries for which BridgeBio has a majority voting interest, and variable interest entities ("VIEs") for which BridgeBio is the primary beneficiary (collectively, "we", "our", "us"). BridgeBio is headquartered in Palo Alto, California.

## 2. Summary of Significant Accounting Policies

### *Basis of Presentation and Principles of Consolidation*

The condensed consolidated financial statements include the accounts of BridgeBio Pharma, Inc., its wholly-owned subsidiaries and controlled entities, all of which are denominated in U.S. dollars. All intercompany balances and transactions have been eliminated in consolidation. For consolidated entities where we own or are exposed to less than 100% of the economics, we record net loss attributable to noncontrolling interests in our condensed consolidated statements of operations equal to the percentage of the economic or ownership interest retained in such entities by the respective noncontrolling parties.

In determining whether an entity is considered a controlled entity, we apply the VIE and Voting Interest Entity ("VOE") models. We assess whether we are the primary beneficiary of a VIE based on our power to direct the activities of the VIE that most significantly impact the VIE's economic performance and our obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. Entities that do not qualify as a VIE are assessed for consolidation under the VOE model. Under the VOE model, BridgeBio consolidates the entity if it determines that it has a controlling financial interest in the entity through its ownership of greater than 50% of the outstanding voting shares of the entity and that other equity holders do not have substantive voting, participating or liquidation rights. We assess whether we are the primary beneficiary of a VIE or whether we have a majority voting interest for entities consolidated under the VOE model at the inception of the arrangement and at each reporting date.

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States and applicable rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC.

The condensed consolidated financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for a fair statement of our financial position, our results of operations and comprehensive loss, and our cash flows for the periods presented. The results of operations for the three and six months ended June 30, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021 or for any other future annual or interim periods.

### *Risks and Uncertainties*

In March 2020, the World Health Organization declared the outbreak of SARS-CoV-2, the novel strain of coronavirus that causes Coronavirus disease 19 ("COVID-19") a global pandemic. Since then, the resources of healthcare providers and hospitals have been focused on fighting the virus, and we have experienced delays in or temporary suspension of the enrollment of patients in our subsidiaries' ongoing clinical trials. We additionally may experience delays in certain ongoing key program activities, including commencement of planned clinical trials, as well as non-clinical experiments and investigational new drug application-enabling good laboratory practice toxicology studies. The exact timing of delays and their overall impact on our business are currently unknown, and we are monitoring the COVID-19 pandemic as it continues to evolve. We are continuing to actively monitor the situation and may take further precautionary and preemptive actions as may be required by federal, state or local authorities or that we determine are in the best interests of public health and safety and that of our patient community, employees, partners, suppliers and stockholders. We cannot predict the effects that such actions, or the impact of COVID-19 on global business operations and economic conditions, may have on our business or strategy, including the effects on our ongoing and planned clinical development activities and prospects, or on our financial and operating results.

***Cash, Cash Equivalents and Restricted Cash***

We consider all highly liquid investments purchased with original maturities of 90 days or less from the purchase date to be cash equivalents. Cash equivalents consist primarily of amounts invested in money market instruments, such as money market funds and repurchase agreements collateralized with securities issued by the U.S. government or its agencies.

Our restricted cash balance relates to cash and cash equivalents that we have pledged as collateral under certain lease agreements and letters of credit.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the amounts shown in the condensed consolidated statements of cash flows:

| | June 30, 2021 | June 30, 2020 |
|---|---|---|
| | (in thousands) | |
| Cash and cash equivalents | $ 378,420 | $ 540,919 |
| Restricted cash — Included in "Prepaid expenses and other current assets" | 176 | — |
| Restricted cash — Included in "Other assets" | 2,532 | 424 |
| Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows | $ 381,128 | $ 541,343 |

***Investment in Equity Securities***

Our investment in equity securities consists of equity securities of publicly held companies. We measure the fair value of our investment in equity securities at each reporting period in accordance with Accounting Standards Codification ("ASC") 321, *Investments — Equity Securities*. Changes in fair value resulting from observable price changes are included in "Other income (expense)" in our condensed consolidated statements of operations. Upon sale of an equity security, any realized gain or loss is recognized in our condensed consolidated statements of operations.

***License Arrangements and Multiple-Element Arrangements***

Revenue from non-refundable, up-front license or technology access payments under license arrangements that are not dependent on any future performance by us is recognized when control of the license is transferred to our customer and our customer is able to benefit from the license . If we have continuing obligations to perform under the arrangement, such fees are recognized over the estimated period of continuing performance obligation.

When we enter into license agreements, we assess whether the arrangements fall within the scope of ASC 808, *Collaborative Arrangements* (ASC 808) based on whether the arrangements involve joint operating activities and whether both parties have active participation in the arrangement and are exposed to significant risks and rewards. To the extent that the arrangement falls within the scope of ASC 808, we assess whether the activities between us and our partner fall within the scope of other accounting literature. If we conclude that payments for activities from our partner to us represent consideration from a customer, such as license fees and contract manufacturing and research and development activities, we account for those elements within the scope of ASC 606, *Revenue from Contracts with Customers*. However, if we conclude that our partner is not a customer for certain activities and associated payments, such as for certain collaborative research, development, manufacturing and commercial activities, we present such payments as a reduction of research and development expense or selling, general and administrative expense, based on where we present the underlying expense. Additionally, if we reimburse our collaboration partners for these activities, we present such reimbursements as research and development expense or selling, general and administrative expense, depending upon the nature of the underlying expense.

If our collaborative arrangement provides for the sharing of profits and losses with our partner for commercialization activities, the treatment of our share in the profit-sharing structure depends on who the selling party is. If we are the selling party and the deemed principal, we record our collaboration partner's share of profits as an addition in selling, general and administrative expenses and our collaboration partner's share of loss as a reduction in selling, general and administrative expenses. If our partner is the selling party and the deemed principal, we record our share of profits as collaboration revenue and our share of losses as addition to selling, general and administrative expenses.

***Revenue Recognition***

For elements of those arrangements that we determine should be accounted for under ASC 606, we perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy our performance obligation. We apply the five-step model to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services we transfer to the customer.

At inception of the arrangement, once it is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract and then identify the performance obligations and assess whether each promised good or service is distinct. We then recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation, on a relative standalone selling price basis, when (or as) the performance obligation is satisfied. As part of the accounting for these arrangements, we develop assumptions that require judgment to determine the standalone selling price for each performance obligation identified in the contract. These key assumptions may include forecasted revenue or costs, development timelines, discount rates and probabilities of clinical and regulatory success.

*License Fees*: For arrangements that include a grant of a license to our intellectual property, we consider whether the license grant is distinct from the other performance obligations included in the arrangement. Generally, we would conclude that the license is distinct if the customer is able to benefit from the license with the resources available to it. For licenses that are distinct, we recognize revenues from nonrefundable, upfront license fees and other consideration allocated to the license when the license term has begun and we have provided all necessary information regarding the underlying intellectual property to the customer, which generally occurs at or near the inception of the arrangement. For licenses that are bundled with other promises, we determine whether the combined performance obligation is satisfied over time or at a point in time. If the combined performance obligation is satisfied over time, we use judgment in determining the appropriate method of measuring progress for purposes of recognizing revenue from the allocated transaction price. We evaluate the measure of progress each reporting period and, if necessary, adjust the measure of performance and related revenue recognition.

*Development and Regulatory Milestone Payments*: At the inception of each arrangement that includes development and regulatory milestone payments, we evaluate whether the milestones are considered probable of being reached and estimate the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within our or our collaboration partners control, such as non-operational developmental and regulatory approvals, are generally not considered probable of being achieved until those approvals are received. At the end of each subsequent reporting period, we re-evaluate the probability of achieving such development and regulatory milestones and any related constraint, and if necessary, adjust our estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis.

*Sales-based Milestone Payments and Royalties*: For arrangements that include sales-based royalties, including milestone payments based on the volume of sales, we will determine whether the license is deemed to be the predominant item to which the royalties or sales-based milestones relate and if such is the case, we will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

*Product supply services*: Arrangements that include a promise for the future supply of drug product for either clinical development or commercial supply at the licensee’s discretion are generally considered as options. We will assess if these options provide a material right to the licensee and if so, they are accounted for as separate performance obligations and recognized when the future goods or services related to the option are provided or the option expires.

*Product Sales:* Revenue is recognized when our distributors obtain control of the product and revenue is adjusted to reflect discounts, chargebacks, rebates, returns and other allowances associated to the respective sales.

***Milestone and Royalty Payments Under In-licensing Agreements and Asset Acquisitions***

Under our in-licensing agreements and asset acquisitions, we could be required to pay development, regulatory and sales-based milestone payments if certain substantive milestones are met. We generally expense development milestones as incurred. For regulatory or sales-based milestone that is associated to an approved asset, we capitalize the milestone payments related to the asset purchase as an intangible asset with a finite life provided that the milestone payment is recoverable based on our estimated projected cash flows. Such intangible asset is amortized over its estimated useful life beginning on the date the asset is available for its intended use, which would generally be the regulatory approval date. We assess the carrying value of any capitalized intangible asset for impairment at every reporting period.

We could also be required to pay royalties based on actual net sales under in-licensing agreements and asset acquisitions. Such royalties are expensed in the period of sale of the product.

***Use of Estimates***

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities at the date of the condensed consolidated financial statements, and the reported amounts of expenses during the reporting period. Significant estimates and assumptions made in the accompanying condensed consolidated financial statements include, but are not limited to, the fair value of the LEO call option liability (see Note 7), the fair value of the LianBio Warrants (see Note 7), the fair value of Eidos' derivative liability (see Note 3), the present value of lease payments of our leases on the respective lease commencement dates, the impairment of certain of our asset groups, the expected recoverability and estimated useful lives of our assets, the valuation of our stock-based awards, accounting for stock-based award modifications, accruals for performance-based milestone compensation arrangements, accruals for research and development activities and accruals for contingent intellectual property, clinical, regulatory and sales milestones payments in our in-licensing agreements. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable. Actual results may differ from those estimates or assumptions.

***Recently Adopted Accounting Pronouncements***

***Accounting Standards Update ("ASU") 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity.*** In August 2020, the FASB issued *ASU 2020-06, Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The guidance simplifies the complexity associated with applying U.S. GAAP for certain financial instruments with characteristics of liabilities and equity. This ASU (1) simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance in ASC 470-20, *Debt: Debt with Conversion and Other Options*, that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock; (2) revises the scope exception from derivative accounting in ASC 815-40 for freestanding financial instruments and embedded features that are both indexed to the issuer's own stock and classified in stockholders' equity, by removing certain criteria required for equity classification; and (3) revises the guidance in ASC 260, *Earnings Per Share*, to require entities to calculate diluted earnings per share for convertible instruments by using the if-converted method. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Adoption is either through a modified retrospective method or a full retrospective method of transition.

Effective January 1, 2021, we early adopted ASU 2020-06 using the modified retrospective method with respect to our 2027 Notes, which is our convertible debt that existed at that date. As a result of the adoption, we no longer separately account for the liability and equity components of the 2027 Notes by allocating the proceeds between the liability component and the embedded conversion options, or equity component; and, instead, account for our 2027 Notes wholly as debt. This also resulted in the derecognition of a deferred tax liability, which represented a basis difference in the face value of the 2027 Notes due to the previous allocation of portion of the proceeds to the equity component. Additionally, we recorded a cumulative adjustment to decrease our opening accumulated deficit balance as of January 1, 2021, representing a reduction in previously recorded interest expense accretion to the principal amount of our 2027 Notes through December 31, 2020. The following table summarizes the adjustments made to our condensed consolidated balance sheet as of January 1, 2021 as a result of applying the modified retrospective method in adopting ASU 2020-06:

| | As Reported | Adjustments | | As Adjusted |
|---|---|---|---|---|
| | December 31, 2020 | Account 2027 Notes wholly as debt | Cumulative impact on interest expense | January 1, 2021 |
| | (in thousands) | | | |
| 2027 Notes, net | $ 383,436 | $ 169,173 | $ (14,328) | $ 538,281 |
| Other liabilities (1) | 9,520 | (1,095) | $ — | 8,425 |
| Additional paid-in capital | 1,021,344 | (168,078) | — | 853,266 |
| Accumulated deficit | (888,755) | — | 14,328 | (874,427) |

(1) Related deferred tax liability was recorded as part of “Other liabilities”.

Under this transition method, we do not need to restate the comparative periods in transition and will continue to present financial information and disclosures for periods before January 1, 2021 in accordance with the pre-ASU 2020-06 guidance under ASC 470-20, *Debt: Debt with Conversion and Other Options (ASC 470-20)*.

The adoption did not impact previously reported amounts in our condensed consolidated statements of operations and cash flows and our basic and diluted net loss per share amounts.

## 3. Fair Value Measurement

The following table presents information about our financial assets and liabilities that are measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation:

| | June 30, 2021 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| | (in thousands) | | | |
| Assets | | | | |
| Cash equivalents: | | | | |
| Money market funds | $ 255,663 | $ 255,663 | $ — | $ — |
| Short-term marketable securities: | | | | |
| Commercial paper | 263,013 | — | 263,013 | — |
| Corporate debt securities | 120,940 | — | 120,940 | — |
| Supranational debt securities | 75,290 | — | 75,290 | — |
| Total short-term marketable securities | 459,243 | — | 459,243 | — |
| Long-term marketable securities: | | | | |
| U.S. treasury notes | 60,688 | — | 60,688 | — |
| Investment in equity securities | 18,894 | 18,894 | — | — |
| LianBio Warrants | 2,878 | — | — | 2,878 |
| Total financial assets | $ 797,366 | $ 274,557 | $ 519,931 | $ 2,878 |
| Liability | | | | |
| Embedded derivative | $ 1,366 | $ — | $ — | 1,366 |

| | December 31, 2020 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| | (in thousands) | | | |
| Assets | | | | |
| Cash equivalents: | | | | |
| Money market funds | $ 266,437 | $ 266,437 | $ — | $ — |
| Short-term marketable securities: | | | | |
| U.S. treasury bills | 14,999 | — | 14,999 | — |
| U.S. treasury notes | 45,391 | — | 45,391 | — |
| Commercial paper | 144,851 | — | 144,851 | |
| Corporate debt securities | 45,770 | — | 45,770 | — |
| Total short-term marketable securities | 251,011 | — | 251,011 | — |
| LianBio Warrants | 3,338 | — | — | 3,338 |
| Total financial assets | $ 520,786 | $ 266,437 | $ 251,011 | $ 3,338 |
| Liabilities | | | | |
| LEO call option liability | $ 5,550 | $ — | $ — | 5,550 |
| Embedded derivative | 1,340 | — | — | 1,340 |
| Total financial liabilities | $ 6,890 | $ — | $ — | $ 6,890 |

There were no transfers between Level 1, Level 2 or Level 3 during the periods presented.

There are uncertainties on the fair value measurement of the instruments classified under Level 3 due to the use of unobservable inputs and interrelationships between these unobservable inputs, which could result in higher or lower fair value measurements.

***Marketable Securities***

The fair value of our marketable securities classified within Level 2 is based upon observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications.

***Investment in Equity Securities***

We classify our investment in equity securities, which are currently equity securities of publicly held companies, within Level 1 as the fair values of these equity securities are derived from observable inputs such as quoted prices in active markets.

***LEO Call Option Liability***

The valuation of the LEO call option contained unobservable inputs that reflected our own assumptions for which there was little, if any, market activity at the measurement date. Accordingly, the LEO call option liability was remeasured to fair value on a recurring basis using unobservable inputs that were classified as Level 3 inputs. The uncertainty of the fair value measurement due to the use of unobservable inputs and interrelationships between these unobservable inputs could have resulted in higher or lower fair value measurement.

On March 30, 2021, LEO provided a notice of termination of the LEO call option effective April 15, 2021. As a result and based on the facts and circumstances that existed as of March 31, 2021, we evaluated that the likelihood of LEO exercising said option is remote and we derecognized the LEO call option liability for the three months ended March 31, 2021. The following table sets forth a summary of the change in the estimated fair value of the LEO call option recorded in "Other income":

| | Total (in thousands) |
|---|---|
| Balance as of December 31, 2020 | $ 5,550 |
| Change in fair value upon notice of termination of the LEO call option | (5,550) |
| Balance as of March 31, 2021 | $ — |

Historically, we estimated the fair value of the LEO call option by estimating the fair value of various clinical, regulatory, and sales milestones based on the estimated risk and probability of achievement of each milestone, and allocated the value using a Black-Scholes option pricing model with the following assumptions as of December 31, 2020:

| | December 31, 2020 |
|---|---|
| Probability of milestone achievement | 12.0%-84.0% |
| Discount rate | 0.1%-14.3% |
| Expected term (in years) | 1.25-6.25 |
| Expected volatility | 80.0%-95.0% |
| Risk-free interest rate | 1.16%-1.53% |
| Dividend yield | — |

***Eidos Embedded Derivative Liability in Loan Agreement***

For the SVB and Hercules Loan entered into in November 2019 and prepaid in April 2021 (see Note 9), Eidos determined that the requirement to pay a fee upon certain events ("Success Fee") is an embedded derivative liability to be measured at fair value. The fair value of the derivative was determined based on an income approach that identified the cash flows using a "with-and-without" valuation methodology. The inputs used to determine the estimated fair value of the derivative instrument were based primarily on the probability of an underlying event triggering the embedded derivative occurring and the timing of such event. The Success Fee survives the prepayment of the SVB and Hercules Loan per the terms of the contract; and, therefore, we continue to carry the embedded derivative liability at its fair value until it is settled or it expires.

