

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 7, 2024



NEUROCRINE BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

0-22705  
(Commission  
File Number)

33-0525145  
(IRS Employer  
Identification No.)

12780 El Camino Real  
San Diego, CA  
(Address of principal executive offices)

92130  
(Zip Code)

(858) 617-7600  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class             | Trading Symbol | Name of each exchange on which registered |
|---------------------------------|----------------|---|
| Common Stock, \$0.001 par value | NBIX           | Nasdaq Global Select Market               |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

**Item 2.02. Results of Operations and Financial Condition.**

On February 7, 2024, Neurocrine Biosciences, Inc. announced its financial results for the fourth quarter and fiscal year ended December 31, 2023. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall 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, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

| <b>Exhibit</b> | <b>Description</b>                                   |
|----------------|--|
| 99.1           | <a href="#">Press Release dated February 7, 2024</a> |
| 104            | Cover Page Interactive Data File                     |

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**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 hereunto duly authorized.

**NEUROCRINE BIOSCIENCES, INC.**

Dated: February 7, 2024

/s/ Matthew C. Abernethy

Matthew C. Abernethy

**Chief Financial Officer**

**(Duly authorized officer and Principle Financial Officer)**

## Neurocrine Biosciences Reports Fourth Quarter and Fiscal 2023 Financial Results and Provides Financial Expectations for 2024

**INGREZZA® (valbenazine) Fourth Quarter and Full Year 2023 Net Product Sales of \$500 Million and \$1.84 Billion, Representing Year-over-Year Growth of 25% and 29% Respectively**

**INGREZZA® (valbenazine) Full Year 2024 Net Product Sales Guidance of \$2.1 - \$2.2 Billion**

**Crinercerfont FDA Regulatory Submission Anticipated in the Second Quarter for the Treatment of Congenital Adrenal Hyperplasia in Adults and Pediatrics**

**SAN DIEGO, Feb. 7, 2024** - Neurocrine Biosciences, Inc. (Nasdaq: NBIX) today announced its financial results for the fourth quarter and full year ended December 31, 2023 and provided financial guidance for 2024.

“I’m exceptionally proud of the progress we made with INGREZZA last year, helping more patients than ever before treat their tardive dyskinesia. In addition, the positive Phase 3 crinercerfont results for the treatment of congenital adrenal hyperplasia opens the door for us to help patients living with a disabling neuroendocrine disorder,” said Kevin Gorman, Ph.D., Chief Executive Officer of Neurocrine Biosciences. “With a strong foundation in INGREZZA, a potential second important growth driver in crinercerfont, and an advancing pipeline, Neurocrine Biosciences is making significant progress towards becoming a leading neuroscience focused company.”

### **Financial Highlights**

|  | Three Months Ended<br>December 31, |          | Twelve Months Ended<br>December 31, |                      |
|--|------------------------------------|----------|-------------------------------------|----------------------|
|  | 2023                               | 2022     | 2023                                | 2022                 |
| <i>(unaudited, in millions, except per share data)</i> |                                    |          |                                     |                      |
| Revenues:  |                                    |          |                                     |                      |
| Net Product Sales                                      | \$ 507.2                           | \$ 404.6 | \$ 1,860.6                          | \$ 1,440.9           |
| Collaboration Revenue                                  | 8.0                                | 7.4      | 26.5                                | 47.8                 |
| Total Revenues   | \$ 515.2                           | \$ 412.0 | \$ 1,887.1                          | \$ 1,488.7           |
| GAAP Research and Development (R&D)                    | \$ 137.5                           | \$ 118.0 | \$ 565.0                            | \$ 463.8             |
| Non-GAAP R&D   | \$ 124.3                           | \$ 103.9 | \$ 497.0                            | \$ 406.1             |
| GAAP Selling, General and Administrative (SG&A)        | \$ 218.9                           | \$ 182.9 | \$ 887.6                            | \$ 752.7             |
| Non-GAAP SG&A  | \$ 194.0                           | \$ 151.8 | \$ 757.4                            | \$ 635.6             |
| GAAP Net Income  | \$ 147.7                           | \$ 89.0  | \$ 249.7                            | \$ 154.5             |
| GAAP Earnings Per Share – Diluted                      | \$ 1.44                            | \$ 0.88  | \$ 2.47                             | \$ 1.56              |
| Non-GAAP Net Income                                    | \$ 157.7                           | \$ 124.7 | \$ 390.0                            | \$ 343.2             |
| Non-GAAP Earnings Per Share – Diluted                  | \$ 1.54                            | \$ 1.24  | \$ 3.86                             | \$ 3.47              |
| <i>(unaudited, in millions)</i>                        |                                    |          |                                     |                      |
| Total Cash, Cash Equivalents and Marketable Securities |                                    |          | December 31,<br>2023                | December 31,<br>2022 |
|  |                                    |          | \$ 1,719.1                          | \$ 1,288.7           |

