

**ROYALTY PHARMA**

# **Cowen Health Care Conference**

**March 8, 2022**

# Forward Looking Statements & Non-GAAP Financial Information

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Also, the discussions during this presentation will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Additional information regarding non-GAAP financial measures can be found on slide 11 and in the Company’s earnings release furnished with its current report on Form 8-K dated February 15, 2022, which are available on the Company’s website. Any non-U.S. GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by GAAP, have no standardized meaning prescribed by GAAP and may not be comparable to the calculation of similar measures of other companies.

# A leading royalty portfolio positioned for compounding growth

## Key Metrics

### Portfolio Metrics

**35+**

Approved products

**10**

Development-stage products

**14**

Blockbuster \$1bn+ therapies in portfolio<sup>(1)</sup>

**~13 Years**

Portfolio weighted average royalty duration

### Financial Metrics

**\$2.1bn**

Adjusted Cash Receipts<sup>(2)</sup> (2021)

**\$1.8bn**

Adjusted Cash Flow<sup>(2)</sup> (2021)

**\$1.8bn**

Average annual capital deployment since 2012

## Approved Products

VERTEX CF Franchise

trikafta<sup>®</sup>  
ORKAMBI<sup>®</sup>

kalydeco<sup>®</sup>  
symdeko<sup>®</sup>

Tremfya<sup>®</sup>  
Johnson & Johnson

PROMACTA<sup>®</sup>  
NOVARTIS

Januvia<sup>®</sup> Janumet<sup>®</sup>  
MERCK

imbruvica<sup>®</sup>  
abbvie Johnson & Johnson

TYSABRI<sup>®</sup>  
Biogen

Xtandi<sup>®</sup>  
Astellas Pfizer

CABOMETYX<sup>®</sup> COMETRIQ<sup>®</sup>  
EXELIXIS<sup>®</sup> IPSEN<sup>®</sup> Takeda

