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OVERVIEW:

Company Summary

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Terrance Coyne *Royalty Pharma plc - Executive VP & CFO*

CONFERENCE CALL PARTICIPANTS

Terence C. Flynn *Morgan Stanley, Research Division - Equity Analyst*

PRESENTATION

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Thanks so much for joining us, everybody. I'm Terence Flynn, U.S. biopharma analyst here at Morgan Stanley and very pleased to be hosting Royalty Pharma today. Joining us from the company, we have Pablo Legorreta, who is the company's founder and CEO; and Terry Coyne, the company's CFO. Thank you both so much for being here.

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Thanks so much both for being here. Really appreciate the time today. Maybe Pablo, I thought just to share a little bit of background of the company and the business model, because it is somewhat unique for those who are new to the story, and then we can dive into some of the more detailed questions.

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

Well, first of all, thank you very much for the invitation to join you today in this great conference. And it's great to see many of our investors and the public and others that may be hearing us and also new investors to Royalty Pharma. We're at a stage of our business, whereas a young biotech company -- young public company, sorry, having gone public in June of 2020, we really want to make a big effort of cultivating new investors for Royalty Pharma and really reaching out to investors all around the world to explain how unique an investment proposition Royalty Pharma is.

We often say that we're an N of one. And the business model is really simple, really, really simple. What we have been able to assemble is a portfolio of royalty streams in some of the best drugs, top drugs, marketed by some of the top companies in life sciences, and we do that over and over again. We've been doing this for 27 years and have been able to almost -- each wave of innovation in life sciences, been able to have investments in the most exciting product that each wave of innovation has brought to patients.

And we do that by -- initially, when I started this business, acquiring royalties from the original innovators, which were universities, research hospitals, foundations, some biotechs that ended up owning a royalty because they have licensed their first or second drug to a big pharma and would reinvest that in the third, fourth drug. And for a long period of time, our business was based on that idea of just monetizing royalties, essentially acquiring royalties in approved products for the most part, and where the license already existed. It was a license in the hands of Memorial Sloan Kettering's Neupogen, Amgen's drug, or UCLA, which had a royalty in Xtandi, a Pfizer drug, the Cystic Fibrosis Foundation, which funded a company, Aurora Bioscience, that was acquired by Vertex and they had this about 10% royalty in what has become an incredible franchise in cystic fibrosis. So that was sort of the beginnings of Royalty Pharma.

In 2012, we made the conscious decision of also funding research, funding R&D, funding clinical trials. And we said, we understand how to price, how to assess commercial potential for our drug, how big is it going to be, and we have been doing that very successfully from '96 to 2012 and deploying many billion dollars of capital and acquiring royalties in some of the most exciting drugs like Humira, Remicade, Rituxan. But then in 2012, we said we also believe we can assess approval risk, why don't we go out and fund the biotech industry, fund late-stage trials and create a royalty. And that's why we call them synthetic royalties. So in this case, the product is not approved. We're taking the binary risk of approval,

non-approval. Also the commercial risk and we're giving a company $200 million, $300 million, $500 million in the case of Merck, $425 million in the case of a deal we did with Merck last year where we're funding a schizophrenia drug. And in those cases, what we're doing is we're creating royalties. And what that really did for our business, and that's why it's so exciting for us is that it made the entire pipeline of the entire ecosystem in life sciences, our pipeline, because we can go to one of 8,000 biotech companies that are out there and propose to fund their late-stage trials, one of 20, 25 big pharma, big biotech companies that are out there and also propose to fund their clinical trials and create a royalty.

Now we're super, super selective because we want to continue with this track record that we have of investing in the top drugs marketed by the top companies. And if you look at what happened last year at Royalty Pharma, we started with a funnel where we looked at 350 opportunities that came, a lot of them, actually, a very significant portion of these opportunities are deals that we generated. We go out and talk to companies. They're not brought to us. And many of them end up being sort of one-on-one discussions, not even competitive. But it was 350. Of those we -- not discarded, we actually decided to pass on about 250 of the 300 where we told the company, maybe it's early stage, let's talk in a year or two. Maybe we just couldn't get comfortable with the IP for the Phase one, Phase two data, the market opportunity. But many of them we just said, let's talk in a year or two. And then what we did is we signed about 80 CDAs. We did about 70 deep dives where we spent a month, sometimes even longer than that, doing deep diligence on the product, the clinical trials, everything, the IP, the design of the trial we're funding, the Phase three. And then we made 35 proposals to companies. And of those 35, we did nine deals last year, and we deployed $3.5 billion of capital. And we have a track record now of this deployment growing. It was $3 billion in '21, $3.5 billion last year. And if we go back a little further, it's in the $2 billion-plus range.