## **INGREZZA Net Product Sales Highlights**

- INGREZZA fourth quarter and fiscal 2023 net product sales were \$500 million and \$1.84 billion, respectively
- INGREZZA fourth quarter net product sales grew 25% compared with fourth quarter 2022, driven by strong underlying patient demand offset slightly by seasonal gross-to-net dynamics

## **Other Key Financial Highlights**

- Differences in fourth quarter 2023 GAAP and non-GAAP operating expenses compared with fourth quarter 2022 were driven by:
  - Increased R&D expense in support of an expanded and advancing clinical portfolio including preclinical investments in muscarinic compounds, gene therapy programs and second generation VMAT2 inhibitors
  - Increased SG&A expense primarily due to ongoing commercial initiatives supporting INGREZZA growth including the expanded indication to treat chorea associated with Huntington's disease
- Fourth quarter 2023 GAAP net income and earnings per share were \$148 million and \$1.44, respectively, compared with \$89 million and \$0.88, respectively, for fourth quarter 2022
- Fourth quarter 2023 non-GAAP net income and earnings per share were \$158 million and \$1.54, respectively, compared with \$125 million and \$1.24, respectively, for fourth quarter 2022
- At December 31, 2023, the Company had cash, cash equivalents and marketable securities totaling approximately \$1.7 billion

A reconciliation of GAAP to non-GAAP financial results can be found in Table 3 and Table 4 at the end of this news release.

## **Recent Developments**

- In November 2023, the Company announced that all patent litigation brought by Neurocrine Biosciences against the companies that filed Abbreviated New Drug Applications (ANDA) to the FDA seeking approval to market generic versions of INGREZZA prior to the expiration of the Orange Book listed patents have been resolved. Accordingly, such companies have the right to sell generic versions of INGREZZA in the U.S. beginning March 2038, or earlier under certain circumstances.
- In December 2023, the Company announced crinecerfont received Breakthrough Therapy designation from the FDA for the treatment of Congenital Adrenal Hyperplasia in adults and pediatrics.

## **Full Year 2024 Financial Guidance**

| <i>(in millions)</i>                    | Range    |          |
|---|----------|----------|
|   | Low      | High     |
| INGREZZA Net Product Sales <sup>1</sup> | \$ 2,100 | \$ 2,200 |
| GAAP R&D Expense <sup>2</sup>           | \$ 645   | \$ 675   |
| Non-GAAP R&D Expense <sup>3</sup>       | \$ 570   | \$ 600   |
| GAAP SG&A Expense <sup>4</sup>          | \$ 930   | \$ 950   |
| Non-GAAP SG&A Expense <sup>3,4</sup>    | \$ 830   | \$ 850   |

1. INGREZZA sales guidance reflects expected net product sales of INGREZZA in tardive dyskinesia and chorea associated with Huntington's disease.
2. GAAP R&D guidance includes expense for development milestones once determined achievement is deemed probable. Acquired in-process research and development expense is included in guidance once significant collaboration and licensing arrangements have been completed.
3. Non-GAAP guidance adjusted primarily to exclude estimated non-cash stock-based compensation expense of \$75 million in R&D and \$100 million in SG&A.
4. SG&A guidance range reflects expense for ongoing commercial initiatives supporting INGREZZA growth including the expanded indication to treat chorea associated with Huntington's disease and pre-launch commercial activities for crinecerfont.