CRYSVITA<sup>®</sup>  
KYOWA KIRIN ultragenyx

Entyvio<sup>®</sup>  
Takeda

Erleada<sup>®</sup>  
Johnson & Johnson

IDHIFA<sup>®</sup>  
Bristol Myers Squibb

orladeyo<sup>®</sup> PREVYMIS<sup>®</sup>  
biocryst MERCK

TRODELVY<sup>™</sup>  
GILEAD

TAZVERIK<sup>™</sup>  
Epizyme

OXLUMO<sup>™</sup>  
Alnylam

Nurtec<sup>™</sup> ODT  
biohaven pharmaceuticals

Evrysdi<sup>®</sup>  
Roche

## Development-Stage Product Candidates

zavegepant  
biohaven pharmaceuticals

PT027  
AstraZeneca

otilimab  
gsk

CPI-0209  
morphosys

gantenerumab  
Roche

pelabresib  
morphosys

seltorexant  
Johnson & Johnson

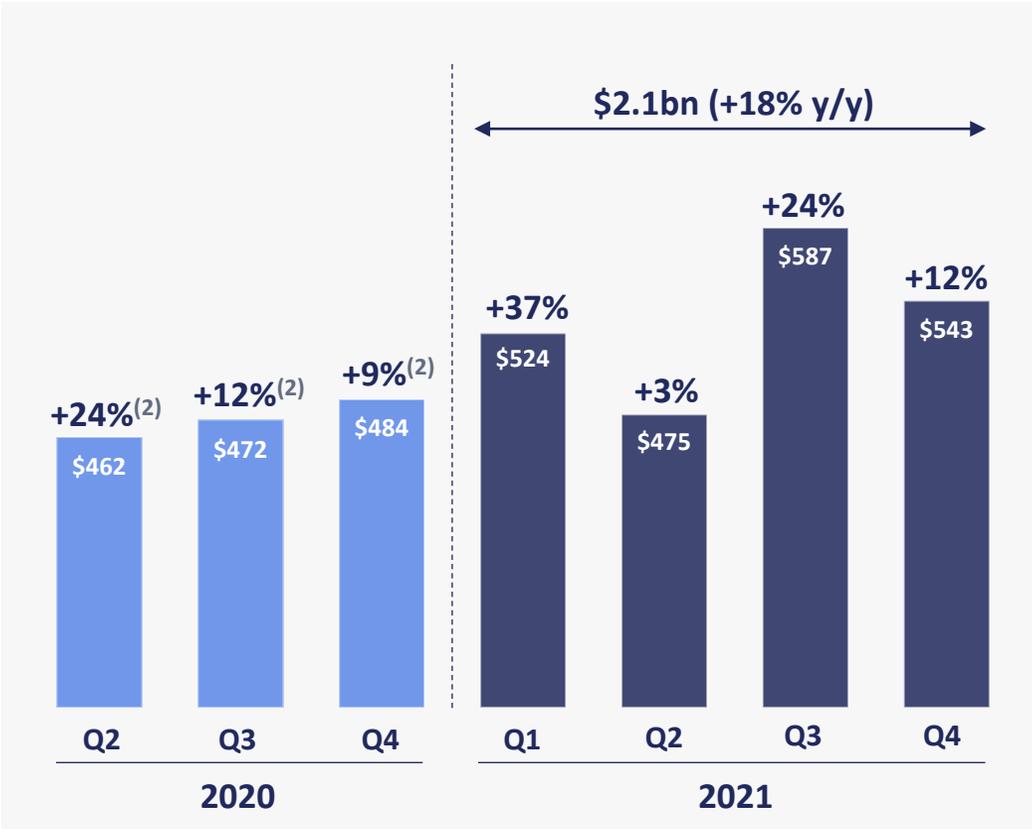
BCX9930  
biocryst

aficamten  
Cytokinetics

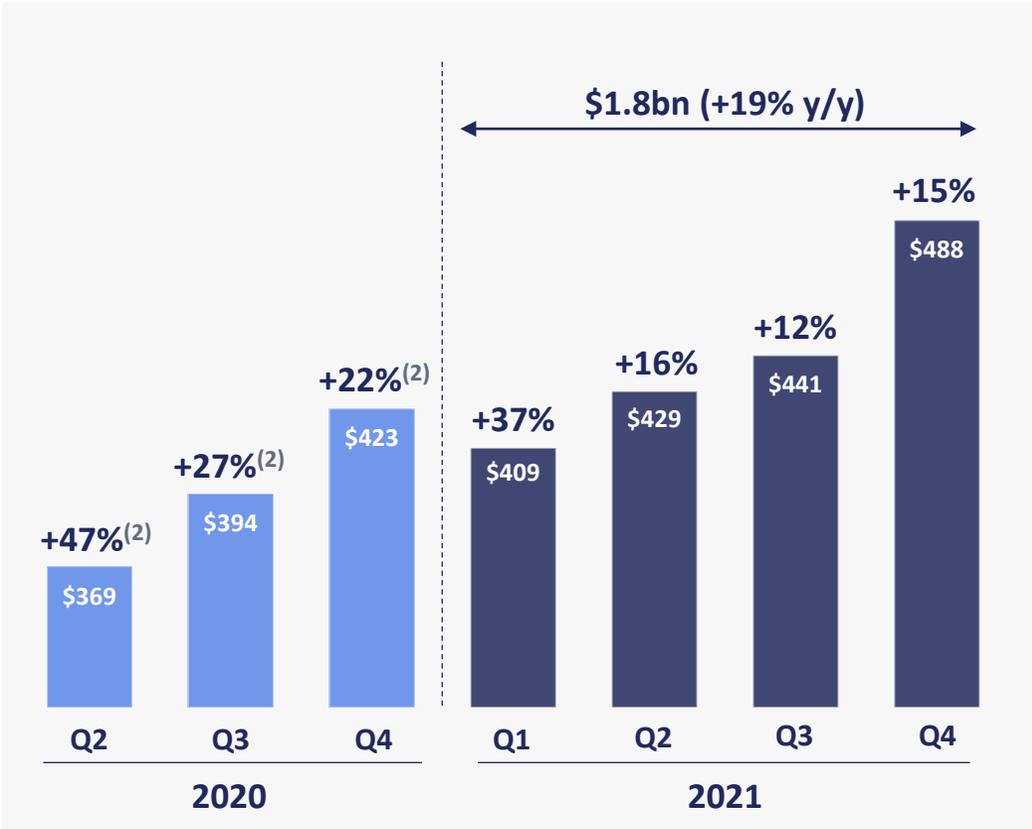
omecamtiv mecarbil  
Cytokinetics

# Track record of impressive growth since June 2020 IPO

**Adjusted Cash Receipts<sup>(1)</sup>**  
(\$ in millions, year/year growth)



**Adjusted Cash Flow<sup>(1)</sup>**  
(\$ in millions, year/year growth)



1. See slide 11 for definitions. Refer to Royalty Pharma’s Current Report on Form 8-K dated February 15, 2022 for a GAAP to non-GAAP reconciliation.  
2. On pro forma basis. See slide 11 for definition and additional information.