And what's really happened with our business, Terence, and I'll finish with this, is that we are becoming probably in -- capital markets obviously provide billions of dollars, hundreds of billions of dollars of capital to the industry. But the way we do it is very unusual, it's very complementary to equity. And we are becoming probably the biggest funder of innovation in life sciences, in very unique ways that are very long term, very flexible and complementary to equity. And management teams love this, and they come back and do more business with us. We had a record of doing several deals with Biohaven, with Cytokinetics, with anyway, -- but I'll stop there and maybe get into some Q&A.

QUESTIONS AND ANSWERS

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

No, that's great. Great. I appreciate all the background. The one question we get a lot is just the type of returns. And so maybe just frame that for us where you have been historically. You announced this pivot -- not announced, you talked about the pivot towards doing the synthetic royalty deals. So maybe just walk us through kind of how you think about returns and the confidence in being able to generate those same returns on the forward year?

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

Yes. So to answer your question, and I'm going to just -- before I talk about returns, talk about another very unique aspect of Royalty Pharma. When you look at our business, just think how many businesses out there in life sciences give an investor the possibility of investing in a diversified portfolio of blockbuster drugs. We have more blockbusters than the typical big pharma company. About 1.5 to 2x more blockbusters in our portfolio than in any one of the big pharma companies. So very unique from that perspective.

And the -- talking about returns -- and I think just maybe briefly, what's also very unique about Royalty Pharma, when you look at the top line, so we are capturing the most exciting things of this industry, which is the access to a product. And we have a share of the top line, just like any big pharma. So what drives the performance of Royalty Pharma is sales of pharmaceutical products just like any big pharma, any big biotech, but it's diversified. And we are not exposed to the challenges that this industry faces. A very significant expenditure in sales and marketing, in manufacturing, in R&D. So that's very unique, the risk reward.

But going to your question about returns, we have a very consistent track record of generating double-digit returns, very predictably, over more than two decades. If I look at the last 10 years, and we had a chart in our Investor Day last year where we showed the returns, how they've been

double digits consistently. And when we look at things that are approved, our target return is high single digits, low double-digit unlevered returns. And then we can add leverage to those investments that take the returns to high teens, sometimes even low 20s, because a lot of the assets that we have invested in have had this history of outperformance. Even recent investments we did in Tremfya, Trelegy, they're doing much better than what we forecasted when we made the investments, what analysts had for those products at the time. Why? Because of the unique attributes that these assets have. They are the top drugs marketed by the top companies, and they have had a consistent history of outperformance. So there's returns that are -- start with a high single-digit, low double-digit, become high teens, low 20s.

Tell me what companies are out there that have a consistent track record of investing in things that are highly predictable. Approved products are doing billions of dollars where you can lock in, returns that are high single digit, low double-digit, unlevered for the next 10, 15 years, very unusual. When we look at unapproved assets, the late-stage part of our business, which is -- so if I maybe touch on that also, if I look at when we started this in 2012, we've deployed about $24 billion of capital, about 60% is in approved products, 40% in late-stage products.

If I look at the last three years since we went public in 2020, looking at 2020, '21, '22, we're up to about $11 billion of capital deployed. And again, it's about 60-40, 60% in approved product, 40% in unapproved. When we look at the unapproved, which is about 40% of the capital we're deploying, 40%, 45%, the returns we're targeting are high teens. Those returns are not levered, because, obviously, those assets cannot be levered, but if they get approved, and we have a track record there of about 85%, 90% of the investments we have made in late-stage products getting approved, which is higher than the 2/3 track record of the entire industry. In our case, it's higher. Why? Again, we're selective, and we're trying to really cherry pick the best assets in late stage. But when they get approved, then we can add leverage and the returns of those then get into much higher in the 20s, even 30s. So that's the answer to your question about returns.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. Maybe let's talk about a couple of the recent deals that you've announced. You guys have been busy here over the last month or so. And again, as you always tell me that the business can kind of be chunky in terms of how these deals come to fruition. But maybe just talk through both, Skytrofa, which was the most recent one and then Adstiladrin, which again, I don't know if I pronounced that correctly, which is a gene therapy for bladder cancer. And maybe just why those were attractive opportunities and where they fit in kind of the spectrum?

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

So why don't I pass it on to Terry so that...

