

RECONCILIATIONS

Amgen Inc.
GAAP to Non-GAAP Reconciliations
(Dollars In millions)
(Unaudited)

| | Three months ended December 31, 2021 | Twelve months ended December 31, 2021 | | Three months ended December 31, 2021 | Twelve months ended December 31, 2021 |
|--|--|---|---|--|---|
| GAAP cost of sales | \$ 1,718 | \$ 6,454 | GAAP operating income | \$ 2,304 | \$ 7,639 |
| Adjustments to cost of sales: | | | Adjustments to operating expenses | 693 | 4,785 |
| Acquisition-related expenses (a) | (616) | (2,443) | Non-GAAP operating income | \$ 2,997 | \$ 12,424 |
| Other | (6) | (17) | GAAP operating income as a percentage of product sales | 36.7 % | 31.4 % |
| Total adjustments to cost of sales | (622) | (2,460) | Adjustments to cost of sales | 9.9 | 10.2 |
| Non-GAAP cost of sales | \$ 1,096 | \$ 3,994 | Adjustments to research and development expenses | 0.5 | 2.1 |
| GAAP cost of sales as a percentage of product sales | 27.4 % | 26.6 % | Acquired IPR&D | 0.0 | 6.2 |
| Acquisition-related expenses (a) | (9.8) | (10.1) | Adjustments to selling, general and administrative expenses | (0.2) | 0.4 |
| Other | (0.1) | (0.1) | Certain charges pursuant to our cost savings initiatives | 0.0 | 0.5 |
| Non-GAAP cost of sales as a percentage of product sales | 17.5 % | 16.4 % | Certain other expenses (c) | 0.9 | 0.3 |
| GAAP research and development expenses | \$ 1,348 | \$ 4,819 | Non-GAAP operating income as a percentage of product sales | 47.8 % | 51.1 % |
| Adjustments to research and development expenses: | | | GAAP other income, net | \$ 162 | \$ 259 |
| Licensing- and acquisition-related expenses (b) | (29) | (523) | Adjustments to other income (expense), net: | | |
| Total adjustments to research and development expenses | (29) | (523) | Equity method investment basis difference amortization | 45 | 173 |
| Non-GAAP research and development expenses | \$ 1,319 | \$ 4,296 | Net gains from equity investments | (86) | (421) |
| GAAP research and development expenses as a percentage of product sales | 21.5 % | 19.8 % | Total adjustments to other income (expense), net | (41) | (248) |
| Licensing- and acquisition-related expenses (b) | (0.5) | (2.1) | Non-GAAP other income (expense), net | \$ 121 | \$ 11 |
| Non-GAAP research and development expenses as a percentage of product sales | 21.0 % | 17.7 % | GAAP income before income taxes | \$ 2,131 | \$ 6,701 |
| GAAP acquired IPR&D | \$ — | \$ 1,505 | Adjustments to income before income taxes: | | |
| Adjustments to acquired IPR&D: | | | Adjustments to operating expenses | 693 | 4,785 |
| Five Prime acquisition IPR&D expense | — | (1,505) | Adjustments to other income, net | (41) | (248) |
| Non-GAAP acquired IPR&D | \$ — | \$ — | Total adjustments to income before income taxes | 652 | 4,537 |
| GAAP acquired IPR&D expenses as a percentage of product sales | — % | 6.2 % | Non-GAAP income before income taxes | \$ 2,783 | \$ 11,238 |
| Five Prime acquisition IPR&D expense | 0.0 | (6.2) | GAAP provision for income taxes | \$ 232 | \$ 808 |
| Non-GAAP acquired IPR&D expenses as a percentage of product sales | — % | — % | Adjustments to provision for income taxes: | | |
| GAAP selling, general and administrative expenses | \$ 1,425 | \$ 5,368 | Income tax effect of the above adjustments (d) | 104 | 630 |
| Adjustments to selling, general and administrative expenses: | | | Other income tax adjustments (e) | (14) | 3 |
| Acquisition-related expenses (a) | (20) | (87) | Total adjustments to provision for income taxes | 90 | 633 |
| Other | 29 | (16) | Non-GAAP provision for income taxes | \$ 322 | \$ 1,441 |
| Total adjustments to selling, general and administrative expenses | 9 | (103) | GAAP tax as a percentage of income before taxes | 10.9 % | 12.1 % |
| Non-GAAP selling, general and administrative expenses | \$ 1,434 | \$ 5,265 | Adjustments to provision for income taxes: | | |
| GAAP selling, general and administrative expenses as a percentage of product sales | 22.7 % | 22.1 % | Income tax effect of the above adjustments (d) | 1.2 | 0.7 |
| Acquisition-related expenses (a) | (0.3) | (0.4) | Other income tax adjustments (e) | (0.5) | 0.0 |
| Other | 0.5 | 0.0 | Total adjustments to provision for income taxes | 0.7 | 0.7 |
| Non-GAAP selling, general and administrative expenses as a percentage of product sales | 22.9 % | 21.7 % | Non-GAAP tax as a percentage of income before taxes | 11.6 % | 12.8 % |
| GAAP operating expenses | \$ 4,542 | \$ 18,340 | GAAP net income | \$ 1,899 | \$ 5,893 |
| Adjustments to operating expenses: | | | Adjustments to net income: | | |
| Adjustments to cost of sales | (622) | (2,460) | Adjustments to income before income taxes, net of the income tax effect | 548 | 3,907 |
| Adjustments to research and development expenses | (29) | (523) | Other income tax adjustments (e) | 14 | (3) |
| Adjustments to acquired IPR&D | — | (1,505) | Total adjustments to net income | 562 | 3,904 |
| Adjustments to selling, general and administrative expenses | 9 | (103) | Non-GAAP net income | \$ 2,461 | \$ 9,797 |
| Certain charges pursuant to our cost savings initiatives | (1) | (130) | Note: Numbers may not add due to rounding | | |
| Certain other expenses (c) | (50) | (64) | | | |
| Total adjustments to operating expenses | (693) | (4,785) | | | |
| Non-GAAP operating expenses | \$ 3,849 | \$ 13,555 | | | |