# Enhancing long-term growth with transformative therapies

Transactions announced in 2020 and 2021

**\$5.5bn**

Total announced value

**20**

Unique therapies

**8**

Development-stage therapies at acquisition

**5**

Areas of therapeutic focus

**9**

Current and potential future blockbusters<sup>(1)</sup>

**>\$750m**

Contribution to 2025e Adjusted Cash Receipts<sup>(2)</sup>

## Approved therapies



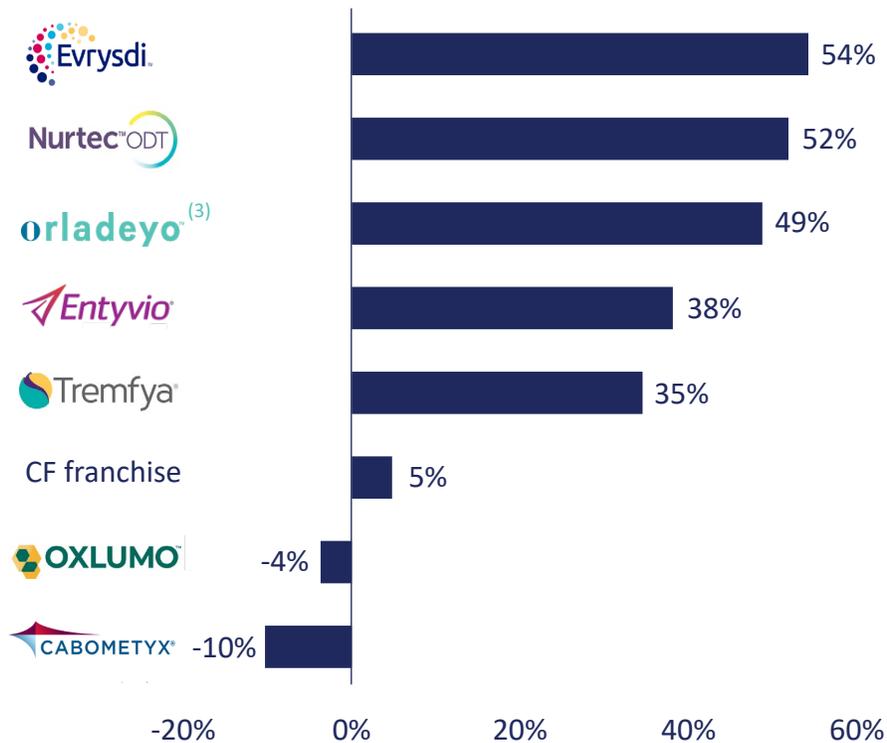
## Development-stage therapies



# Impressive early performance of recent transactions<sup>(1)</sup>

## Current approved therapies

Percent change in 2025 consensus sales<sup>(2)</sup> since acquisition



## Development-stage therapies

Therapy	Marketer	Key upcoming events
zavegepant	Biohaven	Oral Phase 3 results in Q4 2022 <sup>(4)</sup>
BCX9930	BioCryst	Pivotal studies ongoing
seltorexant	Johnson & Johnson	Phase 3 results in H2 2022 <sup>(4)</sup>
gantenerumab	Roche	Phase 3 results in Q4 2022 <sup>(5)</sup>
otilimab	GlaxoSmithKline	Phase 3 results in H2 2022 <sup>(6)</sup>
CPI-0209	MorphoSys	Phase 1 / 2 PoC data in H1 2022 <sup>(7)</sup>
pelabresib	MorphoSys	Phase 3 primary analysis in H1 2024 <sup>(7)</sup>

PoC: Proof of Concept

(1) Recent transactions includes 2020 and 2021 transactions.