***Notes***

The fair values of our 2.25% convertible senior notes due 2029 (the "2029 Notes") and our 2.50% convertible senior notes due 2027 (the "2027 Notes") (collectively, the "Notes", see Note 9), which differ from their respective carrying values, are determined by prices for the Notes observed in market trading. The market for trading of the Notes is not considered to be an active market and therefore the estimate of fair value is based on Level 2 inputs. As of June 30, 2021, the estimated fair value of our 2029 Notes and 2027 Notes, which have aggregate face values of $747.5 million and $550.0 million, respectively, were $717.8 million and $880.0 million, respectively, based on their market prices on the last trading day for the period. As of December 31, 2020, the estimated fair value of the 2027 Notes was $997.9 million based on the market price on the last trading day for the period.

***Term Loans***

The fair value of our outstanding term loans (see Note 9) is estimated using the net present value of the payments, discounted at an interest rate that is consistent with a market interest rate, which is a Level 2 input. The estimated fair value of our outstanding term loans approximates the carrying amount, as the term loans bear a floating rate that approximates the market interest rate.

## 4. Cash Equivalents and Marketable Securities

We invest in certain money market funds classified as cash equivalents, which are collateralized by deposits in the form of U.S. treasury securities for an amount no less than 102% of their value. We do not record an asset or liability for the collateral as we do not intend to sell or re-pledge the collateral. The collateral has the prevailing credit rating of at least the U.S. government treasuries and agencies. We utilize a third-party custodian to manage the exchange of funds and ensure that collateral received is maintained at 102% of the value of the reverse repurchase agreements on a daily basis.

Cash equivalents and marketable securities classified as available-for-sale consisted of the following:

| | June 30, 2021 | | | |
|---|---|---|---|---|
| | Amortized Cost Basis | Unrealized Gains | Unrealized Losses | Estimated Fair Value |
| | (in thousands) | | | |
| Cash equivalents: | | | | |
| Money market funds | $ 255,663 | $ — | $ — | $ 255,663 |
| Short-term marketable securities: | | | | |
| Commercial paper | 262,995 | 22 | (4) | 263,013 |
| Corporate debt securities | 120,929 | 23 | (12) | 120,940 |
| Supranational debt securities | 75,298 | — | (8) | 75,290 |
| Total short-term marketable securities | 459,222 | 45 | (24) | 459,243 |
| Long-term marketable securities: | | | | |
| U.S. treasury notes | 60,673 | 15 | — | 60,688 |
| Total cash equivalents and marketable securities | $ 775,558 | $ 60 | $ (24) | $ 775,594 |

| | December 31, 2020 | | | |
|---|---|---|---|---|
| | Amortized Cost Basis | Unrealized Gains | Unrealized Losses | Estimated Fair Value |
| | (in thousands) | | | |
| Cash equivalents: | | | | |
| Money market funds | $ 266,437 | $ — | $ — | $ 266,437 |
| Short-term marketable securities: | | | | |
| U.S. treasury bills | 14,996 | 3 | — | 14,999 |
| U.S. treasury notes | 45,292 | 100 | (1) | 45,391 |
| Commercial paper | 144,851 | — | — | 144,851 |
| Corporate debt securities | 45,680 | 93 | (3) | 45,770 |
| Total short-term marketable securities | 250,819 | 196 | (4) | 251,011 |
| Total cash equivalents and marketable securities | $ 517,256 | $ 196 | $ (4) | $ 517,448 |

There have been no significant realized gains or losses on available-for-sale securities for the periods presented. As of June 30, 2021, our short-term and long-term marketable securities have average contractual maturities of approximately seven months and 14 months, respectively. We do not intend to sell our marketable securities and it is not more likely than not that we will be required to sell these securities before recovery of their amortized cost bases.

## 5. Eidos

From the date of BridgeBio's initial investment until June 22, 2018, the Eidos IPO closing date, Eidos was determined to be a VIE and BridgeBio consolidated Eidos as the primary beneficiary. Subsequent to the Eidos IPO, BridgeBio determined that Eidos was no longer a VIE due to it having sufficient equity at risk to finance its activities without additional subordinated financial support. From June 22, 2018 through January 26, 2021, BridgeBio determined that it held greater than 50% of the voting shares of Eidos and there were no other parties with substantive participating, liquidation or kick-out rights. BridgeBio consolidated Eidos under the VOE model until January 26, 2021, the date on which the Merger Transactions were consummated.

On August 2, 2019, Eidos filed a shelf registration statement on Form S-3 (the "2019 Shelf") with the SEC in relation to the registration of common stock, preferred stock, warrants and units of any combination thereof. Eidos also simultaneously entered into an Open Market Sale Agreement with Jefferies LLC and SVB Leerink LLC (collectively, the "Eidos Sales Agents"), to provide for the offering, issuance and sale by Eidos of up to an aggregate offering price of $100.0 million of its common stock from time to time in "at-the-market" offerings under the 2019 Shelf and subject to the limitations thereof (the "2019 Sales Agreement"). Eidos would pay to the applicable Eidos Sales Agent cash commissions of up to 3.0 percent of the gross proceeds of sales of common stock under the 2019 Sales Agreement. Eidos issued 448,755 shares under this offering and received $24.1 million of net proceeds in February 2020.

On October 5, 2020, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Eidos, Globe Merger Sub I, Inc. ("Merger Sub") and Globe Merger Sub II, Inc. (the two latter companies being our indirect wholly-owned subsidiaries), providing for, in a series of merger transactions (the "Merger Transactions"), the acquisition by us of all of the outstanding shares of common stock of Eidos (the "Eidos Common Stock") other than shares of Eidos Common Stock that (i) were owned by Eidos as treasury stock, (ii) were owned by us and our subsidiaries and, in each case, not owned on behalf of third parties and (iii) were subject to an Eidos Restricted Share Award (as defined below). Under the Merger Agreement, the stockholders of Eidos had the right to receive, at their election, either 1.85 shares of our common stock or $73.26 in cash per Eidos share in the transaction, subject to proration as necessary to ensure that the aggregate amount of cash consideration was no greater than $175.0 million. In addition, immediately prior to the effective time of the merger of Merger Sub with and into Eidos (the "Effective Time"), (i) each option to purchase Eidos Common Stock (an "Eidos Option") were to be converted into an option, on the same terms and conditions applicable to such Eidos Option immediately prior to the Effective Time, to purchase a specified number of shares of BridgeBio common stock, calculated pursuant to the terms of the Merger Agreement, and (ii) each outstanding award of shares of Eidos Common Stock that was subject to forfeiture conditions (subject to certain exceptions) (each, an "Eidos Restricted Share Award") was to be converted into an award, on the same terms and conditions applicable to such Eidos Restricted Share Award immediately prior to the Effective Time, covering a number of whole restricted shares of BridgeBio common stock, calculated pursuant to the terms of the Merger Agreement, with any fractional shares being paid out to the holder of such Eidos Restricted Share Award in cash (conversion of the Eidos Option and the Eidos Restricted Share Awards collectively referred to as the "Eidos Awards Exchange").

On January 19, 2021, the stockholders of each of BridgeBio and Eidos voted to approve all proposals related to the Merger Transactions and on January 26, 2021, we closed and completed the Merger Transactions. The acquisition of the Eidos Common Stock was settled through an aggregate consideration of $1,651.6 million, which was comprised of cash payments of $21.3 million and the issuance of approximately 26,156,446 shares of our common stock, with a total fair value of $1,630.3 million. We accounted for the purchase of the outstanding Eidos Common Stock as acquisition of noncontrolling interest in accordance with ASC 810, *Consolidation* ("ASC 810"). Under ASC 810, the carrying amount of the Eidos noncontrolling interest was adjusted to reflect the change in our ownership interest, and the difference between the fair value of the consideration paid, and the amount by which the noncontrolling interest was adjusted was recognized in equity. Such difference recognized in equity amounted to $(1,613.4) million and recorded within "Additional paid-in capital" during the six months ended June 30, 2021. We continued to recognize the assets and liabilities of Eidos at their respective historical values as of the closing date of the Merger Transactions.

Through the closing of the Merger Transactions, we have incurred transaction costs aggregating $70.7 million that were recorded in "Additional paid-in capital" during the six months ended June 30, 2021.

Upon closing and completion of the Merger Transactions with Eidos, Eidos became our wholly-owned subsidiary. Eidos' common stock ceased to trade on the Nasdaq Global Select Market prior to the opening of business on January 26, 2021 and Eidos' Certification and Notice of Termination of Registration under Section 12(g) of the Exchange Act was filed with the SEC on February 5, 2021.

## 6. Noncontrolling Interests

As of June 30, 2021 and December 31, 2020, we had both redeemable convertible noncontrolling interests and noncontrolling interests in consolidated partially-owned entities, for which BridgeBio has a majority voting interest under the VOE model and for which BridgeBio is the primary beneficiary under the VIE model. These balances are reported as separate components outside stockholders' equity (deficit) in "Redeemable convertible noncontrolling interests" and as part of stockholders' equity (deficit) in "Noncontrolling interests" in the condensed consolidated balance sheets.

We adjust the carrying value of noncontrolling interests to reflect the book value attributable to noncontrolling shareholders of consolidated partially-owned entities when there is a change in the ownership during the respective reporting period and such adjustments are recorded to additional paid-in capital. During the three and six months ended June 30, 2021, the adjustments in the aggregate amounted to $(1.4) million and $0.3 million, respectively. During the three and six months ended June 30, 2020, the adjustments in the aggregate amounted to $(3.1) million and $8.5 million, respectively. All such adjustments are disclosed within the "Transfers from (to) noncontrolling interests" line item in the condensed consolidated statements of redeemable convertible noncontrolling interests and stockholders' equity (deficit).

As of December 31, 2020, the significant components of the noncontrolling interest balances pertained mainly to Eidos, which amounted to $40.2 million. Upon closing and completion of the Merger Transactions with Eidos on January 26, 2021 (see Note 5), the balance of the noncontrolling interest in Eidos was reduced to zero.

## 7. Equity Method and Other Investments in Equity Method Investees

### *LianBio*

LianBio, a related party, is a clinical-stage biopharmaceutical company founded by Perceptive Advisors. LianBio is focused on sourcing the best opportunities and creating new therapeutic paradigms for first-in-class programs to bring the world's leading science to China and major Asian markets. In October 2019, BBP LLC entered into an exclusivity agreement with LianBio, pursuant to which BBP LLC received equity in LianBio representing a 10% ownership interest, valued at approximately $3.8 million at the time of the transaction. The equity interest was issued in consideration for certain rights of first negotiation and rights of first offer granted by BBP LLC to LianBio with respect to specified transactions covering intellectual property rights owned or controlled by BBP LLC or its affiliates in certain territories outside the United States. The amount of our 10% ownership interest was reduced to zero as of December 31, 2019 after recognizing our equity share in the net losses of LianBio for the year ended December 31, 2019. As of June 30, 2021 and December 31, 2020, our equity method investment in LianBio represented 6% of LianBio's fully-diluted equity. We continue to account for our investment in LianBio under the equity method as we have the right to appoint or remove one director to the board of directors of LianBio, and therefore have significant influence over LianBio. The carrying amount of the investment in LianBio in the condensed consolidated balance sheets represents our maximum loss exposure related to our investment in LianBio. There were no impairments related to the LianBio investment for the three and six months ended June 30, 2021 and 2020.

Pursuant to a License Agreement entered into in October 2019 between QED and LianBio, QED also received warrants which entitles QED to purchase 10% of the then-fully diluted shares of one of the subsidiaries of LianBio upon achievement of certain contingent development milestones (the "LianBio Warrants", see Note 3).

### *PellePharm*

On November 19, 2018, PellePharm entered into the LEO Agreement, pursuant to which LEO Pharma ("LEO") was granted an exclusive, irrevocable option to acquire PellePharm. The LEO call option was exercisable by LEO on or before the occurrence of certain events relating to PellePharm's clinical development programs and no later than July 30, 2021. We accounted for the LEO call option as a current liability (the "LEO Call Option Liability", see Note 3) in our condensed consolidated financial statements because BridgeBio was obligated to sell its shares in PellePharm to LEO at a pre-determined price, if the option were to be exercised. We remeasured the LEO call option to fair value at each subsequent balance sheet date until the LEO call option either was exercised, terminated or had expired.

Prior to the LEO Agreement, BridgeBio consolidated PellePharm under the VIE model. The date the LEO Agreement was entered into was determined to be a VIE reconsideration event. Based on our assessment, we had concluded that PellePharm remained a VIE after the reconsideration event as it did not have sufficient equity at risk to finance its activities without additional subordinated financial support. However, based on the then changes to PellePharm's governance structure and Board of Directors composition as a result of the LEO Agreement, BridgeBio was no longer the primary beneficiary as it no longer had the power over the key decisions that most significantly impact PellePharm's economic performance. Accordingly, BridgeBio deconsolidated PellePharm on November 19, 2018. After the deconsolidation in November 2018, PellePharm was considered a related party of BridgeBio.

Subsequent to the deconsolidation of PellePharm in 2018, we accounted for our retained common stock investment as an equity method investment and our retained preferred stock investment as a cost method investment. We accounted for the investment in PellePharm preferred stock as an equity security without a readily determinable fair value. As of December 31, 2020, the aggregate carrying amount of our investments in PellePharm was zero. After the equity method investment was reduced to zero during the three months ended March 31, 2019, BridgeBio subsequently recorded its percentage of net losses consistent with its preferred stock ownership percentage of 61.9% until the equity security investment was also reduced to zero during the remaining period of 2019. The carrying amount of BridgeBio's investment in PellePharm in the condensed consolidated balance sheets through March 31, 2021 represented its maximum loss exposure related to its VIE investment in PellePharm. There were no impairments related to our PellePharm investment for the three months ended June 30, 2021 and 2020.

LEO terminated the LEO Agreement effective April 15, 2021. The date the LEO Agreement was terminated was determined to be a VIE reconsideration event. Based on our assessment, we continue to conclude that PellePharm remains a VIE after the reconsideration event as it does not have sufficient equity at risk to finance its activities without additional subordinated financial support. Based on the changes to PellePharm's Board of Directors composition as a result of the termination of the LEO Agreement, BridgeBio became the primary beneficiary as it has the power over the key decisions that most significantly impact PellePharm's economic performance and it has the obligation to absorb losses or the right to receive benefits from PellePharm that could potentially be significant to PellePharm through its common and preferred stock interest in PellePharm. Accordingly, BridgeBio consolidated PellePharm effective on April 15, 2021.

## 8. Commitments and Contingencies

***Milestone Compensation Arrangements***

We have performance-based milestone compensation arrangements with certain employees and consultants, whose vesting is contingent upon meeting various milestones, with fixed monetary amounts known at inception that can be settled in the form of cash or equity at our sole discretion. We also have performance-based milestone compensation arrangements with certain employees and consultants as part of the 2020 Stock and Equity Award Exchange Program (the "Exchange Program", see Note 15). The compensation arrangements under the Exchange Program are to be settled in the form of equity only. Performance-based milestone awards that are settled in the form of equity are satisfied in the form of fully-vested restricted stock awards ("RSAs"). We accrue for such contingent compensation when the related milestone is probable of achievement and is recorded in "Accrued compensation and benefits" for the current portion and "Other liabilities" for the non-current portion in the condensed consolidated balance sheet. There is no accrued compensation expense for performance milestones assessed to be not probable of achievement. The table below shows our commitment for the potential milestone amounts and the accruals for milestones deemed probable of achievement as of June 30, 2021.

| Settlement Type | Potential Fixed Monetary Amount | Accrued Amount (1) |
|---|---|---|
| | (in thousands) | |
| Cash | $ 11,307 | $ 1,176 |
| Stock (2) | 136,027 | 13,936 |
| Cash or stock at our sole discretion | 96,473 | 3,419 |
| Total | $ 243,807 | $ 18,531 |

(1) Amount recorded for performance-based milestone awards that are probable of achievement.

(2) Includes the performance-based milestone awards that were granted as part of the Exchange Program further discussed in Note 15.

***Other Research and Development Agreements***

We may also enter into contracts in the normal course of business with clinical research organizations for clinical trials, with contract manufacturing organizations for clinical supplies and with other vendors for preclinical studies, supplies and other services and products for operating purposes. These contracts generally provide for termination on notice with potential termination charges. As of June 30, 2021 and December 31, 2020, there were no amounts accrued related to termination charges.

***Indemnification***

In the ordinary course of business, we may provide indemnifications of varying scope and terms to vendors, lessors, business partners, board members, officers and other parties with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, services to be provided by us, our negligence or willful misconduct, violations of law, or intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with directors and certain officers and employees that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No material demands have been made upon us to provide indemnification under such agreements, and thus, there are no claims that we are aware of that could have a material effect on our condensed consolidated balance sheets, statements of operations and comprehensive loss, or statements of cash flows.

We also maintain director and officer insurance, which may cover certain liabilities arising from our obligation to indemnify our directors. To date, we have not incurred any material costs and have not accrued any liabilities in the condensed consolidated financial statements as a result of these provisions.