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

We're really excited about those investments. I think at a high level, one of the things that's really exciting about them is that those really show us tapping into the synthetic royalty market that we've talked a lot about. And we feel like we're really starting to get some momentum there. And that's a huge growth opportunity for our business, is funding the industry by creating these synthetic royalties.

Both of these products are approved. I guess I'll start with Skytrofa, long-acting growth hormone, that's a very well-established market. The product has had a really great launch, and we think there's a lot of nice growth ahead of it. There's a lot of reasons why, as you can imagine, moving from a once daily injection to a once weekly injection should make a lot of sense for patients and so we think that this is going to be an important evolution in that market.

From a returns perspective, we're excited about the returns that we're -- that we think we're going to get on that investment, well, right in that the range of what we've described historically for approved investments in that high single digit, low double-digit range. I think we're cautiously optimistic that it can be at the high end of that range.

And then similarly, with Adstiladrin, it's -- so we've been public for three years. Got a lot of -- we've always got questions, are you going to ever make a gene therapy investment? And what we said is we're going to be patient there. We want -- there's a lot that we that we still need to

understand. But this opportunity came along. The data is really remarkable. It's very differentiated from a safety, from a convenience perspective. And this is our first gene therapy investment and we're very excited about it.

Again, so that was a $300 million investment, Skytrofa was $150 million, $300 million for Adstiladrin upfront plus we expect to pay a $200 million manufacturing milestone. And again, in terms of the returns that we're targeting, we think we'll be really attractive there in that high single, low double, and again, we're hoping that we can get at the higher end of that range.

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

So I think maybe just very quickly adding a couple of things about Adstiladrin, because I'm very excited about that investment, gene therapy, but also sort of under the radar, private company, this asset that not a lot of people knew about, we see so many things, 350 deals that at the end, we sort of see probably everything that's out there. And we were able to negotiate this very attractive deal with a very unique company private with certain characteristics that are unique to a private company where it was a win-win. But this gene therapy, it's not like many gene therapies where there's a lot of patients that are going to get on it and you have to go through a growth phase and then maybe a decline. This will grow for a long period of time, because it's going to treat 15,000 patients every year that are diagnosed. It's a big funnel. But -- so what's very interesting is the differentiation. And when you look at just a few metrics compared to Keytruda, more efficacious, which is just great. But when you look at the side effect profile, superior in many ways. So, it's going to do, we think, really well, billion dollar plus potential and potentially multibillion dollar potential if it eventually gets into the intermediate risk population, which is another -- it will double the number of patients from 15,000 to 30,000. So, we're very excited about this. Great investment. I see it as a $500 million investment, because that milestone of $200 million is very likely to get paid and very exciting.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Great. What maybe -- Terry, you alluded to this, but this is -- you're seeing a lot of momentum on the synthetic side. So maybe just -- any way you could help us put some numbers around that in terms of like how many synthetic deals have you guys done? Or what gives you the comments that you're seeing like an inflection here, the number of inbounds you're getting like what's driving that, I guess?

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

We're looking at things every week. We -- as things move later stage, our research team is bringing the senior management more into a loop on what we're looking at. And we're just feeling it that there's a lot of momentum behind the synthetic royalties.

The exciting thing is that in terms of -- Pablo talked a lot about the funding needs of the industry, and there's no secret that they're significant. But synthetic royalties, historically have been low single-digit percent of that market. And we're feeling that it really is -- we don't know if it gets to mid-single digit, high single digit, double digit, but the momentum is there. And that's what we're excited about. The companies like Ferring, Ascendis, they had other options, and they chose this as the preferred method to fund themselves. And we think that's really encouraging for the long term.

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

To give you a sense of the scale, so the biotech industry over the last five years, raised about $260 billion between IPOs, follow-ons. Of that, $4 billion -- of $260 billion was the synthetics, about 2%. Over the next 10 years, we've come up with some estimates of how much money the biotech side of the industry requires which about $1 trillion to fund the pipeline. And we think it's about maybe $450 billion, $500 billion over the next five years.

If the synthetics becomes 4% to 8% of that $500 billion, it's a $20 billion-plus opportunity. We have guided our investors for Royalty Pharma deploying $10 billion to $12 billion of capital over five years. We're way ahead, I think we're going to exceed that. But when you look at the

opportunity in synthetics, if it really becomes $20 billion plus, then it could for sure -- I mean the $10 billion to $12 billion that we have forecasted, would be short, a small fraction of that.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. One other question is just on the IRA. We've been talking with a lot of companies this week about IRA impact now that we have the initial list that was published here. I know you guys provided some detail about the impact on the business from some of your drugs. Now the list is out, maybe just give us kind of the mark-to-market for kind of impact. But then what are you doing as you think about future investments? More importantly, how is this shaping the diseases you're looking at, the structure of drugs? Like what is it doing in terms of how you go about your business from an operational strategic wise?