The following table presents the computations for GAAP and non-GAAP diluted earnings per share:

| | Three months ended December 31, 2021 | |
|---|--|----------|
| | GAAP | Non-GAAP |
| Net income | \$ 1,899 | \$ 2,461 |
| Weighted-average shares for diluted EPS | 565 | 565 |
| Diluted EPS | \$ 3.36 | \$ 4.36 |
| | | |
| | Twelve months ended December 31, 2021 | |
| | GAAP | Non-GAAP |
| Net income | \$ 5,893 | \$ 9,797 |
| Weighted-average shares for diluted EPS | 573 | 573 |
| Diluted EPS | \$ 10.28 | \$ 17.10 |

- (a) The adjustments related primarily to noncash amortization of intangible assets from business acquisitions.
- (b) The adjustments for the three months ended December 31, 2021, related primarily to noncash amortization of intangible assets from business acquisitions. The adjustments for the twelve months ended December 31, 2021, related primarily to licensing-related expense from the upfront payment to Kyowa Kirin Co., Ltd. and noncash amortization of intangible assets from business acquisitions.
- (c) For the three and twelve months ended December 31, 2021, the adjustments related primarily to legal matters.
- (d) The tax effect of the adjustments between our GAAP and non-GAAP results takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact at the U.S. marginal tax rate for certain adjustments, including the majority of amortization of intangible assets, whereas the tax impact of other adjustments, including restructuring initiatives, depends on whether the amounts are deductible in the respective tax jurisdictions and the applicable tax rate(s) in those jurisdictions. Acquired IPR&D expense from the Five Prime acquisition was not tax deductible. Due to these factors, the effective tax rates for the adjustments to our GAAP income before income taxes, for the three and twelve months ended December 31, 2021, were 16.0% and 13.9%.
- (e) The adjustments related to certain acquisition items, prior period and other items excluded from GAAP earnings.

Amgen Inc.
 Reconciliation of GAAP EPS and GAAP Tax Guidance to Non-GAAP
 EPS and Tax Guidance for the Year Ending December 31, 2022
 (Unaudited)

| | | | |
|--|-----------------|---|-----------------|
| GAAP diluted EPS guidance | \$ 13.08 | — | \$ 14.13 |
| Known adjustments to arrive at non-GAAP*: | | | |
| Acquisition-related expenses (a) | 3.87 | — | 3.92 |
| Non-GAAP diluted EPS guidance | <u>\$ 17.00</u> | — | <u>\$ 18.00</u> |

* The known adjustments are presented net of their related tax impact, which amount to approximately \$1.08 per share.

(a) The adjustments relate primarily to noncash amortization of intangible assets acquired in business acquisitions.

Our GAAP diluted EPS guidance does not include the effect of GAAP adjustments triggered by events that may occur subsequent to this press release such as acquisitions, asset impairments, litigation, changes in the fair value of our contingent consideration and changes in fair value of our equity investments.

| | | | |
|---|---------------|---|---------------|
| GAAP tax rate guidance | 10.0 % | — | 11.5 % |
| Tax rate of known adjustments discussed above | 2.5% | — | 3.0% |
| Non-GAAP tax rate guidance | <u>13.0 %</u> | — | <u>14.0 %</u> |

Management has presented herein certain forward-looking statements about the Company's future financial performance that include non-GAAP net income, EPS, operating margin and income tax rate for various years through December 31, 2030. These non-GAAP financial measures are derived by excluding certain amounts, expenses or income, from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts that are excluded from these non-GAAP financial measures are a matter of management judgment and depend upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period. We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measure because management cannot reliably predict all of the necessary components of such GAAP measures. Historically, management has excluded the following items from this non-GAAP financial measure, and such items may also be excluded in future periods and could be significant:

- Expenses related to the acquisition of businesses, including amortization and / or impairment of acquired intangible assets, including in-process research and development, adjustments to contingent consideration, integration costs, severance and retention costs and transaction costs;
- Charges associated with restructuring or cost saving initiatives above certain thresholds, including but not limited to asset impairments, accelerated depreciation, severance costs and lease abandonment charges;
- Legal settlements or awards above certain thresholds;
- The tax effect of the above items; and
- Non-routine settlements with tax authorities.

AMGEN[®]

BUSINESS REVIEW

MEETING