***Contingencies***

From time to time, we may become involved in legal proceedings arising in the ordinary course of business. We are not currently a party to any material legal proceedings.

## 9. Debt

***Notes***

*2029 Notes*

On January 28, 2021, we issued an aggregate of $717.5 million principal amount of our 2029 Notes, pursuant to an Indenture dated January 28, 2021 (the “2029 Notes Indenture”), between us and U.S. Bank National Association, as trustee (the “2029 Notes Trustee”), in a private offering to qualified institutional buyers (the “2021 Note Offering”) pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). The 2029 Notes issued in the 2021 Note Offering include $67.5 million aggregate principal amount of 2029 Notes sold to the initial purchasers (the “2029 Notes Initial Purchasers”) pursuant to the exercise in part of the 2029 Notes Initial Purchasers’ option to purchase $97.5 million principal amount of additional 2029 Notes. On January 28, 2021, the 2029 Notes Initial Purchasers exercised the remaining portion of their option to purchase $30.0 million principal amount of additional 2029 Notes. The sale of those additional 2029 Notes closed on February 2, 2021.

The 2029 Notes will accrue interest payable semiannually in arrears on February 1 and August 1 of each year, beginning on August 1, 2021, at a rate of 2.25% per year. The 2029 Notes will mature on February 1, 2029, unless earlier converted, redeemed or repurchased. The 2029 Notes are convertible into cash, shares of BridgeBio’s common stock or a combination of cash and shares of BridgeBio’s common stock, at our election.

We received net proceeds from the 2021 Note Offering of approximately $731.4 million, after deducting the 2029 Notes Initial Purchasers’ discount (there were no direct offering expenses borne by us for the 2029 Notes). We used approximately $61.3 million of the net proceeds from the 2021 Note Offering to pay for the cost of the 2021 Capped Call Transactions described below and approximately $50.0 million to pay for the repurchase of shares of BridgeBio common stock described below. We intend to use the remainder of the net proceeds from the 2021 Note Offering for general corporate purposes, which may include research and development and clinical development costs to support the advancement of our drug candidates, including the continued growth of our commercial and medical affairs capabilities, the conduct of clinical trials and preclinical research and development activities; working capital; capital expenditures; repayment of outstanding indebtedness; general and administrative expenses; and other general corporate purposes.

A holder of 2029 Notes may convert all or any portion of its 2029 Notes at its option at any time prior to the close of business on the business day immediately preceding November 1, 2028 in multiples of $1,000 only under the following circumstances:

- During any calendar quarter commencing after the calendar quarter ending on June 30, 2021 (and only during such calendar quarter), if the last reported sale price of BridgeBio's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- During the five business day period after any five consecutive trading day period (the "measurement period") in which the "trading price" (as defined in the 2029 Notes Indenture) per $1,000 principal amount of 2029 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of BridgeBio's common stock and the conversion rate on each such trading day;
- If we call such notes for redemption, at any time prior to the close of business on the second business day immediately preceding the redemption date; or
- Upon the occurrence of specified corporate events, as defined in the 2029 Notes Indenture.

On or after November 1, 2028 until the close of business on the second scheduled trading day immediately preceding the maturity date, a holder may convert all or any portion of its 2029 Notes at any time, regardless of the foregoing.

The conversion rate will initially be 10.3050 shares of BridgeBio's common stock per $1,000 principal amount of 2029 Notes (equivalent to an initial conversion price of approximately $97.04 per share of BridgeBio's common stock, for a total of approximately 7,702,988 shares).

The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 2029 Notes in connection with such a corporate event. The maximum number of shares issuable should there be an increase in the conversion rate is 11,361,851 shares of BridgeBio's common stock.

We may not redeem the 2029 Notes prior to February 6, 2026. We may redeem for cash all or any portion of the 2029 Notes, at our option, on a redemption date occurring on or after February 6, 2026 and on or before the 41st scheduled trading day immediately before the maturity date, under certain circumstances. No sinking fund is provided for the Notes. If we undergo a fundamental change (as defined in the 2029 Notes Indenture), holders may require us to repurchase for cash all or any portion of their 2029 Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2029 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The 2029 Notes Indenture contains customary terms and covenants, including that upon certain events of default occurring and continuing, either the 2029 Notes Trustee or the holders of not less than 25% in aggregate principal amount of the 2029 Notes then outstanding may declare the entire principal amount of all the Notes plus accrued special interest, if any, to be immediately due and payable. The 2029 Notes are our general unsecured obligations and rank senior in right of payment to all of our indebtedness that is expressly subordinated in right of payment to the 2029 Notes; equal in right of payment with all of our liabilities that are not so subordinated, including our 2027 Notes; effectively junior to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries.

In connection with the issuance of the 2029 Notes, we incurred approximately $16.1 million of debt issuance costs, which consisted of initial purchasers' discounts. This was recorded as a reduction in the carrying value of the debt on the condensed consolidated balance sheet and is amortized to interest expense using the effective interest method over the expected life of the 2029 Notes or approximately their eight-year term.

*2027 Notes*

On March 9, 2020, we issued an aggregate principal amount of $550.0 million of our 2.50% Convertible Senior Notes due 2027 (the "2027 Notes"), pursuant to an Indenture dated March 9, 2020 (the "2027 Notes Indenture"), between us and U.S. Bank National Association, as trustee (the "2027 Notes Trustee"), in a private offering to qualified institutional buyers (the "2020 Note Offering") pursuant to Rule 144A under the Securities Act. The 2027 Notes issued in the 2020 Note Offering include $75.0 million in aggregate principal amount of 2027 Notes sold to the initial purchasers (the "2027 Notes Initial Purchasers") resulting from the exercise in full of their option to purchase additional 2027 Notes.

The 2027 Notes will accrue interest payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2020, at a rate of 2.50% per year. The 2027 Notes will mature on March 15, 2027, unless earlier converted or repurchased. The 2027 Notes are convertible into cash, shares of BridgeBio's common stock or a combination of cash and shares of BridgeBio's common stock, at our election.

We received net proceeds from the 2020 Note Offering of approximately $537.0 million, after deducting the 2027 Notes Initial Purchasers' discount and offering expenses. We used approximately $49.3 million of the net proceeds from the 2020 Note Offering to pay for the cost of the 2020 Capped Call Transactions described below, and approximately $75.0 million to pay for the repurchase of shares of BridgeBio common stock described below. We intend to use the remainder of the net proceeds from the 2020 Note Offering for working capital and other general corporate purposes, including for its commercial organization and launch preparations. We may also use any remaining net proceeds to fund possible acquisitions of, or investments in, complementary businesses, products, services and technologies.

A holder of 2027 Notes may convert all or any portion of its 2027 Notes at its option at any time prior to the close of business on the business day immediately preceding December 15, 2026 in multiples of $1,000 only under the following circumstances:

- During any calendar quarter commencing after the calendar quarter ending on June 30, 2020 (and only during such calendar quarter), if the last reported sale price of BridgeBio's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day (the "Conversion Price Condition");
- During the five business day period after any five consecutive trading day period (the "measurement period") in which the "trading price" (as defined in the 2027 Notes Indenture) per $1,000 principal amount of 2027 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of BridgeBio's common stock and the conversion rate on each such trading day (the "Conversion Rate Condition"); or
- Upon the occurrence of specified corporate events, as defined in the 2027 Notes Indenture.

On or after December 15, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date, a holder may convert all or any portion of its 2027 Notes at any time, regardless of the foregoing.

During each of the calendar quarters ending March 31 and June 30, 2021, the 2027 Notes were eligible for conversion at the option of the holders as the Conversion Price Condition was met during the period.

The conversion rate will initially be 23.4151 shares of BridgeBio's common stock per $1,000 principal amount of 2027 Notes (equivalent to an initial conversion price of approximately $42.71 per share of BridgeBio's common stock, for a total of approximately 12,878,305 shares). Based on the closing price of our common stock on June 30, 2021, the if-converted value of the 2027 Notes exceeded its principal amount by approximately $235.1 million.

The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 2027 Notes in connection with such a corporate event. The maximum number of shares issuable should there be an increase in the conversion rate is 17,707,635 shares of BridgeBio's common stock.

We may not redeem the 2027 Notes prior to the maturity date, and no sinking fund is provided for the 2027 Notes. If we undergo a fundamental change (as defined in the 2027 Notes Indenture), holders may require us to repurchase for cash all or any portion of their 2027 Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2027 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The 2027 Notes Indenture contains customary terms and covenants, including that upon certain events of default occurring and continuing, either the 2027 Notes Trustee or the holders of not less than 25% in aggregate principal amount of the 2027 Notes then outstanding may declare the entire principal amount of all the 2027 Notes plus accrued special interest, if any, to be immediately due and payable. The 2027 Notes are our general unsecured obligations and rank senior in right of payment to all of our indebtedness that is expressly subordinated in right of payment to the 2027 Notes; equal in right of payment with all of BridgeBio's liabilities that are not so subordinated, including our 2029 Notes; effectively junior to any of BridgeBio's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries.

In accounting for the issuance of the 2027 Notes in 2020 under ASC 470-20, we separately accounted for the liability and equity components of the 2027 Notes by allocating the proceeds between the liability component and the embedded conversion options, or equity component, due to our ability to settle the 2027 Notes in cash, BridgeBio common stock, or a combination of cash and BridgeBio common stock at our option. The carrying amount of the liability component was calculated by measuring the fair value of a similar liability that does not have an associated convertible feature. The allocation was performed in a manner that reflected BridgeBio's non-convertible debt borrowing rate for similar debt. The equity component of the 2027 Notes was recognized as a debt discount and represents the difference between the gross proceeds from the issuance of the 2027 Notes and the fair value of the liability of the 2027 Notes on the date of issuance. The equity component would not be remeasured as long as it continues to meet the conditions for equity classification.

In connection with the issuance of the 2027 Notes, we incurred approximately $13.0 million of debt issuance costs, which primarily consisted of initial purchasers' discounts and legal and other professional fees. We allocated these costs to the liability and equity components based on the allocation of the proceeds. The portion of these costs allocated to the equity component totaling approximately $4.1 million was recorded as a reduction to additional paid-in capital in 2020. The portion of these costs allocated to the liability component totaling approximately $8.9 million was recorded as a reduction in the carrying value of the debt on the condensed consolidated balance sheet and was amortized to interest expense using the effective interest method over the expected life of the 2027 Notes or approximately their seven-year term.

As discussed in Note 2, effective January 1, 2021, we early adopted ASU 2020-06 using the modified retrospective method and, as a result, we are no longer required to separately account for the liability and equity components of the 2027 Notes, and, instead, account for our 2027 Notes wholly as debt. Comparative information with respect to our 2027 Notes disclosed below continue to be presented in accordance with the pre-ASU 2020-06 guidance under ASC 470-20.

*Additional Information Related to the Notes*

The outstanding Notes' balances consisted of the following:

| | June 30, 2021 | | December 31, 2020 |
|---|---|---|---|
| | 2029 Notes | 2027 Notes | 2027 Notes |
| | (in thousands) | | |
| Liability component | | | |
| Principal | $ 747,500 | $ 550,000 | $ 550,000 |
| Unamortized debt discount | (15,298) | (10,356) | (158,404) |
| Unamortized debt issuance costs | — | (542) | (8,160) |
| Net carrying amount | $ 732,202 | $ 539,102 | $ 383,436 |
| Equity component, net of issuance costs | | | $ 169,173 |

The following table sets forth the total interest expense recognized and effective interest rates related to the Notes for the current period:

| | Three Months Ended June 30, 2021 | | | Six Months Ended June 30, 2021 | | |
|---|---|---|---|---|---|---|
| | 2029 Notes | 2027 Notes | Total | 2029 Notes | 2027 Notes | Total |
| | (in thousands) | | | (in thousands) | | |
| Contractual interest expense | $ 4,205 | $ 3,437 | $ 7,642 | $ 7,148 | $ 6,875 | $ 14,023 |
| Amortization of debt discount | 454 | 389 | 843 | 765 | 775 | 1,540 |
| Amortization of debt issuance costs | — | 24 | 24 | — | 47 | 47 |
| Total interest and amortization expense | $ 4,659 | $ 3,850 | $ 8,509 | $ 7,913 | $ 7,697 | $ 15,610 |
| Effective interest rate | 2.6% | 2.8% | | 2.6% | 2.8% | |

The following table sets forth the total interest expense recognized and effective interest rates related to the 2027 Notes for the comparative period:

| | Three Months Ended June 30, 2020 | March 9, 2020 Through June 30, 2020 |
|---|---|---|
| | (in thousands) | |
| Contractual interest expense | $ 3,475 | $ 4,354 |
| Amortization of debt discount | 4,495 | 5,574 |
| Amortization of debt issuance costs | 233 | 289 |
| Total interest and amortization expense | $ 8,203 | $ 10,217 |
| Effective interest rate | 8.8% | 8.8% |

Future minimum payments under the Notes as of June 30, 2021 are as follows:

| | 2029 Notes | 2027 Notes |
|---|---|---|
| | (in thousands) | |
| Remainder of 2021 | $ 8,550 | $ 6,875 |
| Year ending December 31: | | |
| 2022 | 16,819 | 13,750 |
| 2023 | 16,819 | 13,750 |
| 2024 | 16,819 | 13,750 |
| 2025 | 16,819 | 13,750 |
| Thereafter | 806,366 | 570,625 |
| Total future payments | 882,192 | 632,500 |
| Less amounts representing interest | (134,692) | (82,500) |
| Total principal amount | $ 747,500 | $ 550,000 |

*Capped Call and Share Repurchase Transactions with Respect to the Notes*

On January 25, 2021 and March 4, 2020, concurrently with the pricing of the 2029 Notes and 2027 Notes, respectively, we entered into separate privately negotiated capped call transactions (the "2021 Capped Call Transactions" and the "2020 Capped Call Transactions", respectively, together the "Capped Call Transactions") with certain financial institutions (the "Capped Call Counterparties"). We used approximately $61.3 million and $49.3 million of the net proceeds from the 2021 Note Offering and 2020 Note Offering, respectively, to pay for the cost of the respective Capped Call Transactions. The Capped Call Transactions are expected generally to reduce the potential dilution to BridgeBio's common stock upon any conversion of Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be, with such reduction and/or offset subject to a cap initially equal to $131.58 for the 2021 Capped Call Transactions and $62.12 for the 2020 Capped Call Transactions (both of which represented a premium of 100% over the last reported sale price of BridgeBio's common stock on the date of the Capped Call Transactions) and are subject to certain adjustments under the terms of the Capped Call Transactions. The 2021 Capped Calls and 2020 Capped Calls cover 7,702,988 shares and 12,878,305 shares, respectively, of our common stock (subject to anti-dilution and certain other adjustments), which are the same number of shares of common stock that initially underlie the Notes. The 2021 Capped Calls have an initial strike price of approximately $97.04 per share, which corresponds to the initial conversion price of the 2029 Notes. The 2020 Capped Calls have an initial strike price of approximately $42.71 per share, which corresponds to the initial conversion price of the 2027 Notes. The Capped Call Transactions are separate transactions, entered into by us with the Capped Call Counterparties, and are not part of the terms of the Notes.

These Capped Call instruments meet the conditions outlined in ASC 815-40 to be classified in stockholders' equity and are not subsequently remeasured as long as the conditions for equity classification continue to be met. We recorded a reduction to additional paid-in capital of approximately $61.3 million and $49.3 million during the three months ended March 31, 2021 and 2020, respectively, related to the premium payments for the Capped Call Transactions.

Additionally, we used approximately $50.0 million and $75.0 million of the net proceeds from the 2021 Note Offering and 2020 Note Offering to repurchase 759,993 shares and 2,414,681 shares, respectively, of our common stock concurrently with the closing of the Note Offerings from certain of the Notes' Initial Purchasers in privately negotiated transactions. The agreed purchase price per share of common stock in the repurchases were $65.79 and $31.06, which were the last reported sale prices per share of our common stock on The Nasdaq Global Select Market ("Nasdaq") on January 25, 2021 and March 4, 2020, respectively. The shares repurchased were recorded as treasury stock.

***Term Loans***

*Hercules Loan and Security Agreement*

We have a Loan and Security Agreement with Hercules Capital, Inc. ("Hercules") under which we borrowed principal amounts of $35.0 million ("Tranche I"), $20.0 million ("Tranche II"), $20.0 million ("Tranche III") and $25.0 million ("Tranche IV"), all of which remain outstanding. The Loan and Security Agreement has been amended from time to time.

In March 2020, we executed the Third Amendment to the Loan and Security Agreement primarily to allow us to issue our 2027 Notes and to enter into the Capped Call and Share Repurchase Transactions.

In April 2020, we entered into the Fourth Amendment to the Loan and Security Agreement, which among other things, extended the interest-only period and maturity date of the term loans, provided for certain interest rate reduction and increased the available loan facilities under the Loan and Security Agreement. There were no gains or losses arising from the amendment, which is considered a debt modification.

In January 2021, we executed the Fifth Amendment to the Loan and Security Agreement primarily to allow us to issue our 2029 Notes and to enter into the related 2021 Capped Call and share repurchase transactions.