## 2024 Expected Pipeline Milestones and Key Activities

| Program   | Indication   | Expected Milestones / Key Activities                |
|---|--|---|
| Valbenazine*<br>(Selective VMAT2 Inhibitor)               | Sprinkle Formulation for Tardive Dyskinesia / Chorea in Huntington's Disease | PDUFA April 30, 2024                                |
| Crinecerfont<br>(CRF1 Receptor Antagonist)                | Congenital Adrenal Hyperplasia (Pediatric and Adult)                         | Submitting New Drug Application to the FDA in Q2'24 |
| Efmody<br>(Hydrocortisone Modified Release Hard Capsules) | Adrenal Insufficiency  | Top-Line Phase 2 Data in 1H'24                      |
| Efmody<br>(Hydrocortisone Modified Release Hard Capsules) | Congenital Adrenal Hyperplasia   | Top-Line Phase 2 Data in 1H'24                      |
| NBI-1065845**<br>(AMPA Potentiator)                       | Inadequate Response in Major Depressive Disorder                             | Top-Line Phase 2 Data in 1H'24                      |
| NBI-1117568†<br>(M4 Agonist)                              | Schizophrenia  | Top-Line Phase 2 Data in 2H'24                      |
| Luvadaxistat**<br>(DAAO Inhibitor)                        | Cognitive Impairment Associated with Schizophrenia                           | Top-Line Phase 2 Data in 2H'24                      |
| NBI-1070770**<br>(NMDA NR2B NAM)                          | Major Depressive Disorder  | Initiating Phase 2 Study                            |
| NBI-1117567†<br>(M1 Agonist)                              | CNS Indications  | Initiating Phase 1 Study                            |
| NBI-1076986<br>(M4 Antagonist)                            | Movement Disorders   | Initiating Phase 1 Study                            |
| NBI-1065890<br>(Selective VMAT2 Inhibitor)                | CNS Indications  | Initiating Phase 1 Study                            |

*Key: VMAT2 = Vesicular Monoamine Transporter 2; CRF1 = Corticotropin-Releasing Factor Type 1; AMPA = alpha-amino-3-hydroxy-5-methyl-4-isoxazole propionic acid; M4 = M4 Muscarinic Receptor; DAAO = d-amino acid oxidase; NMDA NR2B NAM = n-methyl-d-aspartate Receptor Subtype 2B Negative Allosteric Modulator; M1 = M1 Muscarinic Receptor*

*Neurocrine Biosciences Partners: \* Mitsubishi Tanabe Pharma Corporation has commercialization rights in East Asia; \*\* Partnered with Takeda Pharmaceutical Company Limited; † In-Licensed from Sosei Group Corporation*

### **Conference Call and Webcast Today at 8:00 AM Eastern Time**

Neurocrine Biosciences will hold a live conference call and webcast today at 8:00 a.m. Eastern Time (5:00 a.m. Pacific Time). Participants can access the live conference call by dialing 800-225-9448 (US) or 203-518-9708 (International) using the conference ID: NBIX. The webcast can also be accessed on Neurocrine Biosciences' website under Investors at [www.neurocrine.com](http://www.neurocrine.com). A replay of the webcast will be available on the website approximately one hour after the conclusion of the event and will be archived for approximately one month.

## **About Neurocrine Biosciences**

Neurocrine Biosciences is a neuroscience-focused, biopharmaceutical company with a simple purpose: to relieve suffering for people with great needs, but few options. We are dedicated to discovering and developing life-changing treatments for patients with under-addressed neurological, neuroendocrine, and neuropsychiatric disorders. The company's diverse portfolio includes FDA-approved treatments for tardive dyskinesia, chorea associated with Huntington's disease, endometriosis\* and uterine fibroids\*, as well as a robust pipeline including multiple compounds in mid- to late-phase clinical development across our core therapeutic areas. For three decades, we have applied our unique insight into neuroscience and the interconnections between brain and body systems to treat complex conditions. We relentlessly pursue medicines to ease the burden of debilitating diseases and disorders, because you deserve brave science. For more information, visit [neurocrine.com](http://neurocrine.com), and follow the company on LinkedIn, X (Formerly Twitter) and Facebook. (*\*in collaboration with AbbVie*)

NEUROCRINE is a registered trademark of Neurocrine Biosciences, Inc. The Neurocrine logo is a trademark of Neurocrine Biosciences, Inc.