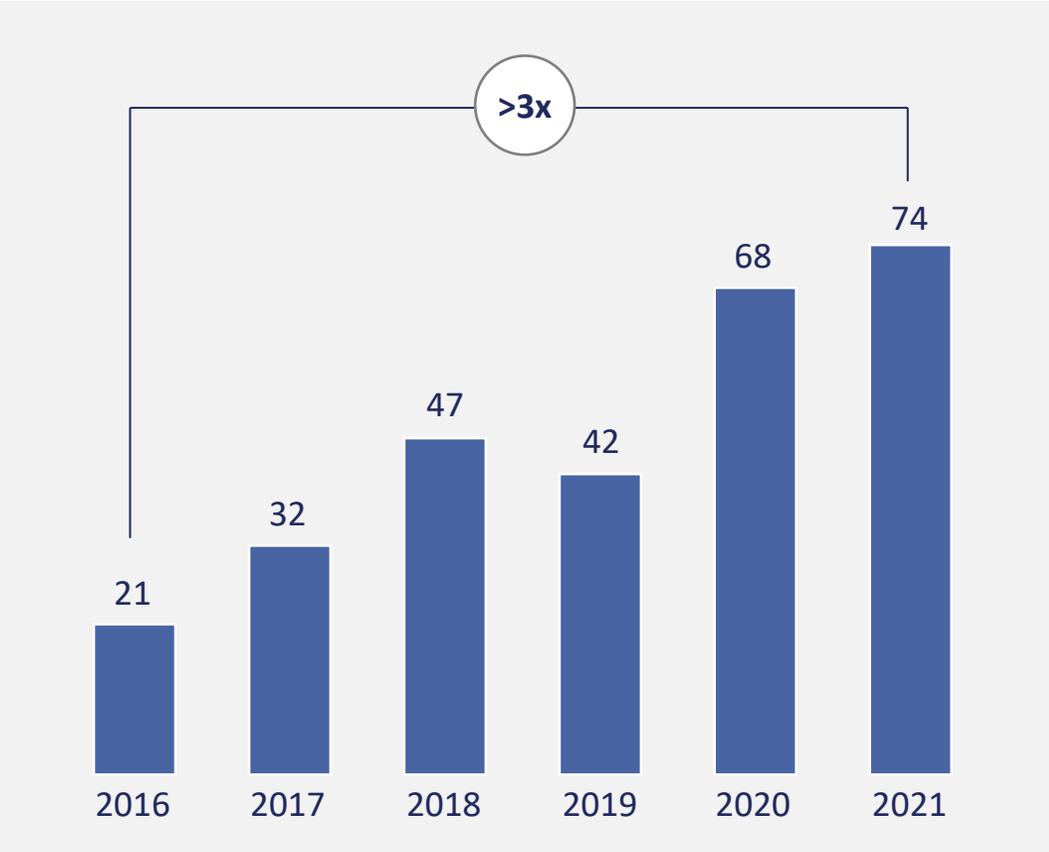
(2) Consensus sales sourced from Visible Alpha as of March 2022 and includes therapies with consensus available at the time of the deal and now.

(3) Change in Orladeyo consensus sales is from date of initial BioCryst transaction (December 7, 2020).