In April 2021, we executed the Sixth Amendment to the Loan and Security Agreement (the "Amended Hercules Term Loan"), which among other things:

(1) provided for an additional principal borrowing amounting to $25.0 million (the proceeds of which were received by us as the Tranche IV upon the execution of the Amended Hercules Term Loan),

(2) extended the interest-only period under the Loan and Security Agreement to June 1, 2024 (the "Amended Amortization Date") which may be further extended to June 1, 2025, subject to certain conditions set forth in the Amended Hercules Term Loan,

(3) extended the maturity date for the term loans under the Loan and Security Agreement to May 1, 2025, which may be further extended to May 1, 2026, subject to certain conditions set forth in the Amended Hercules Term Loan,

(4) provided for an interest rate on the outstanding principal balance equal to the greater of (x) a floating interest rate linked to the prime rate as reported in the Wall Street Journal plus 4.40% and (y) 7.65% (7.65% as of June 30, 2021), payable monthly, and

(5) provided for additional available facilities aggregating to $185.0 million, which comprises of: (a) an additional incremental loan in the amount of $70.0 million, available no later than June 15, 2022, (b) an additional incremental loan following the achievement of certain performance milestones in the amount of $40.0 million, available no later than September 15, 2022, and (c) an additional $75.0 million discretionary incremental tranche, subject to Hercules' approval in its sole and absolute discretion, available no later than December 15, 2023.

The Amended Hercules Term Loan also provides us with greater flexibility to incur additional convertible debt and repurchase and/or redeem convertible debt, each subject to certain conditions set forth in the Amended Hercules Term Loan. There have not been any additional draws on the $185.0 million additional available facilities as of June 30, 2021. There were no gains or losses arising from the Amended Hercules Term Loan, which is considered a debt modification.

During the three and six months ended June 30, 2021, we recognized interest expense related to the Amended Hercules Term Loan of $2.4 million and $4.4 million, respectively, of which $0.5 million and $0.8 million, respectively, relate to amortization of debt discount and issuance costs. During the three and six months ended June 30, 2020, we recognized interest expense related to the Hercules Term Loan of $3.9 million and $5.4 million, respectively, of which $0.3 million and $0.7 million, respectively, relate to amortization of debt discount and issuance costs.

*Silicon Valley Bank and Hercules Loan Agreement*

Eidos entered into a Loan and Security Agreement with Silicon Valley Bank ("SVB") and Hercules Capital, Inc. (the "SVB and Hercules Loan Agreement"), under which Eidos borrowed a principal amount of $17.5 million (the "Tranche A loan") in November 2019. The Tranche A loan was subject to an interest rate equal to the greater of either (i) 8.50% or (ii) 3.25% plus the prime rate as reported in The Wall Street Journal (8.50% during the relevant period in 2021) and had an original maturity date of October 2, 2023.

The Tranche A loan also provided for a final payment charge equal to 5.95% multiplied by the amount funded to be paid when the loan becomes due or upon prepayment of the facility. If Eidos elected to prepay the Tranche A loan, there was also a prepayment fee of between 0.75% and 2.50% of the principal amount being prepaid depending on the timing and circumstances of prepayment. The Tranche A loan was secured by substantially all of Eidos' assets, except Eidos' intellectual property, which was the subject of a negative pledge.

In January 2021, Eidos entered into an amendment to the SVB and Hercules Loan Agreement primarily to allow Eidos to enter into the Merger Transactions. The amendment also required Eidos to maintain a certain amount of cash and cash equivalents with SVB.

The Tranche A loan was prepaid in full in April 2021 using a portion of the proceeds from Tranche IV under the Amended Hercules Term Loan discussed above. Loss on prepayment of the Tranche A loan recognized by Eidos was immaterial.

## 10. License and Collaboration Agreement with Helsinn

On March 29, 2021, QED entered into a license and collaboration agreement with Helsinn Healthcare S.A. ("HHC") and Helsinn Therapeutics (U.S.), Inc. ("HTU", collectively with HHC, "Helsinn," and together with QED, the "Parties") (the "QED-Helsinn License and Collaboration Agreement"), pursuant to which QED has agreed to grant HHC exclusive licenses to develop, manufacture and commercialize QED's product candidate, infigratinib, in oncology and all other indications except achondroplasia or any other skeletal dysplasias, worldwide, except for the People's Republic of China, Hong Kong and Macau ("Greater China"), and under which QED will receive a co-exclusive license to co-commercialize infigratinib in the United States in the licensed indications. Under this agreement, Helsinn is likewise entitled to a right of first negotiation with respect to specific territories subject to occurrence of a contingent event. As part of this agreement, QED is also required to transfer certain existing inventory within the transitional period, as described in the agreement. The effectiveness of the transactions contemplated under this agreement was subject to specified conditions, including the expiration or early termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"). The waiting period under the HSR Act ended on April 16, 2021 and the QED-Helsinn License and Collaboration Agreement became effective as of that date.

Under the terms of the QED-Helsinn License and Collaboration Agreement, QED is eligible to receive payments totaling up to approximately $2.45 billion in the aggregate, including over $100.0 million in upfront, regulatory and launch milestone payments, and the remainder subject to the achievement of specified commercial milestones, as well as tiered royalties in the high teens as a percentage of adjusted net sales by Helsinn of the licensed products sold worldwide, outside of the United States and Greater China. Upon approval by the FDA, QED and HTU will co-commercialize infigratinib in the licensed indications in the United States and will share profits and losses on a 50:50 basis. In May 2021, we received such FDA approval for an oncology indication in the United States and effective that date, sharing of profits and losses has commenced. QED and Helsinn will share global, excluding Greater China, research and development costs for infigratinib in the licensed indications at a rate of 40% for QED and 60% for Helsinn.

The QED-Helsinn License and Collaboration Agreement is considered to be within the scope of ASC 808 as the parties are active participants and are exposed to the risks and rewards of the collaborative activity and partially within the scope of ASC 606, for the units of account that Helsinn is identified as a customer. For the units of account in the collaboration arrangement that do not represent a vendor-customer relationship, including the performance of research and development and commercialization services, we determined that ASC 606 is not appropriate to apply by analogy and applied a reasonable and rational accounting policy election that faithfully depicts the transfer of services to the collaboration partner over the estimated performance period. Reimbursement payments from Helsinn associated with profit and cost sharing provisions are recognized as the related expense is incurred and classified as an offset to the underlying expense and excluded from the transaction price.

We evaluated the terms of the QED-Helsinn License and Collaboration Agreement and identified Helsinn as a customer with the following two distinct performance obligations: (1) exclusive licenses to develop, manufacture, and commercialize the underlying product, and (2) transfer of certain existing inventory within the transitional supply period.

We consider the future potential regulatory and launch milestones to be variable consideration. We constrain variable consideration to the extent that it is not probable that it will result in a significant revenue reversal when the uncertainty associated with the variable consideration is subsequently resolved. We recognize consideration relating to sales-based milestones and royalties when the subsequent sales occur.

We determined the initial transaction price for the QED-Helsinn License and Collaboration Agreement to be $46.0 million, comprising of $20.0 million nonrefundable upfront license fee, $1.0 million for sale of certain existing inventory, and $25.0 million milestone for the first launch of the first indication of infigratinib in the U.S.

The remaining future potential milestone payments were not included in the transaction price as they were determined to be fully constrained under ASC 606. We determined that the achievement of such regulatory and launch milestones are contingent upon success in future clinical trials and regulatory approvals, which are not within our control and are uncertain at this stage. We expect that the royalty arrangements and commercial-based milestones will be recognized when the sales occur or the milestones are achieved pursuant to the sales-based royalty exception under ASC 606-10-55-65 because the license is the predominant item to which the royalties or commercial-based milestones relate. We will re-evaluate the transaction price at each reporting period and as uncertain events are resolved or other changes in circumstances occur.

Based on the distinct performance obligations under the QED-Helsinn License and Collaboration Agreement, we allocated the $46.0 million transaction price based on relative stand-alone selling prices of each of our performance obligations as $44.4 million for the licenses and $1.6 million for the transfer of certain existing inventory. For the delivery of the licenses, we based the stand-alone selling price on a discounted cash flow approach and considered several factors including, but not limited to, forecasted revenue and costs, development timelines, discount rate and probabilities of clinical and regulatory success. For the transfer of certain existing inventory, we based the stand-alone selling price on the actual costs incurred by us to purchase or manufacture the inventory as well as the average compensation of employees estimated to be incurred over the performance period.

During the six months ended June 30, 2021, we recognized $44.4 million in license revenue relating to the delivery of licenses. We determined that the license was a right to use the intellectual property of QED and as of June 30, 2021, we had provided all necessary information to Helsinn for it to benefit from the license under the license term. The remaining $1.6 million relating to the transfer of certain existing inventory is recorded as deferred revenue in 'Other accrued liabilities' as of June 30, 2021 and is expected to be recognized in the second half of 2021 when the inventory is delivered. Total receivables from Helsinn under these units of account accounted for under ASC 606 amounted to $26.0 million as of June 30, 2021 and are shown as part of "Receivable from licensing and collaboration agreements" in the condensed consolidated balance sheet.

For the unit of account that is within the scope of ASC 808 relating to research and development costs, we have recognized Helsinn's share of research and development expenses of $19.5 million as a reduction of research and development expenses for the three and six months ended June 30, 2021.

Following the FDA approval of Truseltiq™ in May 2021, we accounted for Helsinn's share of the co-commercialization loss of $4.1 million as a reduction to selling, general and administrative expenses for the three and six months ended June 30, 2021. Total receivables from Helsinn under both units of account accounted for under ASC 808 amounted to $9.2 million as of June 30, 2021 and are shown as part of "Receivable from licensing and collaboration agreements" in the condensed consolidated balance sheet.

## 11. License Agreement Between Navire and LianBio

In August 2020, our subsidiary, Navire Pharma, Inc. ("Navire") entered into an exclusive license agreement with LianBio (the "Navire-LianBio License Agreement"). Pursuant to the Navire-LianBio License Agreement, Navire granted to LianBio an exclusive, sublicensable license under the licensed patent rights and know-how to develop, manufacture and commercialize SHP2 inhibitor BBP-398 ("BBP-398"), for tumors driven by RAS and receptor tyrosine kinase mutations. Under the terms of the Navire-LianBio License Agreement, LianBio will receive commercial rights in China and selected Asian markets and participate in clinical development activities for BBP-398. In consideration for the rights granted to LianBio, we received a nonrefundable $8.0 million upfront payment in 2020. We will also receive future development and sales milestone payments of up to $382.1 million, and tiered royalty payments from single-digit to low-teens on net sales of the product in licensed territories. We recognized $8.5 million in license revenue, representing a regulatory milestone payment, for the three and six months ended June 30, 2021. Such amount is recorded as "Receivable from a related party" in our condensed consolidated balance sheet as of June 30, 2021.

## 12. Asset Acquisitions

***Novartis License Agreement***

In January 2018, QED entered into a License Agreement with Novartis International Pharmaceutical, Inc. ("Novartis"), pursuant to which QED acquired certain intellectual property rights, including patents and know-how, related to infigratinib for the treatment of patients with FGFR-driven diseases. QED accounted for the transaction as an asset acquisition as substantially all of the estimated fair value of the gross assets acquired was concentrated in a single identified asset, in-process research and development ("IPR&D"), thus satisfying the requirements of the screen test in ASU 2017-01. The assets acquired and liabilities assumed in the transaction were measured based on their fair values. The fair value of the IPR&D acquired was charged to research and development expense as it had no alternative future use at the time of the acquisition.

If certain substantial milestones are met, QED could be required to pay up to $60.0 million in regulatory milestone payments, $35.0 million in sales-based milestone payments, and pay royalties of up to low double-digit percentages on net sales. Following the FDA approval of Truseltiq™ in May 2021, we were required to pay a regulatory milestone payment to Novartis of $20.0 million. We capitalized such payment as an intangible asset and amortize over its estimated useful life of 13.6 years. Amortization expense for the three and six months ended June 30, 2021 was immaterial.

As of June 30, 2021 the intangible asset had a net carrying value of $20.0 million, which is recorded as part of "Other assets" in our condensed consolidated balance sheet, and had a remaining useful life of 13.5 years. Future amortization expense is $0.9 million for the remainder of 2021, $1.5 million for each of the years from 2022 to 2025 and $13.1 million thereafter.

***Asset Purchase Agreement with Alexion***

In June 2018, our subsidiary, Origin, entered into an Asset Purchase Agreement with Alexion Pharma Holding Unlimited Company ("Alexion") to acquire intellectually property rights, including patent rights, know-how, and contracts, related to the ALXN1101 molecule. Origin accounted for the transaction as an asset acquisition as substantially all of the estimated fair value of the gross assets acquired was concentrated in a single identified asset, IPR&D, thus satisfying the requirements of the screen test in ASU 2017-01. The assets acquired and liabilities assumed in the transaction were measured based on their fair values. The fair value of the IPR&D acquired was charged to research and development expense as it had no alternative future use at the time of the acquisition.

If certain substantive milestones are met, Origin could be required to pay up to $18.8 million under a certain condition laid out in the Asset Purchase Agreement, $3.0 million in regulatory milestone payments, $17.0 million in sales-based milestone payments, and pay royalties of up to low double-digit percentages on net sales. We recognized $2.0 million in research and development expense, representing a regulatory milestone payment upon FDA approval of Nulibry™, for the three months ended March 31, 2021. We recognized $1.0 million in selling, general and administrative expense, representing a sales-based milestone payment, for the three and six months ended June 30, 2021.

## 13. Leases

***Operating and Finance Leases***

We have operating leases for our corporate headquarters, office spaces and a laboratory facility. One of our office space leases has a finance lease component representing lessor provided furniture and office equipment.

Certain leases include renewal options at our discretion and we include the extension options when we are reasonably certain that the extension option will be exercised. The lease liabilities were measured using a weighted-average discount rate based on the most recent borrowing rate as of the calculation of the respective lease liability, adjusted for the remaining lease term and aggregate amount of the lease.

The components of lease cost are as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousands) | | (in thousands) | |
| Straight line operating lease costs | $ 1,256 | $ 995 | $ 2,621 | $ 1,689 |
| Finance lease costs | | | | |
| Straight line finance lease costs | 88 | — | 117 | — |
| Interest on finance lease liability | 28 | — | 56 | — |
| Variable lease costs | 969 | 142 | 1,720 | 301 |
| Total lease cost | $ 2,341 | $ 1,137 | $ 4,514 | $ 1,990 |

Supplemental cash flow information related to leases are as follows:

| | Six Months Ended June 30, | |
|---|---|---|
| | 2021 | 2020 |
| | (in thousands) | |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows for operating leases | $ 2,858 | $ 1,684 |
| Operating cash flows for finance lease — cash paid for interest | 63 | — |
| Financing cash flows for finance lease — cash paid for principal | 22 | — |
| Operating lease right-of-use assets obtained in exchange for operating lease obligations | 4,041 | 11,814 |

Supplemental information related to the remaining lease term and discount rate are as follows:

| | June 30, | |
|---|---|---|
| | 2021 | 2020 |
| Weighted-average remaining lease term (in years) | | |
| Operating leases | 6.3 | 5.3 |
| Finance lease | 4.6 | — |
| Weighted-average discount rate | | |
| Operating leases | 5.79% | 5.87% |
| Finance lease | 6.62% | — |

As of June 30, 2021, future minimum lease payments for our noncancelable leases are as follows:

| | Operating Leases | Finance Lease |
|---|---|---|
| | (in thousands) | |
| Remainder of 2021 | $ 2,783 | $ 151 |
| Year ending December 31: | | |
| 2022 | 5,360 | 420 |
| 2023 | 4,287 | 432 |
| 2024 | 4,011 | 445 |
| 2025 | 3,980 | 459 |
| Thereafter | 6,419 | 38 |
| Total future minimum lease payments | 26,840 | 1,945 |
| Imputed interest | (4,278) | (275) |
| Total | $ 22,562 | $ 1,670 |
| | | |
| Reported as of June 30, 2021 | | |
| Operating lease liabilities, current portion | $ 4,540 | |
| Operating lease liabilities, net of current portion | 18,022 | |
| Total operating lease liabilities | $ 22,562 | |
| Finance lease liability, current portion — Included in "Other accrued liabilities" | | $ 258 |
| Finance lease liability, net of current portion — Included in "Other liabilities" | | 1,412 |
| Total finance lease liability | | $ 1,670 |

We recognized an impairment loss for certain of our asset groups estimated using discounted cash flow model (income approach) during the three months ended March 31, 2021 of $3.3 million, which is included in selling, general and administrative expenses in our condensed consolidated statement of operations for the six months ended June 30, 2021. The impairment loss recorded includes $2.6 million related to operating lease right-of-use assets and $0.7 million related to property and equipment namely leasehold improvements and office furniture and equipment that we no longer use.

***Manufacturing Agreement***

In December 2019, we entered into a manufacturing agreement to secure clinical and commercial scale manufacturing capacity for the manufacture of batches of active pharmaceutical ingredients for product candidates of certain subsidiaries of BridgeBio. Unless terminated as allowed within the manufacturing agreement, the agreement will expire five years from when qualified operations begin. Under the terms of the agreement, we are assigned a dedicated manufacturing suite for certain months in each calendar year for a one-time fee of $10.0 million, which will be applied to the buildout, commissioning, qualification, validation, equipping and exclusive use of the dedicated manufacturing suite.