## **Non-GAAP Financial Measures**

In addition to the financial results and financial guidance that are provided in accordance with accounting principles generally accepted in the United States (GAAP), this press release also contains the following non-GAAP financial measures: non-GAAP R&D expense, non-GAAP SG&A expense, and non-GAAP net income and net income per share. When preparing the non-GAAP financial results and guidance, the Company excludes certain GAAP items that management does not consider to be normal, including recurring cash operating expenses that might not meet the definition of unusual or non-recurring items. In particular, these non-GAAP financial measures exclude: non-cash stock-based compensation expense, loss on extinguishment of convertible senior notes, non-cash interest expense related to convertible debt, non-cash amortization expense related to acquired intangible assets, acquisition and integration costs, changes in fair value of equity security investments, changes in foreign currency exchange rates and certain adjustments to income tax expense. These non-GAAP financial measures are provided as a complement to results provided in accordance with GAAP as management believes these non-GAAP financial measures help indicate underlying trends in the Company's business, are important in comparing current results with prior period results and provide additional information regarding the Company's financial position. Management also uses these non-GAAP financial measures to establish budgets and operational goals that are communicated internally and externally and to manage the Company's business and evaluate its performance. The Company provides guidance regarding combined R&D and SG&A expenses on both a GAAP and a non-GAAP basis. A reconciliation of these GAAP financial results to non-GAAP financial results is included in the attached financial information.



## **Forward-Looking Statements**

In addition to historical facts, this press release contains forward-looking statements that involve a number of risks and uncertainties. These statements include, but are not limited to, statements related to: the benefits to be derived from our products and product candidates; the value our products and/or our product candidates may bring to patients; the continued success of INGREZZA; our financial and operating performance, including our future revenues, expenses, or profits; our collaborative partnerships; expected future clinical and regulatory milestones; and the timing of the initiation and/or completion of our clinical, regulatory, and other development activities and those of our collaboration partners. Among the factors that could cause actual results to differ materially from those indicated in the forward-looking statements are: our future financial and operating performance; risks and uncertainties associated with the commercialization of INGREZZA; risks related to the development of our product candidates; risks associated with our dependence on third parties for development, manufacturing, and commercialization activities for our products and product candidates, and our ability to manage these third parties; risks that the FDA or other regulatory authorities may make adverse decisions regarding our products or product candidates; risks that clinical development activities may not be initiated or completed on time or at all, or may be delayed for regulatory, manufacturing, or other reasons, may not be successful or replicate previous clinical trial results, may fail to demonstrate that our product candidates are safe and effective, or may not be predictive of real-world results or of results in subsequent clinical trials; risks that the potential benefits of the agreements with our collaboration partners may never be realized; risks that our products, and/or our product candidates may be precluded from commercialization by the proprietary or regulatory rights of third parties, or have unintended side effects, adverse reactions or incidents of misuse; risks associated with government and third-party regulatory and/or policy efforts which may, among other things, impose sales and pharmaceutical pricing controls on our products or limit coverage and/or reimbursement for our products; risks associated with competition from other therapies or products, including potential generic entrants for our products; and other risks described in our periodic reports filed with the SEC, including our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023. Neurocrine Biosciences disclaims any obligation to update the statements contained in this press release after the date hereof other than as required by law.

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### **Contact: Neurocrine Biosciences, Inc.**

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**TABLE 1**  
**NEUROCRINE BIOSCIENCES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(unaudited)**

| <i>(in millions, except per share data)</i>         | Three Months Ended<br>December 31, |          | Twelve Months Ended<br>December 31, |            |
|---|------------------------------------|----------|-------------------------------------|------------|
|   | 2023                               | 2022     | 2023                                | 2022       |
| Revenues:   |                                    |          |                                     |            |
| Net product sales                                   | \$ 507.2                           | \$ 404.6 | \$ 1,860.6                          | \$ 1,440.9 |
| Collaboration revenue                               | 8.0                                | 7.4      | 26.5                                | 47.8       |
| Total revenues                                      | 515.2                              | 412.0    | 1,887.1                             | 1,488.7    |
| Operating expenses:                                 |                                    |          |                                     |            |
| Cost of revenues                                    | 8.5                                | 7.7      | 39.7                                | 23.2       |
| Research and development                            | 137.5                              | 118.0    | 565.0                               | 463.8      |
| Acquired in-process research and development        | —                                  | —        | 143.9                               | —          |
| Selling, general and administrative                 | 218.9                              | 182.9    | 887.6                               | 752.7      |
| Total operating expenses                            | 364.9                              | 308.6    | 1,636.2                             | 1,239.7    |
| Operating income                                    | 150.3                              | 103.4    | 250.9                               | 249.0      |
| Other income (expense):                             |                                    |          |                                     |            |
| Interest expense                                    | (1.1)                              | (1.1)    | (4.6)                               | (7.1)      |
| Unrealized gain on equity security investments      | 29.0                               | 7.2      | 28.4                                | 30.8       |
| Loss on extinguishment of convertible senior notes  | —                                  | —        | —                                   | (70.0)     |
| Investment income and other, net                    | 20.0                               | 8.4      | 57.4                                | 11.2       |
| Total other income (expense), net                   | 47.9                               | 14.5     | 81.2                                | (35.1)     |
| Income before provision for income taxes            | 198.2                              | 117.9    | 332.1                               | 213.9      |
| Provision for income taxes                          | 50.5                               | 28.9     | 82.4                                | 59.4       |
| Net income  | \$ 147.7                           | \$ 89.0  | \$ 249.7                            | \$ 154.5   |
| Earnings per share, basic                           | \$ 1.50                            | \$ 0.92  | \$ 2.56                             | \$ 1.61    |
| Earnings per share, diluted                         | \$ 1.44                            | \$ 0.88  | \$ 2.47                             | \$ 1.56    |
| Weighted average common shares outstanding, basic   | 98.4                               | 96.3     | 97.7                                | 95.8       |
| Weighted average common shares outstanding, diluted | 102.3                              | 100.8    | 101.0                               | 98.9       |