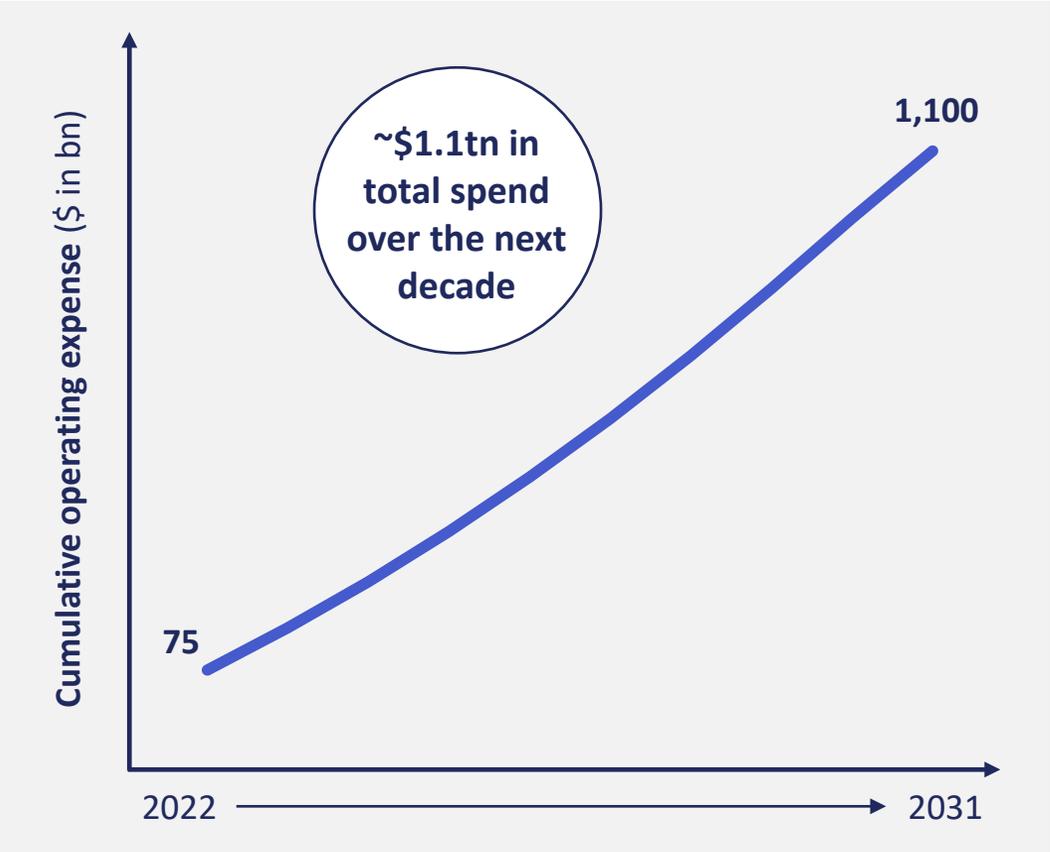
(4) www.clinicaltrials.gov. (5) Roche Full-Year 2021 Results, February 3, 2022. (6) GlaxoSmithKline Q4 2021 financial results, February 9, 2022. (7) MorphoSys Q3 presentation, November 11, 2021.