We recorded a construction-in-progress asset of $10.0 million for the payments directly associated with the dedicated manufacturing suite as these payments are deemed to represent a non-lease component. The construction and readiness determination phases of the dedicated manufacturing suite is expected to be completed in 2021. The remaining $2.0 million payable related to the dedicated manufacturing suite is recorded as part of “Other accrued liabilities” in the consolidated balance sheet as of June 30, 2021.

## 14. Share Repurchase Program and Shelf Registration

### *2021 Share Repurchase Program*

In May 2021, our Board of Directors authorized and approved a stock repurchase program pursuant to which we may purchase up to $150.0 million of BridgeBio's outstanding common stock. Stock repurchases under the program may be made from time to time, in the open market, in privately negotiated transactions and otherwise, at the discretion of our management and in accordance with applicable federal securities laws, including Rule 10b-18 of the Securities Exchange Act, of 1934, as amended, and other applicable legal requirements. The timing, pricing and amounts of these repurchases will depend on a number of factors, including the market price of our common stock and general market and economic conditions. The stock repurchase program does not obligate us to repurchase any dollar amount or number of shares, and the program may be suspended or discontinued at any time. As of June 30, 2021, we repurchased 104,694 shares in the open market at an average price of $50.71 per share for a total of $5.3 million. As of June 30, 2021, the repurchased shares are held in treasury as treasury stock.

### *2020 Shelf Registration*

In July 2020, we filed a shelf registration statement on Form S-3 (the "2020 Shelf") with the SEC in relation to the registration of common stock, preferred stock, debt securities, warrants and units or any combination thereof. We also simultaneously entered into an Open Market Sale Agreement with Jefferies LLC and SVB Leerink LLC (collectively, the "Sales Agents"), to provide for the offering, issuance and sale by us of up to an aggregate of $350.0 million of our common stock from time to time in "at-the-market" offerings under the 2020 Shelf and subject to the limitations thereof (the "2020 Sales Agreement"). We will pay to the applicable Sales Agents cash commissions of up to 3.0% of the gross proceeds of sales of common stock under the 2020 Sales Agreement. We have not issued any shares or received any proceeds from this offering as of June 30, 2021.

## 15. Stock-Based Compensation

Under each of the legal entity's equity plans, we recorded stock-based compensation in the following expense categories in our condensed consolidated statements of operations for employees and non-employees:

| | Three Months Ended June 30, 2021 | | | Six Months Ended June 30, 2021 | | |
|---|---|---|---|---|---|---|
| | BridgeBio Equity Plan | Other Subsidiaries Equity Plan | Total | BridgeBio Equity Plan | Other Subsidiaries Equity Plan | Total |
| | (in thousands) | | | | | |
| Research and development | $ 19,163 | $ 121 | $ 19,284 | $ 40,463 | $ 1,270 | $ 41,733 |
| Selling, general and administrative | 12,532 | 219 | 12,751 | 22,263 | 2,935 | 25,198 |
| Total stock-based compensation | $ 31,695 | $ 340 | $ 32,035 | $ 62,726 | $ 4,205 | $ 66,931 |

| | Three Months Ended June 30, 2020 | | | | Six Months Ended June 30, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | BridgeBio Equity Plan | Eidos Equity Plan | Other Subsidiaries Equity Plan | Total | BridgeBio Equity Plan | Eidos Equity Plan | Other Subsidiaries Equity Plan | Total |
| | (in thousands) | | | | | | | |
| Research and development | $ 7,617 | $ 1,448 | $ 106 | $ 9,171 | $ 8,220 | $ 2,363 | $ 228 | $ 10,811 |
| General and administrative | 7,905 | 1,270 | 46 | 9,221 | 15,365 | 2,282 | 156 | 17,803 |
| Total stock-based compensation | $ 15,522 | $ 2,718 | $ 152 | $ 18,392 | $ 23,585 | $ 4,645 | $ 384 | $ 28,614 |

We have recorded $1.9 million and $3.2 million of stock-based compensation expense for the three and six months ended June 30, 2021, respectively, for performance-based milestone awards that were achieved during the period and were settled in cash.

***Equity-Based Awards of BridgeBio***

As of June 30, 2021, 8,146,367 shares and 78,629 shares were reserved for future issuances under our 2019 Amended and Restated Stock Option and Incentive Plan (the "2019 A&R Plan") and the 2019 Inducement Equity Plan (the "2019 Inducement Plan"), respectively. Pursuant to the Merger Transactions, we also reserved 2,802,644 shares specifically under the Eidos Award Exchange (the "Eidos Award Exchange Plan"), all of which were issued upon execution of the Eidos Award Exchange as discussed below. The 2019 A&R Plan, the 2019 Inducement Plan and the Eidos Award Exchange Plan are collectively referred herein as the "Plans".

*2020 Stock and Equity Award Exchange Program (Exchange Program)*

On April 22, 2020, we completed our 2020 Stock and Equity Award Exchange Program (the "Exchange Program") for certain subsidiaries, which was an opportunity for eligible controlled entities' employees and consultants to exchange their subsidiary equity (including common stock, vested and unvested stock options and restricted stock awards (RSAs)) for BridgeBio equity (including common stock, vested and unvested stock options and RSAs) and/or performance-based milestone awards tied to the achievement of certain development and regulatory milestones. The Exchange Program aligns our incentive compensation structure for employees and consultants across the BridgeBio group of companies to be consistent with the achievement of our overall corporate goals. In connection with the Exchange Program, we issued awards of BridgeBio equity under the 2019 A&R Plan to 149 grantees covering 554,064 shares of common stock, 1,268,110 stock options to purchase common stock, 50,145 shares of RSAs and 22,611 shares of performance-based RSAs. The exchange also included performance-based milestone awards of up to $183.4 million to be settled in fully-vested RSAs in the future upon achievement of the milestones (collectively the "New Awards"). In consideration for all the subsidiaries' shares tendered, BridgeBio increased its ownership in controlled entities included in the Exchange Program and the corresponding noncontrolling interest decreased.

On November 18, 2020, we completed a stock and equity award under our Exchange Program for a subsidiary. We issued awards of BridgeBio equity under the 2019 A&R Plan to 16 grantees covering 24,924 shares of common stock, 70,436 stock options to purchase common stock, and 10,772 shares of performance-based stock options to purchase common stock. The exchange also included performance-based milestone awards of up to $11.7 million to be settled in fully-vested RSAs in the future upon achievement of the milestones.

We evaluated the exchange of the controlled entities' outstanding common stock and equity awards for BridgeBio awards as a modification under ASC 718, *Share Based Payments*. Under ASC 718, a modification is a change in the terms or conditions of a stock-based compensation award. In assessing the accounting treatment, we consider the fair value, vesting conditions and classification as an equity or liability award of the controlled entity equity before the exchange, compared to the BridgeBio equity received as part of the exchange to determine whether modification accounting must be applied. When applying modification accounting, we considered the type of modification to determine the appropriate stock-based compensation cost to be recognized on April 22 and November 18, 2020, (each the "Modification Date"), and subsequent to the Modification Date.

We considered the total shares of common stock and equity awards, whether vested or unvested, held by each participant in each controlled entity as the unit of account. The controlled entity's common stock and equity awards in each unit of account was exchanged for a combination of BridgeBio's common stock, time-based vesting equity awards and/or performance-based milestone awards. Other than the exchange of the controlled entity equity awards for performance-based milestone awards, all other exchanged BridgeBio equity awards retained the original vesting conditions. As a result, there was no incremental stock-based compensation expense resulting from the exchange of time-based equity awards.

At the completion of the Exchange Program, we determined $17.4 million of the performance-based milestone awards is probable of achievement and represented the incremental stock-based compensation cost resulting from the modification of time-based equity awards to performance-based milestone awards. These performance-based milestone awards were to be recognized over a period ranging from 0.7 year to 1.7 years. There was no incremental stock-based compensation cost arising from the completion of the Exchange Program on November 18, 2020. Under ASC 718, we account for such performance-based milestone awards as a liability in "Accrued compensation and benefits" and in "Other liabilities" in the condensed consolidated balance sheet due to the fixed milestone amount that will be converted into a variable number of shares of BridgeBio common stock to be granted upon the achievement date.

For the three and six months ended June 30, 2021, we recognized $13.3 million and $27.8 million, respectively, of stock-based compensation cost associated with performance-based milestone awards whereby the milestones were determined to be probable of achievement as of June 30, 2021. Refer to Note 8 for contingent compensation accrued associated with performance-based milestones that are determined to be probable as of June 30, 2021.

*Performance-based Milestone Awards*

Apart from the Exchange Program discussed above, we have performance-based milestone compensation arrangements with certain employees and consultants whose vesting is contingent upon meeting various regulatory and development milestones, with fixed monetary amounts known at inception that can be settled in the form of cash or equity at our sole discretion, upon achievement of each contingent milestone. Performance-based milestone awards are settled in the form of equity are satisfied in the form of fully-vested RSAs. We recognize such contingent stock-based compensation expense when the milestone is probable of achievement. For the three and six months ended June 30, 2021, we recognized $2.5 million and $6.0 million, respectively, of stock-based compensation cost associated with performance-based milestone awards whereby the milestones were determined to be probable of achievement as of June 30, 2021. Refer to Note 8 for contingent compensation accrued associated with performance-based milestones that are determined to be probable as of June 30, 2021.

*Stock Option Grants of BridgeBio*

The following table summarizes BridgeBio's stock option activity under the Plans for the six months ended June 30, 2021:

| | Options Outstanding | Weighted-Average Exercise Price per Option | Weighted-Average Remaining Contractual Life (years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| Outstanding as of December 31, 2020 | 6,778,112 | $ 23.83 | 8.8 | 320,473 |
| Outstanding as of December 31, 2020 — Exchange Program | 854,849 | $ 2.22 | 8.2 | 58,891 |
| Granted | 904,584 | $ 66.19 | | |
| Eidos Awards Exchange | 2,776,672 | $ 16.33 | | |
| Exercised | (231,849) | $ 19.60 | | |
| Exercised — Eidos Awards Exchange | (349,724) | $ 16.08 | | |
| Exercised — Exchange Program | (265,102) | $ 1.61 | | |
| Cancelled — Eidos Awards Exchange | (70,883) | $ 23.45 | | |
| Cancelled | (74,617) | $ 26.49 | | |
| Cancelled — Exchange Program | (1,478) | $ 3.37 | | |
| Outstanding as of June 30, 2021 | 7,376,230 | $ 29.13 | 8.5 | $ 239,513 |
| Outstanding as of June 30, 2021 — Eidos Awards Exchange | 2,356,065 | $ 16.15 | 7.2 | $ 105,589 |
| Outstanding as of June 30, 2021 — Exchange Program | 588,269 | $ 2.49 | 7.8 | $ 34,394 |
| Exercisable as of June 30, 2021 | 2,586,876 | $ 23.44 | 8.2 | $ 97,396 |
| Exercisable as of June 30, 2021 — Eidos Awards Exchange | 1,111,208 | $ 11.75 | 5.9 | $ 54,680 |
| Exercisable as of June 30, 2021 — Exchange Program | 476,202 | $ 1.99 | 7.7 | $ 28,083 |

The options granted to employees and non-employees are exercisable at the price of BridgeBio's common stock at the respective grant dates. The options granted have a service condition and generally vest over a period of four years.

The weighted-average grant date fair value of options granted during the six months ended June 30, 2021 was $32.18.

The aggregate intrinsic value of options outstanding and exercisable as of June 30, 2021 in the table above are calculated based on the difference between the exercise price and the current fair value of BridgeBio common stock. The total intrinsic value of options exercised during the six months ended June 30, 2021 was $40.8 million.

During the three and six months ended June 30, 2021, we recognized stock-based compensation expense of $7.8 million and $13.7 million, respectively, related to stock options under the Plans. As of June 30, 2021, there was $76.8 million of total unrecognized compensation cost related to stock options under the Plans that is expected to be recognized over a weighted-average period of 2.3 years.

*Restricted Stock Units (RSUs) of BridgeBio*

The following table summarizes BridgeBio's RSU activity under the Plans for the six months ended June 30, 2021:

| | Unvested Shares of RSUs Outstanding | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Balance as of December 31, 2020 | 1,053,838 | $ 34.21 |
| Granted | 986,344 | $ 66.65 |
| Vested | (251,350) | $ 43.50 |
| Cancelled | (145,520) | $ 52.22 |
| Balance as of June 30, 2021 | 1,643,312 | $ 50.65 |

During the three and six months ended June 30, 2021, we recognized stock-based compensation expense of $5.8 million and $10.5 million, respectively, related to RSUs under the Plans. As of June 30, 2021, there was $79.1 million of total unrecognized compensation cost related to RSUs under the Plans that is expected to be recognized over a weighted-average period of 3.2 years.

*Restricted Stock Awards (RSAs) of BridgeBio*

The following table summarizes our RSA activity under the Plans for the six months ended June 30, 2021:

| | Unvested Shares of RSAs Outstanding | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Balance as of December 31, 2020 | 3,364,366 | $ 4.47 |
| Granted — Exchange Program | 382,122 | $ 61.31 |
| Vested — Exchange Program | (382,122) | $ 61.31 |
| Vested | (890,800) | $ 2.91 |
| Cancelled | (5,150) | $ 7.27 |
| Balance as of June 30, 2021 | 2,468,416 | $ 5.03 |

During the three and six months ended June 30, 2021, we recognized stock-based compensation expense related to RSAs under the Plans as follows:

| | Three Months Ended June 30, 2021 | Six Months Ended June 30, 2021 |
|---|---|---|
| | (in thousands) | |
| Exchange Program | $ 16,704 | $ 23,427 |
| Other RSAs | 1,489 | 3,268 |
| Total stock-based compensation expense | $ 18,193 | $ 26,695 |

As of June 30, 2021, there was $13.2 million of total unrecognized compensation cost related to RSAs under the Plans that is expected to be recognized over a weighted-average period of 2.4 years. The respective balances of unvested RSAs as of June 30, 2021 and December 31, 2020 are included as outstanding shares disclosed in the condensed consolidated balance sheets as the shares were actually issued but are subject to forfeiture per the terms of the awards.

*2019 Employee Stock Purchase Plan (ESPP) of BridgeBio*

During the three and six months ended June 30, 2021, stock-based compensation expense related to our ESPP was immaterial. As of June 30, 2021, 4,286,364 shares were reserved for future issuance under the ESPP.

*Valuation Assumptions*

We used the Black-Scholes model to estimate the fair value of stock options and stock purchase rights under the ESPP. For the six months ended June 30, 2021, we used the following weighted-average assumptions in the Black-Scholes calculations:

| | Six Months Ended June 30, 2021 | |
|---|---|---|
| | Stock Options | ESPP |
| Expected term (in years) | 6.0-6.02 | 0.40 - 0.65 |
| Expected volatility | 51.43%-51.97% | 47.61% - 51.97% |
| Risk-free interest rate | 0.63%-1.09% | 0.06% - 0.13% |
| Dividend yield | — | — |
| Weighted-average fair value of stock-based awards granted | $ 32.18 | $ 15.05 |

The weighted-average fair values of stock-based awards granted during the six months ended June 30, 2021 were driven primarily by the market price of our common stock during the period.

***Equity Awards of Eidos***

Prior to the Merger Transactions, Eidos issued its own equity-based awards under the Eidos 2016 Equity Incentive Plan and the Eidos 2018 Stock Option and Incentive Plan (collectively, the “Eidos Plans). Upon closing of the Merger Transactions, we issued 2,776,672 stock options to purchase common stock of BridgeBio and 25,972 shares of BridgeBio RSUs to 88 employees of Eidos under the Eidos Award Exchange in exchange for their then outstanding common stock options and RSUs under the Eidos Plans (the “Replaced Awards”). The awards issued in the Eidos Award Exchange have the same vesting terms and conditions as the Replaced Awards. We evaluated the exchange of the awards as a modification under ASC 718 and recognized no incremental compensation cost from such modification.

Stock-based compensation under the Eidos Plans from January 1, 2021 until the closing of the Merger Transactions was immaterial.

## 16. Income Taxes

BridgeBio is subject to U.S. federal and state income taxes as a corporation. BridgeBio’s tax provision and the resulting effective tax rate for interim periods is determined based upon its estimated annual effective tax rate adjusted for the effect of discrete items arising in that quarter. There was no provision for income tax for the three and six months ended June 30, 2021 and 2020.

Deferred tax assets and deferred tax liabilities are recognized based on temporary differences between the financial reporting and tax basis of assets and liabilities using statutory rates. A valuation allowance is recorded against deferred tax assets if it is more likely than not that some or all of the deferred tax assets will not be realized. Due to the uncertainty surrounding the realization of the favorable tax attributes in future tax returns, we have recorded a full valuation allowance against our otherwise recognizable net deferred tax assets.

As a result of the issuance of our 2027 Notes in 2020, it was determined that our existing deferred tax assets do not fully offset the deferred tax liabilities when reviewing the reversals of temporary differences. This resulted in a deferred tax liability of $1.1 million that was recognized for the year ended December 31, 2020. As discussed in Note 2, we have derecognized the deferred tax liability on January 1, 2021 upon early adoption of ASU 2020-06, with no impact on the provision for income tax.