**TABLE 2**  
**NEUROCRINE BIOSCIENCES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(unaudited)**

| <i>(in millions)</i>                             | December 31,<br>2023 | December 31,<br>2022 |
|--|----------------------|----------------------|
| Cash, cash equivalents and marketable securities | \$ 1,031.6           | \$ 989.3             |
| Other current assets                             | 575.4                | 464.2                |
| Total current assets                             | 1,607.0              | 1,453.5              |
| Deferred tax assets                              | 362.6                | 305.9                |
| Debt securities available-for-sale               | 687.5                | 299.4                |
| Right-of-use assets                              | 276.5                | 87.0                 |
| Equity security investments                      | 161.9                | 102.1                |
| Property and equipment, net                      | 70.8                 | 58.6                 |
| Intangible assets, net                           | 35.5                 | 37.2                 |
| Other assets                                     | 49.6                 | 25.0                 |
| Total assets                                     | <u>\$ 3,251.4</u>    | <u>\$ 2,368.7</u>    |
| Convertible senior notes                         | \$ 170.1             | \$ 169.4             |
| Other current liabilities                        | 484.7                | 368.3                |
| Total current liabilities                        | 654.8                | 537.7                |
| Operating lease liabilities                      | 258.3                | 93.5                 |
| Other long-term liabilities                      | 106.3                | 29.7                 |
| Stockholders' equity                             | 2,232.0              | 1,707.8              |
| Total liabilities and stockholders' equity       | <u>\$ 3,251.4</u>    | <u>\$ 2,368.7</u>    |

**TABLE 3**

**NEUROCRINE BIOSCIENCES, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL RESULTS**  
**(unaudited)**

| <i>(in millions, except per share data)</i>                       | Three Months Ended<br>December 31, |          | Twelve Months Ended<br>December 31, |          |
|---|------------------------------------|----------|-------------------------------------|----------|
|   | 2023                               | 2022     | 2023                                | 2022     |
| GAAP net income   | \$ 147.7                           | \$ 89.0  | \$ 249.7                            | \$ 154.5 |
| Adjustments:  |                                    |          |                                     |          |
| Stock-based compensation expense - R&D                            | 13.2                               | 14.1     | 68.0                                | 57.7     |
| Stock-based compensation expense - SG&A                           | 24.9                               | 29.4     | 126.3                               | 115.4    |
| Loss on extinguishment of convertible senior notes <sup>1</sup>   | —                                  | —        | —                                   | 70.0     |
| Non-cash interest related to convertible senior notes             | 0.1                                | 0.2      | 0.7                                 | 1.2      |
| Non-cash amortization related to acquired intangible assets       | 0.8                                | 0.5      | 3.5                                 | 0.5      |
| Acquisition and integration costs - SG&A <sup>2</sup>             | —                                  | 1.7      | 3.9                                 | 1.7      |
| Changes in fair value of equity security investments <sup>3</sup> | (29.0)                             | (7.2)    | (28.4)                              | (30.8)   |
| Changes in foreign currency exchange rates                        | —                                  | (1.5)    | —                                   | 1.9      |
| Income tax effect related to reconciling items <sup>4</sup>       | —                                  | (1.5)    | (33.7)                              | (28.9)   |
| Non-GAAP net income   | \$ 157.7                           | \$ 124.7 | \$ 390.0                            | \$ 343.2 |
| Diluted earnings per share:                                       |                                    |          |                                     |          |
| GAAP  | \$ 1.44                            | \$ 0.88  | \$ 2.47                             | \$ 1.56  |
| Non-GAAP  | \$ 1.54                            | \$ 1.24  | \$ 3.86                             | \$ 3.47  |