# Company formation and innovation create massive opportunity

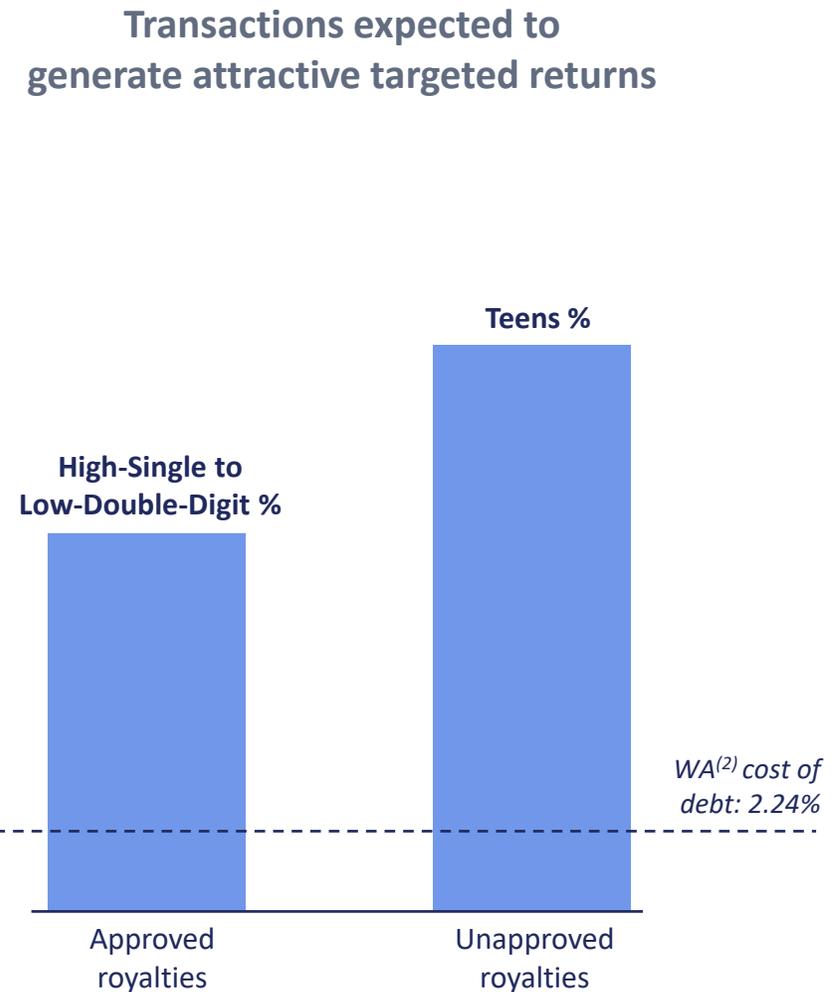
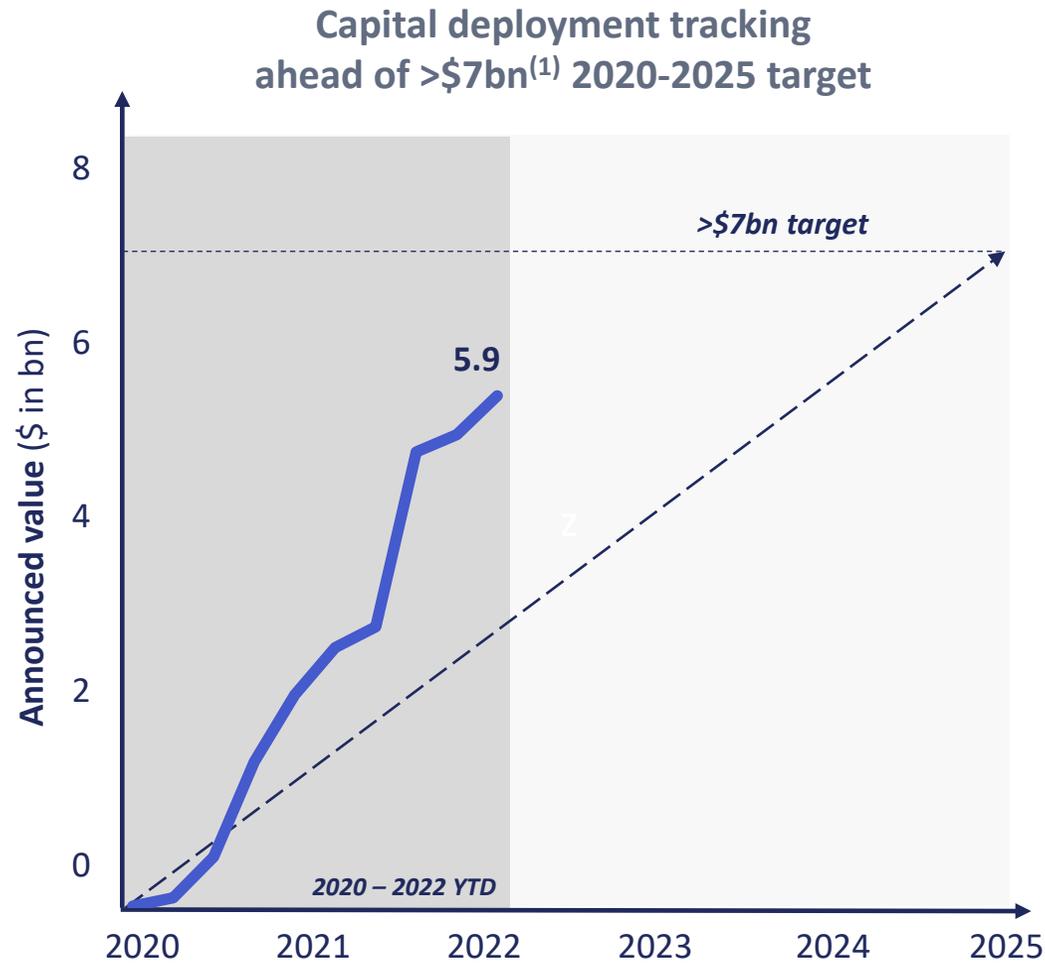
Biotech initial public offerings (IPOs)