Our policy is to recognize interest and penalties associated with uncertain tax benefits as part of the income tax provision and include accrued interest and penalties with the related income tax liability on the condensed consolidated balance sheet. To date, we have not recognized any interest and penalties in our condensed consolidated statements of operations, nor have we accrued for or made payments for interest and penalties. Our unrecognized gross tax benefits would not reduce the estimated annual effective tax rate if recognized because we have recorded a full valuation allowance on its deferred tax assets.

## 17. Net Loss Per Share

The following common stock equivalents were excluded from the computation of diluted net loss per share, because including them would have been antidilutive:

| | As of June 30, | |
|---|---|---|
| | 2021 | 2020 |
| Unvested RSAs | 2,468,416 | 4,460,495 |
| Unvested RSUs | 1,643,312 | 1,099,165 |
| Unvested market-based RSUs | — | 55,614 |
| Unvested performance-based RSUs | 66,683 | 14,450 |
| Unvested performance-based RSAs | — | 22,611 |
| Common stock options issued and outstanding | 10,320,564 | 7,954,519 |
| Estimated shares issuable under performance-based milestone compensation arrangements | 3,785,559 | — |
| Estimated shares issuable under the ESPP | 37,649 | 38,110 |
| Assumed conversion of 2027 Notes | 12,878,305 | 12,878,305 |
| Assumed conversion of 2029 Notes | 7,702,988 | — |
| | 38,903,476 | 26,523,269 |

Our 2029 Notes and 2027 Notes are convertible, based on the applicable conversion rate, into cash, shares of our common stock or a combination thereof, at our election.

As discussed in Notes 8 and 15, we have performance-based milestone compensation arrangements, whose vesting is contingent upon meeting various regulatory and development milestones, with fixed monetary amounts known at inception that can be settled in the form of cash or equity at our sole election, upon achievement of each contingent milestone. The common stock equivalents of such arrangements were estimated assuming the contingent milestones were achieved as of the reporting date and the arrangements were all settled in equity.

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

*You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed financial statements and related notes included in this Quarterly Report on Form 10-Q 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, as filed with the Securities and Exchange Commission (the "SEC") on February 25, 2021.*

*This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In some cases, you can identify these statements by forward-looking words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "should," "estimate," or "continue," and similar expressions or variations. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, as updated by the information, if any, in Part II, Item 1A, "Risk Factors" included in this Quarterly Report on Form 10-Q. The forward-looking statements in this Quarterly Report on Form 10-Q represent our views as of the date of this Quarterly Report on Form 10-Q. Except as may be required by law, we assume no obligation to update these forward-looking statements or the reasons that results could differ from these forward-looking statements. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report on Form 10-Q.*

**Overview**

We are a team of experienced drug discoverers, developers, and innovators working to create life-altering medicines that target well-characterized genetic diseases at their source. We founded BridgeBio in 2015 to identify and advance transformative medicines to treat patients who suffer from Mendelian diseases, which are diseases that arise from defects in a single gene, and cancers with clear genetic drivers. Our pipeline of over 30 development programs includes product candidates ranging from early discovery to late-stage development. Several of our programs target indications that we believe present the potential for our product candidate, if approved, to target portions of market opportunities of at least $1.0 billion in annual sales.

We focus on genetic diseases because they exist at the intersection of high unmet patient need and tractable biology. Our approach is to translate research pioneered at academic laboratories and leading medical institutions into products that we hope will ultimately reach patients. We are able to realize this opportunity through a confluence of scientific advances: (i) identification of the genetic underpinnings of disease as more cost-efficient genome and exome sequencing becomes available; (ii) progress in molecular biology; and (iii) the development and maturation of longitudinal data and retrospective studies that enable the linkage of genes to diseases. We believe that this early-stage innovation represents one of the greatest practical sources for new drug creation.

Since our inception in 2015, we have focused substantially all of our efforts and financial resources on acquiring and developing product and technology rights, building our intellectual property portfolio and conducting research and development activities for our product candidates within our wholly-owned subsidiaries and controlled entities, including partially-owned subsidiaries and subsidiaries we consolidate based on our deemed majority control of such entities as determined using either the variable interest entity, or VIE model, or the voting interest entity, or VOE model. To support these activities, we and our wholly-owned subsidiary, BridgeBio Services, Inc., (i) identify and secure new programs, (ii) set up new wholly-owned subsidiaries and controlled entities, (iii) recruit key management team members, (iv) raise and allocate capital across the portfolio and (v) provide certain shared services, including accounting, legal, information technology and human resources, as well as workspaces. Our products, Nulibry™ and Truseltiq™, were approved by the U.S. Food and Drug Administration (FDA) in February and May 2021, respectively, and we started selling these in the second quarter of 2021. We have not generated any significant revenue from sale of these products. To date, we have funded our operations with proceeds from the sale of our equity securities, issuance of convertible notes, debt borrowings and, to a lesser extent, revenue from licensing arrangements.

Due to the inherently unpredictable nature of preclinical and clinical development, and given our novel therapeutic approaches and the stage of development of our product candidates, we cannot determine and are unable to estimate with certainty the timelines we will require and the costs we will incur for the development of our product candidates. Clinical and preclinical development timelines and costs, and the potential of development success, can differ materially from expectations due to a variety of factors. For example, in light of developments relating to the global pandemic of SARS-CoV-2, the novel strain of coronavirus that causes Coronavirus disease 19, or COVID-19, the resources of healthcare providers and hospitals have been focused on fighting the virus, and, we have experienced delays in or temporary suspension of the enrollment of patients in our subsidiaries' ongoing clinical trials. We additionally may experience delays in certain ongoing key program activities, including commencement of planned clinical trials, as well as non-clinical experiments and investigational new drug application-enabling good laboratory practice toxicology studies. The exact duration of delays and their overall impact on our business are currently unknown, and we are continuing to actively monitor the COVID-19 pandemic as it continues to rapidly evolve. Accordingly, we may take further precautionary and preemptive actions as may be required by federal, state or local authorities or that we determine are in the best interests of public health and safety and that of our patient community, employees, partners, suppliers and stockholders. We cannot predict the effects that such actions, the duration of the COVID-19 pandemic or its continuing impact on global business operations and economic conditions, may have on our business or strategy, including the effects on our ongoing and planned clinical development activities and prospects, or on our financial and operating results. For example, depending on the full impact and prevalence of COVID-19 over time, we anticipate that we will report initial data from the ongoing Phase 2 dose-escalation and expansion study of infigratinib in children with achondroplasia by the end of 2021.

**Results of Operations**

The following table summarizes the results of our operations for the periods indicated:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| License revenue | $ 53,037 | $ — | $ 53,499 | $ — |
| Product sales | 987 | — | 987 | — |
| Cost of products sold | 109 | — | 109 | — |
| Research and development | 101,960 | 86,598 | 224,519 | 154,823 |
| Selling, general and administrative | 45,970 | 37,969 | 91,377 | 72,231 |
| Loss from operations | (94,015) | (124,567) | (261,519) | (227,054) |
| Net loss | (102,074) | (136,214) | (273,156) | (240,296) |
| Net loss attributable to common stockholders of BridgeBio | (96,348) | (121,034) | (259,427) | (212,884) |

| | June 30, 2021 | December 31, 2020 |
|---|---|---|
| Cash, cash equivalents and marketable securities | $898,351 | $ 607,093 |

***Cash, Cash Equivalents and Marketable Securities***

As of June 30, 2021 we had cash, cash equivalents and marketable securities of $898.4 million. In January 2021, we issued an aggregate principal amount of $747.5 million of our 2.25% Convertible Senior Notes due 2029, or the 2029 Notes, in a private offering, or the 2021 Note Offering, to qualified institutional buyers. We received net proceeds from the 2021 Note Offering of approximately $731.4 million, after deducting the purchasers' discount. We used approximately $61.3 million of the net proceeds from the 2021 Note Offering to pay for the cost of capped call transactions and approximately $50.0 million to pay for the repurchase of shares of our common stock. On January 26, 2021, we closed and completed the Merger Transactions with Eidos. The acquisition of the outstanding Eidos common stock was settled through cash payments of $21.3 million and the issuance of shares of our common stock. In April 2021, we executed the Sixth Amendment to the Loan and Security Agreement with Hercules Capital, Inc., or Hercules, in which we received an additional term loan principal of $25.0 million. We used a portion of the proceeds from such borrowing to prepay the outstanding principal of $17.5 million under Eidos' Loan and Security Agreement with Silicon Valley Bank and Hercules or the SVB and Hercules Loan Agreement. In May 2021, we invested $20.0 million of our available cash in equity securities of publicly held companies. In May 2021, we received $20.0 million in upfront payment arising from the QED-Helsinn License and Collaboration Agreement.

***Revenue***

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| | (in thousands) | | | | | |
| Revenue: | | | | | | |
| License revenue | $ 53,037 | $ — | $ 53,037 | $ 53,499 | $ — | $ 53,499 |
| Product sales | 987 | — | 987 | 987 | — | 987 |
| Total revenue | $ 54,024 | $ — | $ 54,024 | $ 54,486 | $ — | $ 54,486 |

License revenue for the three and six months ended June 30, 2021 is comprised primarily of the recognition of upfront and launch milestone payments in connection with the QED-Helsinn License and Collaboration Agreement of $44.4 million. We also recognized $8.5 million in license revenue in connection with the achievement of a regulatory milestone under the License Agreement between Navire and LianBio.

Our product sales for the three and six months ended June 30, 2021 represent the initial sales of Truseltiq™ and Nulibry™, both of which were approved by the FDA in May and February 2021, respectively.

***Operating Costs and Expenses***

*Cost of Products Sold*

Our cost of products sold amounted to $0.1 million for the three and six months ended June 30, 2021.

*Research and Development Expenses*

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| | (in thousands) | | | | | |
| Research and development | $ 101,960 | $ 86,598 | $ 15,362 | $ 224,519 | $ 154,823 | $ 69,696 |

Research and development expense increased by $15.4 million and $69.7 million for the three and six months ended June 30, 2021 compared to the same periods in 2020 primarily due to an increase in personnel costs and external costs. The increase in personnel costs was attributed to increase in the number of employees to support progression in our research and development programs, including our increasing research pipeline, as well as increases in stock-based compensation related to performance-based milestone compensation arrangements for regulatory and development milestones achieved and determined to be probable of achievement. Stock-based compensation recorded in research and development expense for the three and six months ended June 30, 2021 was $19.3 million and $41.7 million, respectively, as compared to $9.2 million and $10.8 million, respectively, for the same periods in the prior year. The increase in external costs was a result of increased manufacturing activities for early to late stage programs and one-time in-licensing development and regulatory milestone payments.

Under the QED-Helsinn License and Collaboration Agreement, Helsinn shares 60% of our research and development costs for infigratinib for certain indications as agreed under the agreement. For the three and six months ended June 30, 2021, the research and development costs sharing amounted to $19.5 million which were reflected as a reduction of research and development expenses.

Research and development costs consist primarily of external costs, such as fees paid to consultants, contractors, contract manufacturing organizations, or CMOs, and contract research organizations, or CROs, in connection with our preclinical and clinical development activities and are tracked on a program-by-program basis. License fees and other costs incurred after a product candidate has been designated and that are directly related to the product candidate are included in the specific program expense. License fees and other costs incurred prior to designating a product candidate are included in early stage research programs.

The following table summarizes our research and development expenses by program incurred for the following periods:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (in thousands) | | | |
| Acoramidis (Previously known as BBP-265 or AG10) (Eidos) | $ 13,955 | $ 18,055 | $ 35,171 | $ 35,863 |
| Infigratinib (Previously known as BBP-831) (QED) | 6,151 | 25,598 | 31,695 | 46,441 |
| Fosdenopterin (Previously known as BBP-870) (Origin) | 2,957 | 6,004 | 16,208 | 10,759 |
| BBP-631 (Adrenas) | 5,443 | 6,435 | 27,618 | 9,799 |
| BBP-418 (ML Bio) | 2,241 | 4,544 | 4,910 | 6,493 |
| Other programs including early-stage | 71,213 | 25,962 | 108,917 | 45,468 |
| Total | $ 101,960 | $ 86,598 | $ 224,519 | $ 154,823 |

***Selling, General and Administrative Expenses***

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| | (in thousands) | | | (in thousands) | | |
| Selling, general and administrative | $ 45,970 | $ 37,969 | $ 8,001 | $ 91,377 | $ 72,231 | $ 19,146 |

Selling, general and administrative expenses increased by $8.0 million and $19.1 million for the three and six months ended June 30, 2021, respectively, compared to the same periods in 2020 due to costs incurred to support organizational growth, including staged build out of our commercial organization as part of commercial launch readiness activities. Selling, general and administrative expenses for the six months ended June 30, 2021 also includes accelerated recognition of stock-based compensation arising from the merger with Eidos during the first quarter of 2021.

Under the QED-Helsinn License and Collaboration Agreement, the parties co-commercialize TruseltiqTM in the United States and share profits and losses on a 50:50 basis. Following the FDA approval of TruseltiqTM in May 2021, we accounted for Helsinn's share of the co-commercialization loss of $4.1 million as a reduction of selling, general and administrative expenses for the three and six months ended June 30, 2021.

***Other Income (Expense), Net***

*Interest Income*

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| | (in thousands) | | | (in thousands) | | |
| Interest income | $ 323 | $ 934 | $ (611) | $ 717 | $ 2,875 | $ (2,158) |

Interest income consists of interest income earned on our cash equivalents and marketable securities. The decrease in interest income for the three and six months ended June 30, 2021 compared to the same periods in 2020 was driven by a general decline in interest rates that began at the start of the COVID-19 pandemic and continued through the current period.

*Interest Expense*

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| Interest expense | $ (10,839) | $ (10,754) | $ (85) | $ (20,577) | $ (14,764) | $ (5,813) |

Interest expense for the three and six months ended June 30, 2021 consists primarily of interest expense incurred under our 2029 Notes issued in January 2021, our 2027 Notes issued in March 2020, our term loans with Hercules pursuant to our Loan and Security Agreement, dated June 19, 2018, as amended, and Eidos' term loan with Silicon Valley Bank and Hercules pursuant to its Loan and Security Agreement, dated November 13, 2019, or the SVB and Hercules Loan Agreement, which was prepaid in full in April 2021. Interest expense for the same period in 2020 consists primarily of interest expense incurred under our 2027 Notes and our term loans with Hercules and SVB and Hercules. The increase of $0.1 million and $5.8 million for the three and six months ended June 30, 2021 compared to the same period in 2020 was primarily attributed to increases in principal amounts.

*Other Income (Expense), net*

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| Other income | $ 2,457 | $ (1,827) | $ 4,284 | $ 8,223 | $ (1,353) | $ 9,576 |

Other income (expense) consists mainly of changes in fair value of the LEO Call Option liability. The LEO Call Option was subject to remeasurement to fair value at each balance sheet date until the LEO Call Option either was exercised, terminated or had expired. As a result of the notice of termination by LEO of the LEO call option, we have derecognized the LEO call option liability balance of $5.6 million as of March 2021.

**Liquidity and Capital Resources**

We have historically financed our operations primarily through the sale of our equity securities, issuance of convertible notes, debt borrowings and revenue from certain licensing arrangements. As of June 30, 2021, we had cash, cash equivalents and marketable securities of $898.4 million. The funds held by our wholly-owned subsidiaries and controlled entities are available for specific entity usage, except in limited circumstances. As of June 30, 2021, our outstanding debt was $1,373.9 million, net of debt discounts and issuance costs and accretion.

Since inception, we have incurred significant operating losses. For the years ended December 31, 2020, 2019 and 2018, we incurred net losses of $505.5 million, $288.6 million and $169.5 million, respectively. For the six months ended June 30, 2021, we incurred net losses of $273.2 million. We had an accumulated deficit as of June 30, 2021 of $1,133.9 million. We expect to continue to incur net losses over the next several years as we continue our drug development and discovery efforts and incur significant clinical and preclinical development costs related to our current research and development programs as well as costs related to commercial launch readiness for our late-stage programs. In particular, to the extent we advance our programs into and through later-stage clinical trials without a partner, we will incur substantial expenses. Our current business plan is also subject to significant uncertainties and risks as a result of, among other factors, our ability to generate product sale sufficient to achieve profitability, which will depend heavily on the successful development and eventual commercialization of our product candidates at our consolidated entities.

Our short-term and long-term liquidity requirements include contractual payments related to our 2029 Notes, 2027 Notes, term loans and obligations under our real estate leases.

We also have performance-based milestone compensation arrangements with certain employees and consultants, whose vesting is contingent upon meeting various regulatory and development milestones, with fixed monetary amounts known at inception that can be settled in the form of cash or equity at our sole election, upon achievement of each contingent milestone.

Additionally, we have certain contingent payment obligations under various license and collaboration agreements in which we are required to make milestone payments upon successful completion and achievement of certain intellectual property, clinical, regulatory and sales milestones. We also enter into agreements in the normal course of business with CROs and other vendors for clinical trials and with vendors for preclinical studies and other services and products for operating purposes, which are generally cancelable upon written notice.

We expect our cash and cash equivalents and marketable securities will fund our operations for at least the next 12 months based on current operating plans and financial forecasts. If our current operating plans or financial forecasts change, including the effects of the COVID-19 pandemic on our research and development activities, we may require additional funding sooner in the form of public or private equity offerings, debt financings or additional collaborations and licensing arrangements. However, future financing may not be available in amounts or on terms acceptable to us, if at all.