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

When that long-awaited list was finally published, it was actually an upside surprise for us. We thought that we would have two drugs on there, Imbruvica and Xtandi, and only Imbruvica was on there. And Imbruvica has faced some commercial headwinds that are pretty well understood at this point. And it's becoming a smaller and smaller portion of our overall portfolio. So, at our second quarter earnings call, we said low single-digit percentage, I think 2%, 3% potential impact in the 2026 time frame. And what we're seeing now with just Imbruvica, it's even smaller than that -- 1%. It is totally de minimis.

So that was a positive development. But we have products in the portfolio that will be on the list in later years. Trelegy is one that we would think will probably be on there in 2027. That's a unique asset in that it's already highly discounted. And there could be some potential for some volume offsets with improved access to a product like Trelegy. So overall, though, we feel like we are very well positioned from a portfolio perspective. We have very little exposure.

And then from the new -- our business is to deploy capital. And when we're making new investments, we are assessing the IRA risk, and we're taking a scenario-based approach, but we try to be pretty thoughtful and pretty conservative in terms of what that will look like. And so we're not paying for -- we're not paying for -- we can really assess that risk, and that factors into the prices that we pay for the investment.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

So it's more factor in the price as opposed to like where you're looking in terms of therapeutic areas or something like that?

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

Yes, exactly. I mean we're looking at everything, and there's a lot of opportunities across a lot of different therapeutic areas.

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

And we might take a view that for this specific asset, it's clear sailing for the next number of years, eight, nine, whatever. And then after that, there's more risk and we tend to be much more conservative with the back end. But that doesn't mean that we won't have any potential additional cash flow or upside on the back end, maybe we do.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Understood. I think there's two upcoming catalysts in the pipeline, well, maybe a derivative one that we can talk about. But Tremfya in Crohn's disease, there's a head-to-head study versus Stelara. I know that was a big underpinning of the MorphoSys deal. So maybe just give us your latest outlook on how to think about why this trial matters as a catalyst?

And the second is the aficamten Phase three HCM data from Cytokinetics. And again, maybe just walk us through why that is an important readout for the company?

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

Yes. So Tremfya has been one of those investments that off to a really strong start for us. We invested in the summer of 2021 and consensus estimates for that product, peak sales are probably up 40-plus percent. And so...

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

Exceeding our forecast and analysts' forecast have a 40% just to put that in perspective.

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

And so -- and the next leg of growth, we think is going to come from the IBD, Crohn's indications. And we're very optimistic that those will read out positively and that, that will drive future growth.

In terms of aficamten again, we think that, that's an exciting opportunity. And we're very optimistic about the first Phase three readout later this year there. Obviously, there's precedent with mavacamten. No reason to think that this wouldn't be similarly successful from an efficacy perspective. And then hopefully, maybe there's a little differentiation.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

What's the confidence level in that differentiation, I guess, because I think that's one of the more investor debates is just extend differentiation?

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

Yes. I mean, look, it's a growing market, and we don't need it to be differentiated for it to be a really good investment for us. But we looked at a range of scenarios, and if it does end up being differentiated, then it could be even better than -- maybe we -- our conservative estimates would have implied.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Okay. Great. Maybe moving on to the CF franchise. Obviously, one of the bigger franchises for the company. It's been a great investment. There's obviously a lot of debate about how -- number one, how the market plays out as we have potentially a next-gen triple coming from Vertex with vanzacaftor. I know you guys talked a lot about this on the second quarter call. So maybe just walk us through your thoughts on that market evolution if there is another option and then the corollary is just the implications on your royalty stream on the business if vanzacaftor is -- successfully reaches the market, I guess.

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

So Terry, before he became our CFO, working with that deal and knows extremely well. So, you should just share your views.

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

Yes. We've talked a lot about this. So high-level Trikafta, we know that this drug has totally transformed the treatment of CF. And it's been an amazing drug for those patients that suffer with that devastating disease. Vertex is in development with the next-generation triple combination therapy. They're going to announce data in early 2024. We don't know anything that the rest of the markets know. We have the same information that everyone else has. So far, there's nothing that tells us that this new product is clearly differentiated. But we'll have to wait and see. It's been an area of investor interest for Royalty Pharma, particularly as it relates to the royalty rate.

