Ardelyx Announces $20 Million Financing Agreement with HealthCare Royalty Partners

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HealthCare Royalty Partners funding supports the ongoing launch of IBSRELA® in the United States in exchange for future hyperphosphatemia royalty payments from Ardelyx Japanese collaboration partner

WALTHAM, Mass., June 30, 2022 /PRNewswire/ -- Ardelyx, Inc. (Nasdaq: ARDX), a biopharmaceutical company founded with a mission to discover, develop and commercialize innovative first-in-class medicines that meet significant unmet medical needs, today announced that the company may receive up to $20 million from HealthCare Royalty Partners (HealthCare Royalty) from the sale of its future royalties and sales milestones from Kyowa Kirin Co., Ltd (Kyowa Kirin), its collaboration partner in Japan for the commercialization of tenapanor for hyperphosphatemia.

"We've been working with HealthCare Royalty for many years looking to find an opportunity for us to work together. They have been following the progress Kyowa Kirin has made in the development of tenapanor in Japan and this financing further validates the value and potential of tenapanor to treat patients with hyperphosphatemia," said Mike Raab, president and chief executive officer of Ardelyx. "Together with the development milestones that may become due under the license agreement with Kyowa Kirin and the payments that may become due to Ardelyx under the recent amendment to the license agreement with Kyowa Kirin, we now have the opportunity to receive up to $85 million in non-dilutive capital based on the potential of tenapanor for hyperphosphatemia in Japan."

Under the terms of the agreement, Ardelyx will receive from HealthCare Royalty a $10 million upfront payment, an additional $5 million following Kyowa Kirin's receipt of regulatory approval to market tenapanor for hyperphosphatemia in Japan, and $5 million in the event net sales in Japan exceed a certain target level by 2025. In return, HealthCare Royalty will receive the royalty payments and commercial sales milestones that Ardelyx may earn under the license agreement with Kyowa Kirin.

"There has been a dearth of innovation in the hyperphosphatemia market for too long and we believe tenapanor, as an innovative non-binder therapy, has the potential to address signficiant unmet needs in treating and controlling hyperphosphatemia," said Clarke Futch, chairman and chief executive officer of HealthCare Royalty. "We are pleased to support Ardelyx's efforts, with its partner Kyowa Kirin, in gaining potential approval and commercializing tenapanor for hyperphosphatemia in Japan."

On April 11, 2022, Ardelyx announced that it had amended its license agreement with Kyowa Kirin. Under the agreement, in consideration for a reduction in the royalty rate due to Ardelyx upon net sales in Japan, Kyowa Kirin agreed to pay Ardelyx consideration of up to $40 million payable in two tranches, with payment due following Kyowa Kirin's filing with the Japanese Ministry Health, Labour and Welfare (MHLW) of its application for marketing approval for tenapanor, which Kyowa Kirin has reported is expected in the second half of 2022, and the second payment due following Kyowa Kirin's approval to market tenapanor for hyperphosphatemia in Japan, which Kyowa Kirin has reported is currently expected in the second half of 2023.

The royalty rate at which Kyowa Kirin will make payments on net sales to Ardelyx under the amended license agreement was reduced from the high teens to low double digits for a two-year period, and then to mid-single digits. These royalty payments, along with certain sales milestones that may become due to Ardelyx under the license agreement have now been sold to HealthCare Royalty.

About Ardelyx, Inc.

Ardelyx was founded with a mission to discover, develop and commercialize innovative first-in-class medicines that meet significant unmet medical needs. Ardelyx's first approved product, IBSRELA® (tenapanor) is available in the United States. Ardelyx is developing XPHOZAH® (tenapanor), a novel product candidate to control serum phosphorus in adult patients with CKD on dialysis, which has completed three successful Phase 3 trials. Ardelyx has a Phase 2 potassium secretagogue program, RDX013, for the potential treatment of elevated serum potassium, or hyperkalemia, a problem among certain patients with kidney and/or heart disease and an early-stage program in metabolic acidosis, a serious electrolyte disorder in patients with CKD. Ardelyx has established agreements with Kyowa Kirin in Japan, Fosun Pharma in China and Knight Therapeutics in Canada for the development and commercialization of tenapanor in their respective territories.

About HealthCare Royalty Partners

HealthCare Royalty purchases royalties and uses debt-like structures to invest in commercial or near-commercial stage life science assets. HealthCare Royalty has $6.0 billion in cumulative capital commitments with offices in Stamford (CT), San Francisco, Boston and London. For more information, visit www.healthcareroyalty.com. HEALTHCARE ROYALTY PARTNERS® is a registered trademark of HealthCare Royalty Management, LLC in the U.S. and a trademark in other countries.

Forward Looking Statements

To the extent that statements contained in this press release are not descriptions of historical facts regarding Ardelyx, they are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor of the Private Securities Reform Act of 1995, including the potential receipt by Ardelyx of up to an aggregate of $85 million in development milestones from Kyowa Kirin; payments from Kyowa Kirin under the recent amendment to the license agreement with Kyowa Kirin and the royalty financing agreement with HealthCare Royalty; Ardelyx's expectation regarding the timing of Kyowa Kirin's filing for marketing approval for tenapanor for hyperphosphatemia in Japan and Ardelyx's

expectations regarding the potential timing for Kyowa Kirin's marketing approval in Japan. Such forward-looking statements involve substantial risks and uncertainties that could cause Ardelyx's future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, uncertainties in the drug development and regulatory processes in Japan. Ardelyx undertakes no obligation to update or revise any forward-looking statements. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to Ardelyx's business in general, please refer to Ardelyx's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2022, and its future current and periodic reports to be filed with the Securities and Exchange Commission.

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