1. The Company recognized a loss on extinguishment of \$70.0 million related to the partial repurchase of its convertible senior notes in the second quarter of 2022.
2. Reflects transaction and integration costs for contract terminations related to the Diurnal Group plc acquisition.
3. Reflects periodic fluctuations in the fair values of the Company's equity security investments.
4. Estimated income tax effect of non-GAAP reconciling items are calculated using applicable statutory tax rates, taking into consideration any valuation allowance and adjustments to exclude tax benefits or expenses associated with non-cash stock-based compensation.

**TABLE 4**  
**NEUROCRINE BIOSCIENCES, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP EXPENSES**  
**(unaudited)**

| <i>(in millions)</i>  | Three Months Ended<br>December 31, |          | Twelve Months Ended<br>December 31, |           |
|---|------------------------------------|----------|-------------------------------------|-----------|
|   | 2023                               | 2022     | 2023                                | 2022      |
| GAAP cost of revenues                                       | \$ 8.5                             | \$ 7.7   | \$ 39.7                             | \$ 23.2   |
| Adjustments:  |                                    |          |                                     |           |
| Non-cash amortization related to acquired intangible assets | 0.8                                | 0.5      | 3.5                                 | 0.5       |
| Non-GAAP cost of revenues                                   | \$ 7.7                             | \$ 7.2   | \$ 36.2                             | \$ 22.7   |
|   |                                    |          |                                     |           |
| <i>(in millions)</i>  | Three Months Ended<br>December 31, |          | Twelve Months Ended<br>December 31, |           |
|   | 2023                               | 2022     | 2023                                | 2022      |
| GAAP R&D  | \$ 137.5                           | \$ 118.0 | \$ 565.0                            | \$ 463.8  |
| Adjustments:  |                                    |          |                                     |           |
| Stock-based compensation expense                            | 13.2                               | 14.1     | 68.0                                | 57.7      |
| Non-GAAP R&D  | \$ 124.3                           | \$ 103.9 | \$ 497.0                            | \$ 406.1  |
|   |                                    |          |                                     |           |
| <i>(in millions)</i>  | Three Months Ended<br>December 31, |          | Twelve Months Ended<br>December 31, |           |
|   | 2023                               | 2022     | 2023                                | 2022      |
| GAAP SG&A   | \$ 218.9                           | \$ 182.9 | \$ 887.6                            | \$ 752.7  |
| Adjustments:  |                                    |          |                                     |           |
| Stock-based compensation expense                            | 24.9                               | 29.4     | 126.3                               | 115.4     |
| Acquisition and integration costs                           | —                                  | 1.7      | 3.9                                 | 1.7       |
| Non-GAAP SG&A   | \$ 194.0                           | \$ 151.8 | \$ 757.4                            | \$ 635.6  |
|   |                                    |          |                                     |           |
| <i>(in millions)</i>  | Three Months Ended<br>December 31, |          | Twelve Months Ended<br>December 31, |           |
|   | 2023                               | 2022     | 2023                                | 2022      |
| GAAP other income (expense), net                            | \$ 47.9                            | \$ 14.5  | \$ 81.2                             | \$ (35.1) |
| Adjustments:  |                                    |          |                                     |           |
| Loss on extinguishment of convertible senior notes          | —                                  | —        | —                                   | 70.0      |
| Non-cash interest related to convertible senior notes       | 0.1                                | 0.2      | 0.7                                 | 1.2       |
| Changes in fair value of equity security investments        | (29.0)                             | (7.2)    | (28.4)                              | (30.8)    |
| Changes in foreign currency exchange rates                  | —                                  | (1.5)    | —                                   | 1.9       |
| Non-GAAP other income, net                                  | \$ 19.0                            | \$ 6.0   | \$ 53.5                             | \$ 7.2    |