Cumulative spend from today's unprofitable biopharmas



# Power of business model expected to drive compounding growth



1. Reflects announced value of 2020 and 2021 transactions. 2020 to 2025 outlook for capital deployment provided on February 17, 2021. Royalty Pharma may amend its long-term outlook in the event it engages in new royalty transactions. See information on page 3 "Forward Looking Statements & Non-GAAP Financial Information", for factors that may impact the long-term outlook.  
 2. WA: weighted average

# Differentiated exposure to the best attributes of biopharma



Leader in biopharma royalty funding



Save the date: Investor Day scheduled for May 17, 2022

# Footnotes

- 1) To aid in comparability, figures for each fiscal quarter in 2019 are presented on an unaudited pro forma basis, which adjusts certain cash flow line items as if Royalty Pharma's Reorganization Transactions (as described in the Company's final prospectus filed with the SEC on June 17, 2020 ("Prospectus")) and its initial public offering ("IPO") had taken place on January 1, 2019. The most significant difference between the pro forma and reported figures is the new non-controlling interest that resulted from the Reorganization Transactions. A new contractual non-controlling interest arose in the Reorganization Transactions that results in a higher distribution to non-controlling interests on a pro forma basis as compared to prior historical periods. Less material differences also arise in the Royalty Receipts line for other products as well as Payments for operating and professional costs, interest paid, net, and in the payments associated with our former interest rate swap contracts.
- 2) Adjusted Cash Receipts is a measure calculated with inputs directly from the Statement of Cash Flows and includes (1) royalty receipts: (i) cash collections from royalty assets (financial assets and intangible assets), (ii) other royalty cash collections, (iii) distributions from non-consolidated affiliates, plus (2) proceeds from available for sale debt securities, and less (3) distributions to non-controlling interest, which represents distributions to our historical non-controlling interest attributable to a de minimis interest in Royalty Pharma Collection Trust held by certain legacy investors and to a new non-controlling interest that was created as a result of the Exchange Offer Transactions in February 2020 related to the Legacy Investors Partnerships' ownership of approximately 18% in Old RPI. See the Company's Annual Report on Form 10-K filed with the SEC on February 15, 2022 for additional discussion. See GAAP to Non-GAAP reconciliation in the Company's current report on Form 8-K dated February 15, 2022.
- 3) Adjusted Cash Flow is calculated as Adjusted Cash Receipts less (1) payments for operating and professional costs, (2) ongoing development-stage funding payments, (3) interest paid, net, (4) swap collateral (posted) or received, net, (5) swap termination payments, and (6) investment in non-consolidated affiliates, and plus (1) contributions from non-controlling interest- R&D, all directly reconcilable to the Statement of Cash Flows.

## **Financial Guidance footnote**

- 4) Royalty Pharma has not reconciled its non-GAAP 2021 guidance to the most directly comparable GAAP measure, cash flow from operations, at this time due to the inherent difficulty in accurately forecasting and quantifying certain amounts that are necessary for such reconciliation, including, primarily, payments for operating and professional costs, distributions from non-consolidated affiliates, and interest received. The Company is not able to forecast on a GAAP basis with reasonable certainty all adjustments needed in order to project cash flow from operations on a GAAP basis at this time.