So right now, with Trikafta, we're entitled to royalties on all three components. With the new triple, we know we're entitled to a royalty on the tezacaftor component. So 1/3 of it is royalty bearing. We -- the area of debate is around the deuterated ivacaftor portion. Our position is that deuterated ivacaftor is the same thing as ivacaftor and it should have the same royalty rate. But there's clearly a difference of opinion on that.

And so what we did on our second quarter earnings call is we tried to just lay out the scenarios for investors, book end, this is where Trikafta is today. Consensus has it getting to about $11.5 billion by 2030. If you add in this new triple combination therapy, where they should be able to access patients that have dropped off of Trikafta, that's around 6,000 patients. We think that the total franchise can grow to $13 billion or more. And so using that as sort of the sales case, then we look at the royalties.

If we're right and we're entitled to royalties on the tezacaftor and the deuterated ivacaftor component, and our royalty would be around 8%. That compares to around 9% for Trikafta. And that would take our royalties, what we call Adjusted Cash Receipts, to $900 million to $950 million depending on what percent of patients switched to the new triple. So -- and we looked at a 50% switch to 75% switch. We think that in order for it to have that 75% switch, it would really need to truly be differentiated from an efficacy perspective, with meaningful improvement in lung function as well. That's our assumption in order to get to that number. But we just thought it made sense to sort of frame the extreme downside scenarios.

And then if we are wrong and we're only entitled to a royalty on the tezacaftor component, then our royalty rate would be around 4%. And our royalty -- our Adjusted Cash Receipts would be in the $600 million to $700 million range. And so what we've said is that the downside to our top line by 2030 is a couple of hundred million dollars, and that's the math behind it. We still feel really good about our position that deuterated Kalydeco is simply Kalydeco, but we thought let's lay out all the numbers for investors. They can plug in their own numbers, but we feel like that's the range of scenario.

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

It's $200 million in a business that should have $4.5 billion to $5 billion of revenue, just with sort of growth that we've had historically. So it becomes relatively small. It's really very insignificant at that point in...

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

Either way, it's going to be a teens percentage of our overall portfolio by then, and it's no matter what the scenario is, we feel very comfortable.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

When do you think we'll have visibility on the -- I know we'll get the Vertex data, but on the royalty rate, is that a '24 event, do you think?

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

We just-- we can't really get into any of those specifics. But we're obviously excited. We're interested to see the data to see if there's -- if this drug is safe and efficacious.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Yes. Great. Maybe coming back to the pipeline. I know we talked a lot and you mentioned this, Terry, like gene therapy, when would the company move into that space. The other one, obviously, that's coming to the forefront now is obesity and metabolic. So just as we think through that, I mean, where does that fall in spectrum of interest? Obviously, just given the size of that market, I'm sure you guys must be exploring it. But maybe just help us think through how you're thinking about that market?

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

Yes. So we've looked at the existing products that are out there growing very fast, and there's no royalties on those.

Terrance Coyne - *Royalty Pharma plc - Executive VP & CFO*

Unfortunately.

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

But the question is, can we find some of the newer things that are being developed and we're actively looking there. And maybe there could be an opportunity there.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Maybe the last couple of seconds, any other therapeutic areas or platforms that you guys think are interesting, are up and coming just at a high level?

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

Yes. I think we look at absolutely everything and cell therapy, gene therapy, but then there's other areas of the industry where there's so much focus on things like oncology, but there's other areas -- therapeutic areas that are sort of forgotten and there's different ways of potentially developing therapy, right? So we're excited about what we're seeing.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Great. Well, thank you both so much for that.

Pablo Legorreta - *Royalty Pharma plc - Founder, Chairman of the Board & CEO*

So maybe just very quickly in closing, I'd just like to say thank you for the invitation, but also, we have a business with an incredibly simple business model where we're able to capture the most attractive aspects of this industry. And we are highly confident that we're going to be able to deliver really predictable double-digit growth. And the business where myself and the management team have a very, very high ownership.

As a group, we own more than 20% equity in this business. And we, as a group also decided to lock up our equity 80% for five years. No company does that. After our IPO instead of a six month lockup. But we are fellow shareholders, like every one of you out there. This is not a business where in many others, we looked at this, where management owns less than 1% in many of the big pharmas or 1%, 2% in some biotechs, maybe single digit. It's a business where we, as a group, own 20% of this company. And we care a lot. Obviously, for me and for the team, what happens to this business long term is critical. So we're totally focused on making this a very successful outcome for us and for all of you over the next five to 10 years. And thank you.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Great. Thank you, Pablo. Thank you, Terry.