In addition, we are closely monitoring ongoing developments in connection with the COVID-19 pandemic, which may negatively impact our financial and operating results. We will continue to assess our operating costs and expenses and our cash and cash equivalents and, if circumstances warrant, we will make appropriate adjustments to our operating plan.

***Sources of Liquidity***

*Initial public offerings and at-the-market share issuances*

In June 2018, our then controlled subsidiary, Eidos, completed its U.S. initial public offering of its common stock of which net proceeds received were $95.5 million ("Eidos IPO"). In December 2019 and February 2020, Eidos received net proceeds of $23.9 million and $24.1 million, respectively, from its at-the-market issuance of shares. All cash and cash equivalents held by Eidos are restricted and can be applied solely to fund the operations of Eidos.

On July 1, 2019, we completed the IPO of our common stock. As part of the IPO, we issued and sold 23,575,000 shares of our common stock, which included 3,075,000 shares sold pursuant to the exercise of the underwriters' option to purchase additional shares, at a public offering price of $17.00 per share. We received net proceeds of approximately $366.2 million from the IPO, after deducting underwriters' discounts and commissions of $28.1 million and offering costs of $6.5 million.

On July 7, 2020, we filed the 2020 Shelf with the SEC in relation to the registration of common stock, preferred stock, debt securities, warrants and units or any combination thereof. We also simultaneously entered into the 2020 Sales Agreement with the Sales Agents, to provide for the offering, issuance and sale by us of up to an aggregate of $350.0 million of our common stock from time to time in "at-the-market" offerings under the 2020 Shelf and subject to the limitations thereof. We will pay to the applicable Sales Agents cash commissions of up to 3.0% of the gross proceeds of sales of common stock under the 2020 Sales Agreement. We have not issued any shares or received any proceeds from this offering through June 30, 2021.

*Debt*

2029 Notes

On January 28, 2021, we issued an aggregate of $717.5 million principal amount of our 2029 Notes, pursuant to an Indenture dated January 28, 2021, or the 2029 Notes Indenture, between us and U.S. Bank National Association, as trustee, or the 2029 Notes Trustee, in a private offering to qualified institutional buyers, or the 2021 Note Offering, pursuant to Rule 144A under the Securities Act of 1933, as amended, or the Securities Act. The 2029 Notes issued in the 2021 Note Offering include $67.5 million aggregate principal amount of 2029 Notes sold to the initial purchasers, or the 2029 Notes Initial Purchasers, pursuant to the exercise in part of the 2029 Notes Initial Purchasers' option to purchase $97.5 million principal amount of additional 2029 Notes. On January 28, 2021, the 2029 Notes Initial Purchasers exercised the remaining portion of their option to purchase $30.0 million principal amount of additional 2029 Notes. The sale of those additional 2029 Notes closed on February 2, 2021.

The 2029 Notes will accrue interest payable semiannually in arrears on February 1 and August 1 of each year, beginning on August 1, 2021, at a rate of 2.25% per year. The 2029 Notes will mature on February 1, 2029, unless earlier converted, redeemed or repurchased. The 2029 Notes are convertible into cash, shares of BridgeBio's common stock or a combination of cash and shares of BridgeBio's common stock, at our election.

We received net proceeds from the 2021 Note Offering of approximately $731.4 million, after deducting the 2029 Notes Initial Purchasers' discount (there were no direct offering expenses borne by us for the 2029 Notes). We used approximately $61.3 million of the net proceeds from the 2021 Note Offering to pay for the cost of the 2021 Capped Call Transactions and approximately $50.0 million to pay for the repurchase of shares of BridgeBio common stock described below. We intend to use the remainder of the net proceeds from the 2021 Note Offering for general corporate purposes, which may include research and development and clinical development costs to support the advancement of our drug candidates, including the continued growth of our commercial and medical affairs capabilities, the conduct of clinical trials and preclinical research and development activities; working capital; capital expenditures; repayment of outstanding indebtedness; general and administrative expenses; and other general corporate purposes.

A holder of 2029 Notes may convert all or any portion of its 2029 Notes at its option at any time prior to the close of business on the business day immediately preceding November 1, 2028 in multiples of $1,000 only under the following circumstances:

- During any calendar quarter commencing after the calendar quarter ending on June 30, 2021 (and only during such calendar quarter), if the last reported sale price of BridgeBio's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- During the five business day period after any five consecutive trading day period, or the measurement period, in which the "trading price" (as defined in the 2029 Notes Indenture) per $1,000 principal amount of 2029 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of BridgeBio's common stock and the conversion rate on each such trading day;

- If we call such notes for redemption, at any time prior to the close of business on the second business day immediately preceding the redemption date; or
- Upon the occurrence of specified corporate events.

On or after November 1, 2028 until the close of business on the second scheduled trading day immediately preceding the maturity date, a holder may convert all or any portion of its 2029 Notes at any time, regardless of the foregoing.

The conversion rate will initially be 10.3050 shares of BridgeBio's common stock per $1,000 principal amount of 2029 Notes (equivalent to an initial conversion price of approximately $97.04 per share of BridgeBio's common stock, for a total of approximately 7,702,988 shares).

The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 2029 Notes in connection with such a corporate event. The maximum number of shares issuable should there be an increase in the conversion rate is 11,361,851 shares of BridgeBio's common stock.

We may not redeem the 2029 Notes prior to February 6, 2026. We may redeem for cash all or any portion of the 2029 Notes, at our option, on a redemption date occurring on or after February 6, 2026 and on or before the 41st scheduled trading day immediately before the maturity date, under certain circumstances. No sinking fund is provided for the Notes. If we undergo a fundamental change (as defined in the 2029 Notes Indenture), holders may require us to repurchase for cash all or any portion of their 2027 Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2029 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The 2029 Notes Indenture contains customary terms and covenants, including that upon certain events of default occurring and continuing, either the 2029 Notes Trustee or the holders of not less than 25% in aggregate principal amount of the 2029 Notes then outstanding may declare the entire principal amount of all the Notes plus accrued special interest, if any, to be immediately due and payable. The 2029 Notes are our general unsecured obligations and rank senior in right of payment to all of our indebtedness that is expressly subordinated in right of payment to the 2029 Notes; equal in right of payment with all of our liabilities that are not so subordinated, including our 2027 Notes; effectively junior to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries.

2027 Notes

On March 9, 2020, we issued an aggregate principal amount of $550.0 million of our 2027 Notes, pursuant to an Indenture dated March 9, 2020, or the 2027 Notes Indenture, between BridgeBio and U.S. Bank National Association, as trustee, or the 2027 Notes Trustee, in a private offering to qualified institutional buyers, or the 2021 Note Offering, pursuant to the Securities Act. The 2027 Notes issued in the 2020 Note Offering include $75.0 million aggregate principal amount of 2027 Notes sold to the initial purchasers in the offering, or the Initial Purchasers, pursuant to the exercise in full of their option to purchase additional 2027 Notes.

The 2027 Notes are senior, unsecured obligations of BridgeBio and will accrue interest payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2020, at a rate of 2.50 % per year. The 2027 Notes will mature on March 15, 2027, unless earlier converted or repurchased. The 2027 Notes are convertible into cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

We received net proceeds from the 2020 Note Offering of approximately $537.0 million, after deducting the 2027 Notes Initial Purchasers' discount and offering expenses. We used approximately $49.3 million of the net proceeds from the 2020 Note Offering to pay for the cost of the 2020 Capped Call Transactions, and approximately $75.0 million to pay for the repurchases of shares of our common stock. We intend to use the remainder of the net proceeds from the 2020 Note Offering for working capital and other general corporate purposes, including for our commercial organization and launch preparations. We may also use any remaining net proceeds to fund possible acquisitions of, or investments in, complementary businesses, products, services and technologies.

A holder of 2027 Notes may convert all or any portion of its 2027 Notes at its option at any time prior to the close of business on the business day immediately preceding December 15, 2026 in multiples of $1,000 only under the following circumstances:

- During any calendar quarter commencing after the calendar quarter ending on June 30, 2020 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;

- During the five business day period after any five consecutive trading day period, or the measurement period, in which the "trading price" (as defined in the Indenture) per $1,000 principal amount of 2027 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; or
- Upon the occurrence of specified corporate events.

On or after December 15, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date, a holder may convert all or any portion of its 2027 Notes at any time, regardless of the foregoing.

The conversion rate will initially be 23.4151 shares of our common stock per $1,000 principal amount of 2027 Notes (equivalent to an initial conversion price of approximately $42.71 per share of our common stock, for a total of approximately 12,878,305 shares). The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 2027 Notes in connection with such a corporate event. The maximum number of shares issuable should there be an increase in the conversion rate is 17,707,635 shares of our common stock.

We may not redeem the 2027 Notes prior to the maturity date, and no sinking fund is provided for the 2027 Notes. If we undergo a fundamental change (as defined in the 2027 Notes Indenture), holders may require us to repurchase for cash all or any portion of their 2027 Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2027 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The 2027 Notes Indenture contains customary terms and covenants, including that upon certain events of default occurring and continuing, either the 2027 Notes Trustee or the holders of not less than 25% in aggregate principal amount of the 2027 Notes then outstanding may declare the entire principal amount of all the Notes plus accrued special interest, if any, to be immediately due and payable. The 2027 Notes are our general unsecured obligations and rank senior in right of payment to all of our indebtedness that is expressly subordinated in right of payment to the 2027 Notes; equal in right of payment with all of our liabilities that are not so subordinated, including our 2029 Notes; effectively junior to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries.

Hercules Loan and Security Agreement

In June 2018, we executed a Loan and Security Agreement with Hercules Capital, Inc., or Hercules, under which we borrowed $35.0 million, or Tranche I. The term of the loan was approximately 42 months, with a maturity date of January 1, 2022, or the Maturity Date. No principal payments were due during an interest-only period, commencing on the initial borrowing date and continuing through July 1, 2020, or the Amortization Date. In December 2018, we executed the First Amendment to the Loan and Security Agreement, whereby we borrowed an additional $20.0 million, or Tranche II, to increase the total principal balance outstanding to $55.0 million. Upon draw of the additional $20.0 million, the interest-only period on the entire facility was extended until January 1, 2021 and the maturity date for the entire facility was July 1, 2022. In May 2019, we executed the Second Amendment to the Loan and Security Agreement whereby we borrowed an additional $20.0 million, or Tranche III, to increase the total principal balance outstanding to $75.0 million.

In July 2019, the completion of BridgeBio's IPO triggered certain provisions of the Hercules Term Loan. BridgeBio received an option to pay up to 1.5% of scheduled cash pay interest on the entire facility as payment in kind, or PIK Interest, with such cash pay interest paid as PIK Interest at a 1:1.2 ratio. The interest-only period will continue through July 1, 2021, or the Modified Amortization Date, and the entire facility received a maturity date of January 1, 2023, or the Modified Maturity Date. The outstanding balance of the Hercules Term Loan is to be repaid by BridgeBio monthly beginning on the Modified Amortization Date and extending through the Modified Maturity Date.

Prior to the Fourth Amendment to the Loan and Security Agreement, or the Amended Hercules Term Loan, described below, the interest rate for the Hercules Term Loan was established as follows: (1) Tranche I bears interest at a floating rate equal to the greater of: (i) the prime rate as reported in the Wall Street Journal plus 3.85% and (ii) 8.85%, payable monthly; (2) Tranche II bears interest at a floating rate equal to the greater of: (i) the prime rate as reported in the Wall Street Journal plus 2.85% and (ii) 8.60%, payable monthly; and (3) Tranche III bears interest at a floating rate equal to the greater of: (i) the prime rate as reported in the Wall Street Journal plus 3.10% and (ii) 9.10%, payable monthly.

The Hercules Term Loan contains customary representations and warranties, events of default, and affirmative and negative covenants for a term loan facility of this size and type. However, Hercules imposes no liquidity covenants on us and Hercules cannot limit or restrict our ability to dispose of assets, make investments, or make acquisitions. As pledged collateral for our obligations under the Hercules Term Loan, we granted Hercules a security interest in all of our assets or personal property, including all equity interests owned or hereafter acquired by us. Further, at Hercules' sole discretion we must make a mandatory prepayment equal to 75% of net cash proceeds received from the sale or licensing of any pledged or collateral assets, including intellectual property, of a consolidated entity owned by us, or the repurchase or redemption of any pledged collateral by certain specified operating companies. None of our consolidated entities are a party to, nor provide any credit support or other security in connection with the Hercules Term Loan.

In March 2020, we executed the Third Amendment to the Loan and Security Agreement primarily to allow us to issue our 2027 Notes and to enter into the Capped Call and Share Repurchase Transactions.

In April 2020, we entered into the Fourth Amendment to the Loan and Security Agreement, which among other things, extended the interest-only period and maturity date of the term loans, provided for certain interest rate reduction and increased the available loan facilities under the Loan and Security Agreement.

In January 2021, we executed the Fifth Amendment to the Loan and Security Agreement primarily to allow us to issue our 2029 Notes and to enter into the related 2021 Capped Call and share repurchase transactions.

In April 2021, we executed the Sixth Amendment to the Loan and Security Agreement (the "Amended Hercules Term Loan"), which among other things:

(1) provided for an additional principal borrowing amounting to $25.0 million ("Tranche IV", the proceeds of which were received by us upon the execution of the Amended Hercules Term Loan),

(2) extended the interest-only period under the Loan and Security Agreement to June 1, 2024 (the "Amended Amortization Date") which may be further extended to June 1, 2025, subject to certain conditions set forth in the Amended Hercules Term Loan,

(3) extended the maturity date for the term loans under the Loan and Security Agreement to May 1, 2025, which may be further extended to May 1, 2026, subject to certain conditions set forth in the Amended Hercules Term Loan,

(4) provided for an interest rate on the outstanding principal balance equal to the greater of (x) a floating interest rate linked to the prime rate as reported in the Wall Street Journal plus 4.40% and (y) 7.65% (7.65% as of June 30, 2021), payable monthly, and

(5) provided for additional available facilities aggregating to $185.0 million, which comprises of: (a) an additional incremental loan in the amount of $70.0 million, available no later than June 15, 2022, (b) an additional incremental loan following the achievement of certain performance milestones in the amount of $40.0 million, available no later than September 15, 2022, and (c) an additional $75.0 million discretionary incremental tranche, subject to Hercules' approval in its sole and absolute discretion, available no later than December 15, 2023.

The Amended Hercules Term Loan also provides us with greater flexibility to incur additional convertible debt and repurchase and/or redeem convertible debt, each subject to certain conditions set forth in the Amended Hercules Term Loan. There have not been any additional draws on the $185.0 million additional available facilities as of June 30, 2021.

Silicon Valley Bank and Hercules Loan Agreement

On November 13, 2019, Eidos entered into the SVB and Hercules Loan Agreement. The SVB and Hercules Loan Agreement provides for up to $55.0 million in term loans to be drawn in three tranches as follows: (i) Tranche A loan of $17.5 million, (ii) Tranche B loan of up to $22.5 million which is available to be drawn until October 31, 2020, and (iii) Tranche C loan of up to $15.0 million available to be drawn upon a clinical trial milestone. The Tranche C loan is available to be drawn until September 30, 2021. The Tranche A loan of $17.5 million was drawn on November 13, 2019. There have not been any additional draws on the other tranches as of March 31, 2021, including the Tranche B loan that was available until October 31, 2020.

The Tranche A loan bears interest at a fixed rate equal to the greater of either (i) 8.50% or (ii) 3.25% plus the prime rate as reported in The Wall Street Journal (8.50% as of March 31, 2021). The Tranche A loan repayment schedule provides for interest only payments until November 1, 2021, followed by consecutive equal monthly payments of principal and interest commencing on this date continuing through the maturity date of October 2, 2023.

The Tranche A loan also provides for a $0.3 million commitment fee that was paid at closing and a final payment charge equal to 5.95% multiplied by the amount funded to be paid when the loan becomes due or upon prepayment of the facility. If Eidos elects to prepay the Tranche A loan, there is also a prepayment fee of between 0.75% and 2.50% of the principal amount being prepaid depending on the timing and circumstances of prepayment. The Tranche A loan is secured by substantially all of Eidos' assets, except Eidos' intellectual property, which is the subject of a negative pledge.

In January 2021, Eidos entered into an amendment to the SVB and Hercules Loan Agreement primarily to allow Eidos to enter into the Merger Transactions. The amendment also requires Eidos to maintain a certain amount of cash and cash equivalents with SVB. The Tranche A loan was prepaid in full in April 2021 as mentioned above.

The Tranche A loan was prepaid in full in April 2021 using a portion of the proceeds from Tranche IV under the Amended Hercules Term Loan mentioned above.

