

## ROYALTY PHARMA ACQUIRES ADDITIONAL ROYALTY INTEREST FROM THE CYSTIC FIBROSIS FOUNDATION

**NEW YORK, NY, November 2, 2020** - Royalty Pharma plc (Nasdaq: RPRX) announced today an agreement to acquire the residual royalty interest in Vertex Pharmaceuticals, Inc.'s cystic fibrosis (CF) treatments owned by the Cystic Fibrosis Foundation. The agreement includes an upfront payment of \$575 million and a potential milestone payment of \$75 million.

Pablo Legorreta, Royalty Pharma's Founder and Chief Executive Officer, stated, "We are excited to build on our long-standing relationship with the CF Foundation. Our initial landmark funding transaction in 2014 enabled the Foundation to expand its efforts to develop new lifesaving therapies and improve care for patients, and exemplified our leadership role as an innovator in funding the biopharma ecosystem. We are similarly optimistic that today's transaction will further support the CF Foundation's work to fund research and drug development and advance high-quality, specialized CF care."

As part of previous agreements with the CF Foundation, Royalty Pharma purchased all of the CF Foundation's royalty interests on Vertex's CF franchise. Under the terms of those agreements, Royalty Pharma was obligated to pay the CF Foundation 50% of royalties attributable to revenue over \$5.8 billion in any calendar year. Today's agreement eliminates this obligation and entitles Royalty Pharma to all royalties above the previous revenue threshold. The Vertex CF franchise generated net revenues totalling over \$4.0 billion in 2019. The royalties under this agreement are perpetual and not tied to patent expirations.

Relative to Royalty Pharma's existing business, this transaction is expected to enhance the company's long-term Adjusted Cash Receipts and Adjusted Cash Flow growth.

MTS Health Partners and Mintz Levin acted as advisors to the Cystic Fibrosis Foundation on the transaction and Goodwin Procter, Dechert and Maiwald acted as legal advisors to Royalty Pharma.

### About Royalty Pharma plc

Founded in 1996, Royalty Pharma is the largest buyer of biopharmaceutical royalties and a leading funder of innovation across the biopharmaceutical industry, collaborating with innovators from academic institutions, research hospitals and not-for-profits through small and mid-cap biotechnology companies to leading global pharmaceutical companies. Royalty Pharma has assembled a portfolio of royalties which entitles it to payments based directly on the top-line sales of many of the industry's leading therapies. Royalty Pharma funds innovation in the biopharmaceutical industry both directly and indirectly - directly when it partners with companies to co-fund late-stage clinical trials and new product launches in exchange for future royalties, and indirectly when it acquires existing royalties from the original innovators. Royalty Pharma's current portfolio includes royalties on more than 45 commercial products, including AbbVie and J&J's Imbruvica, Astellas and Pfizer's Xtandi, Biogen's Tysabri, Gilead's HIV franchise, Merck's Januvia, Novartis' Promacta, and Vertex's Kalydeco, Orkambi, Symdeko and Trikafta, and three development-stage product candidates.

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# ROYALTY PHARMA

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### Forward-Looking Statements

This press release contains statements that constitute “forward-looking statements” as that term is defined in the United States Private Securities Litigation Reform Act of 1995, including statements that express Royalty Pharma’s opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, in contrast with statements that reflect historical facts. Examples include discussion of our strategies, financing plans, growth opportunities and market growth. In some cases, you can identify such forward-looking statements by terminology such as “anticipate,” “intend,” “believe,” “estimate,” “plan,” “seek,” “project,” “expect,” “may,” “will,” “would,” “could” or “should,” the negative of these terms or similar expressions. Forward-looking statements are based on management’s current beliefs and assumptions and on information currently available to Royalty Pharma. However, these forward-looking statements are not a guarantee of our performance, and you should not place undue reliance on such statements. Forward-looking statements are subject to many risks, uncertainties and other variable circumstances, and other factors. Such risks and uncertainties may cause the statements to be inaccurate and readers are cautioned not to place undue reliance on such statements. Many of these risks are outside of Royalty Pharma’s control and could cause its actual results to differ materially from those it thought would occur. The forward-looking statements included in this document are made only as of the date hereof. Royalty Pharma does not undertake, and specifically declines, any obligation to update any such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments, except as required by law.

Certain information contained in this press release relates to or is based on studies, publications, surveys and other data obtained from third-party sources and Royalty Pharma's own internal estimates and research. While Royalty Pharma believes these third-party sources to be reliable as of the date of this press release, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of, any information.

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