***Cash Flows***

The following table summarizes our cash flows during the periods indicated:

| | Six Months Ended June 30, | | |
|---|---|---|---|
| | 2021 | 2020 | Change |
| | (in thousands) | | |
| Net cash used in operating activities | $ (242,478) | $ (171,769) | $ (70,709) |
| Net cash used in investing activities | (281,594) | (90,961) | (190,633) |
| Net cash provided by financing activities | 546,521 | 439,876 | 106,645 |
| Net increase in cash, cash equivalents and restricted cash | $ 22,449 | $ 177,146 | $ (154,697) |

*Net Cash Flows Used in Operating Activities*

Net cash used in operating activities was $242.5 million for the six months ended June 30, 2021, consisting primarily of our net loss of $273.2 million, adjusted for non-cash items including $63.7 million in stock-based compensation expense, $4.1 million in depreciation and amortization and $5.6 million of income from the derecognition of the LEO Call Option liability, as well as $41.4 million net cash outflow related to changes in operating assets and liabilities. The $41.4 million net cash outflow related to changes in operating assets and liabilities was attributed mainly to an increase of $35.4 million in receivable from licensing and collaboration agreements, an increase of $9.0 million in receivable from a related party and a decrease of $8.5 million in accrued compensation and benefits mainly due to timing of payments, partially offset by an increase of $13.0 million in accounts payable mainly due to increases in our CROs' and CMOs' expenses for research activities.

Net cash used in operating activities was $171.8 million for the six months ended June 30, 2020, consisting primarily of our net loss of $240.3 million, adjusted for non-cash items such as $28.6 million in stock-based compensation expense and $7.0 million accretion of our 2027 Notes and term loans, partially offset by net cash inflow of $29.3 million related to changes in operating assets and liabilities. The $29.3 million net cash inflow related to changes in operating assets and liabilities was attributed mainly to an increase of $16.3 million in accrued research and development liabilities, an increase of $6.4 million in accrued professional services, an increase of $5.3 million in other accrued and other liabilities, and an increase of $4.0 million in accounts payable mostly due to increase in our CROs' and CMOs' expenses for research activities and other expenses to support the growth of our operation.

*Net Cash Flows Provided by (Used in) Investing Activities*

Net cash used in investing activities was $281.6 million for the six months ended June 30, 2021, consisting primarily of purchases of marketable securities of $509.9 million and investment in equity securities of $20.0 million, partially offset by $238.9 million in maturities of marketable securities.

Net cash used in investing activities was $91.0 million for the six months ended June 30, 2020, consisting primarily of purchases of marketable securities of $168.8 million and purchases of property and equipment of $4.8 million, partially offset by $82.5 million in maturities of marketable securities.

*Net Cash Flows Provided by Financing Activities*

Net cash provided by financing activities was $546.5 million for the six months ended June 30, 2021, consisting primarily of the net proceeds from the issuance of our 2029 Notes of $731.4 million and from the additional principal borrowing under the Amended Hercules Term Loan of $25.0 million, offset by purchase of capped calls of $61.3 million, repurchase of our common stock of $55.3 million and prepayment of the Tranche A loan of $18.1 million. We also used cash of $84.8 million to repurchase the noncontrolling interest of Eidos and pay for related direct transaction costs.

Net cash provided by financing activities was $439.9 million for the six months ended June 30, 2020, consisting primarily of the net proceeds from the issuance of our 2027 Notes of $537.0 million and at-the-market issuance of noncontrolling interest by Eidos of $24.1 million, offset by repurchase of our common stock of $75.0 million and purchase of capped calls of $49.3 million, both in relation to the issuance of our 2027 Notes.

**Off-Balance Sheet Arrangements**

During the periods presented, we did not have any off-balance sheet arrangements. While we have investments classified as VIEs, their purpose is not to provide off-balance sheet financing.

**Critical Accounting Policies**

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, as well as revenues, if any, and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Except as discussed below, there have been no significant changes in our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in the section titled "Management's Discussion and Analysis of Financial Condition and Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2020, as filed with the SEC.

***License Arrangements and Multiple-Element Arrangements***

Revenue from non-refundable, up-front license or technology access payments under license arrangements that are not dependent on any future performance by us is recognized when such amounts are earned. If we have continuing obligations to perform under the arrangement, such fees are recognized over the estimated period of continuing performance obligation.

When we enter into license agreements, we assess whether the arrangements fall within the scope of ASC 808, *Collaborative Arrangements* (ASC 808) based on whether the arrangements involve joint operating activities and whether both parties have active participation in the arrangement and are exposed to significant risks and rewards. To the extent that the arrangement falls within the scope of ASC 808, we assess whether the payments between us and our partner fall within the scope of other accounting literature. If we conclude that payments from the partner to us represent consideration from a customer, such as license fees and contract manufacturing and research and development activities, we account for those payments within the scope of ASC 606, *Revenue from Contracts with Customers*. However, if we conclude that our partner is not a customer for certain activities and associated payments, such as for certain collaborative research, development, manufacturing and commercial activities, we present such payments as a reduction of research and development expense or selling, general and administrative expense, based on where we present the underlying expense. Additionally, if we reimburse our collaboration partners for these activities, we present such reimbursements as research and development expense or selling, general and administrative expense, depending upon the nature of the underlying expense.

If our collaborative arrangement provides for the sharing of profits and losses with our partner for commercialization activities, the treatment of our share in the profit-sharing structure depends on who the selling party is. If we are the selling party and the deemed principal, we record our collaboration partner's share of profits as an addition in selling, general and administrative expenses and our collaboration partner's share of loss as a reduction in selling, general and administrative expenses. If our partner is the selling party and the deemed principal, we record our share of profits as collaboration revenue and our share of losses as addition to selling, general and administrative expenses.

***Revenue Recognition***

For elements of those arrangements that we determine should be accounted for under ASC 606, we perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy our performance obligation. We apply the five-step model to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services we transfer to the customer.

At inception of the arrangement, once it is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract and then identify the performance obligations and assess whether each promised good or service is distinct. We then recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation, on a relative standalone selling price basis, when (or as) the performance obligation is satisfied. As part of the accounting for these arrangements, we develop assumptions that require judgment to determine the standalone selling price for each performance obligation identified in the contract. These key assumptions may include forecasted revenue or costs, development timelines, discount rates and probabilities of clinical and regulatory success.

*License Fees*: For arrangements that include a grant of a license to our intellectual property, we consider whether the license grant is distinct from the other performance obligations included in the arrangement. Generally, we would conclude that the license is distinct if the customer is able to benefit from the license with the resources available to it. For licenses that are distinct, we recognize revenues from nonrefundable, upfront license fees and other consideration allocated to the license when the license term has begun and we have provided all necessary information regarding the underlying intellectual property to the customer, which generally occurs at or near the inception of the arrangement. For licenses that are bundled with other promises, we determine whether the combined performance obligation is satisfied over time or at a point in time. If the combined performance obligation is satisfied over time, we use judgment in determining the appropriate method of measuring progress for purposes of recognizing revenue from the up-front license fees. We evaluate the measure of progress each reporting period and, if necessary, adjust the measure of performance and related revenue recognition.

*Development and Regulatory Milestone Payments*: At the inception of each arrangement that includes development and regulatory milestone payments, we evaluate whether the milestones are considered probable of being reached and estimate the amount to be included in the transaction price using the most likely amount method. We generally include these milestone payments when they are achieved because there is considerable uncertainty in the research and development processes that trigger these payments under our agreements. Similarly, we include approval milestone payments in the transaction price once the product is approved by the applicable regulatory agency. At the end of each subsequent reporting period, we re-evaluate the probability of achieving such development and regulatory milestones and any related constraint, and if necessary, adjust our estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis.

*Sales-based Milestone Payments and Royalties*: For arrangements that include sales-based royalties, including milestone payments based on the volume of sales, we will determine whether the license is deemed to be the predominant item to which the royalties or sales-based milestones relate and if such is the case, we will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

**Recent Accounting Pronouncements**

See Note 2, “Summary of Significant Accounting Policies—Recently Adopted Accounting Pronouncements” to our condensed consolidated financial statements appearing under Part I, Item 1 of this Quarterly Report on Form 10-Q for more information.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

As of June 30, 2021, we held cash, cash equivalents and marketable securities of $898.4 million. Our cash equivalents consist of amounts invested in money market accounts, such as money market funds and short-term commercial paper. Our marketable securities consisted of commercial papers, supranational debt securities and short-term and long-term U.S. treasury notes and corporate debt securities. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. We have not been exposed nor do we anticipate being exposed to material risks due to changes in interest rates. We do not believe that our cash, cash equivalents or marketable securities have a significant risk of default or illiquidity.

As of June 30, 2021, we had $100.0 million in variable rate debt outstanding. The Hercules Term Loan, which had a principal balance of $100.0 million, matures in May 2025, with interest-only monthly payments until June 2024. The Hercules Term Loan provides for an interest rate on the outstanding principal balance equal to the greater of (x) a floating interest rate linked to the prime rate as reported in the Wall Street Journal plus 4.40% and (y) 7.65% (7.65% as of June 30, 2021), payable monthly.

A hypothetical 100 basis point change in interest rate during any of the periods presented would not have had a material impact on our financial statements.

Our 2029 Notes and 2027 Notes had principal balances of $747.5 million and $550.0 million, respectively, as of June 30, 2021 and bear fixed interest rates. Our cash flows on these debt obligations are not subject to variability as a result of changes in interest rates.

**Item 4. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic and current reports that we file under the Exchange Act of 1934, as amended, with the U.S. Securities and Exchange Commission, or the SEC, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2021 and concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of that date. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

***Changes in Internal Control over Financial Reporting***

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Due to the COVID-19 pandemic, in March 2020, certain of our employees began working remotely. We have not identified any material changes in our internal control over financial reporting as a result of these changes to the working environment. We continue to monitor and assess the COVID-19 situation to determine any potential impact on the design and operating effectiveness of our internal controls over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

As of the date of this Quarterly Report on Form 10-Q, we were not party to any material legal proceedings. In the future, we may become party to legal proceedings and claims arising in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we do not believe we are party to any claim or litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse impact on our financial position, results of operations or cash flows. Regardless of the outcome, litigation can have an adverse effect on us because of defense and settlement costs, diversion of management resources and other factors.

### Item 1A. Risk Factors.

In addition to the other information set forth in this Form 10-Q, including under the heading "Special Note Regarding Forward-Looking Statements", the risks and uncertainties that we believe are most important for you to consider are discussed in "Part I, Item 1A—Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC, which could adversely affect our business, financial condition, or results of operations. The risks described in our Annual Report on Form 10-K for the year ended December 31, 2020 are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may adversely affect our business, financial condition, or results of operations. There are no material changes to the Risk Factors described in our Annual Report on Form 10-K for the year ended December 31, 2020.

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

***(a) Sales of Unregistered Securities***

On January 28, 2021, our offering (the "Convertible Note Offering") of an aggregate of $747.5 million aggregate principal amount of the 2.25% Convertible Senior Notes due 2029 (the "2029 Notes") to the initial purchasers (the "2029 Notes Initial Purchasers") was made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act. BridgeBio relied on this exemption from registration based in part on representations made by the 2029 Notes Initial Purchasers in the purchase agreement for the 2029 Notes, including that the 2029 Notes Initial Purchasers would only offer, sell or deliver the 2029 Notes to persons whom they believed to be qualified institutional buyers within the meaning of Rule 144A under the Securities Act.

The 2029 Notes and BridgeBio's common stock issuable upon conversion of the 2029 Notes, if any, have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or applicable exemption from registration requirements.

***(b) Use of Proceeds from Public Offering of Common Stock***

On June 26, 2019, our Registration Statements on Form S-1 (File Nos. 333-231759 and 333-232376) relating to our IPO were declared effective by the SEC. There has been no material change in the planned use of proceeds from our IPO from those that were described in the final prospectus filed pursuant to Rule 424(b) under the Securities Act and other periodic reports previously filed with the SEC.

**(c)** ***Issuer Purchases of Company Equity Securities***

The following table reflects the share repurchase of our common stock.

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| January 2021 (1) | 759,993 | $ 65.79 | 759,993 | $ — |
| May 2021 (2) | 104,694 | $ 50.71 | 104,694 | $ 144,690,507 |

(1) BridgeBio used approximately $50.0 million of the net proceeds from the 2029 Note Offering to repurchase shares of its common stock concurrently with the closing of the 2029 Note Offering from certain of the 2029 Notes Initial Purchasers in privately negotiated transactions effected through one of the 2029 Notes Initial Purchasers or an affiliate thereof concurrently with the pricing of the 2029 Notes.

(2) On May 11, 2021, the Board of Directors of BridgeBio authorized and approved a stock repurchase program pursuant to which BridgeBio may purchase up to $150 million of BridgeBio's outstanding common stock. Stock repurchases under the program may be made from time to time, in the open market, in privately negotiated transactions and otherwise, at the discretion of management of BridgeBio and in accordance with applicable federal securities laws, including Rule 10b-18 of the Securities Exchange Act, of 1934, as amended, and other applicable legal requirements. The timing, pricing and amounts of these repurchases will depend on a number of factors, including the market price of BridgeBio's common stock and general market and economic conditions. The stock repurchase program does not obligate the BridgeBio to repurchase any dollar amount or number of shares, and the program may be suspended or discontinued at any time.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

| Exhibit Number | Exhibit Title | Form | File No. | Exhibit | Filing Date |
|---|---|---|---|---|---|
| 2.1 | Agreement and Plan of Merger, dated as of October 5, 2020, by and among BridgeBio Pharma, Inc., Eidos Therapeutic, Inc., Globe Merger Sub I, Inc. and Globe Merger Sub II, Inc. (incorporated by reference to Exhibit 2.1 to BridgeBio's Current Report on Form 8-K filed with the SEC on October 6, 2020) | 8-K | 001-38959 | 2.01 | January 26, 2021 |
| 3.1 | Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect | 8-K | 001-38959 | 3.1 | July 3, 2019 |
| 3.2 | Amended and Restated Bylaws of the Registrant, as currently in effect | S-4 | 333-249944 | 3.2 | November 6, 2020 |
| 4.1 | Specimen Common Stock Certificate | S-1 | 333-231759 | 4.1 | June 24, 2019 |
| 4.2 | Registration Rights Agreement, dated June 26, 2019, among the Registrant and certain of its stockholders | S-1 | 333-231759 | 4.3 | June 24, 2019 |
| 4.3 | Indenture, dated as of March 9, 2020, by and between BridgeBio Pharma, Inc. and U.S. Bank National Association, as Trustee | 8-K | 001-38959 | 4.1 | March 10, 2020 |
| 4.4 | Form of Global Note, representing BridgeBio Pharma, Inc.'s 2.50% Convertible Senior Notes due 2027 | 8-K | 001-38959 | 4.2 | March 10, 2020 |
| 4.5 | Indenture, dated as of January 28, 2021, by and between BridgeBio Pharma, Inc. and U.S. Bank National Association, as Trustee | 8-K | 001-38959 | 4.1 | January 29, 2021 |
| 4.6 | Form of Global Note, representing BridgeBio Pharma, Inc.'s 2.25% Convertible Senior Notes due 2029 | 8-K | 001-38959 | 4.2 | January 29, 2021 |
| 10.1 | Sixth Amendment to the Loan and Security Agreement, between BridgeBio Pharma LLC and Hercules Capital, Inc., dated as of April 13, 2021 | 10-Q | 001-38959 | 10.3 | May 6, 2021 |
| 10.2# | Amended and Restated Employee Stock Purchase Plan | 10-Q | 001-38959 | 10.4 | May 6, 2021 |
| 31.1 | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | — | — | — | Filed herewith |
| 31.2 | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | — | — | — | Filed herewith |
| 32.1* | Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | — | — | — | Filed herewith |
| 32.2* | Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | — | — | — | Filed herewith |
| 101.INS | Inline XBRL Instance Document | — | — | — | Filed herewith |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document | — | — | — | Filed herewith |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document | — | — | — | Filed herewith |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document | — | — | — | Filed herewith |

| | | | | | |
|---|---|---|---|---|---|
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document | — | — | — | Filed herewith |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document | — | — | — | Filed herewith |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 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 plan, contract or arrangement.

**SIGNATURES**

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

BridgeBio Pharma, Inc.

Date: August 5, 2021 By: /s/ Neil Kumar

**Neil Kumar, Ph.D.**
**Chief Executive Officer, Director**
(Principal Executive Officer)

Date: August 5, 2021 By: /s/ Brian Stephenson

**Brian Stephenson, Ph.D., CFA**
**Chief Financial Officer**
(Principal Financial Officer and Principal Accounting Officer)

**Exhibit 31.1**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Neil Kumar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BridgeBio Pharma, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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;

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

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

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

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

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

Date: August 5, 2021

By: /s/ Neil Kumar

**Neil Kumar, Ph.D.**
**Chief Executive Officer and Director**
**(Principal Executive Officer)**

**Exhibit 31.2**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian Stephenson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BridgeBio Pharma, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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;

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

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

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

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

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

Date: August 5, 2021

By: /s/ Brian Stephenson

**Brian Stephenson, Ph.D., CFA**
**Chief Financial Officer**
**(Principal Financial Officer and Principal Accounting Officer)**

**Exhibit 32.1**

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

In connection with the Quarterly Report of BridgeBio Pharma, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

Date: August 5, 2021

By: /s/ Neil Kumar

**Neil Kumar, Ph.D.**
**Chief Executive Officer and Director**
**(Principal Executive Officer)**

**Exhibit 32.2**

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

In connection with the Quarterly Report of BridgeBio Pharma, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

Date: August 5, 2021

By: /s/ Brian Stephenson

**Brian Stephenson, Ph.D., CFA**
**Chief Financial Officer**
**(Principal Financial Officer and Principal Accounting Officer)**