ROYALTY PHARMA

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Royalty Pharma plc

Q1 2022 Financial Results

May 5, 2022

Forward Looking Statements & Non-GAAP Financial Information

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Also, the discussions during this conference call 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 17 and in the Company's earnings release furnished with its current report on Form 8-K dated May 5, 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.

Key Highlights and Financial Results

Terrance Coyne

Executive Vice President
Chief Financial Officer

ROYALTY PHARMA

Q1 2022 – strong financial performance

Double-digit top-line growth[1]

Robust deal pipeline; Q1 2022 transactions announced of $450m[2]

Portfolio progress; Vydura EC marketing authorization[3]**, Kaftrio label expansion in Europe**[4]

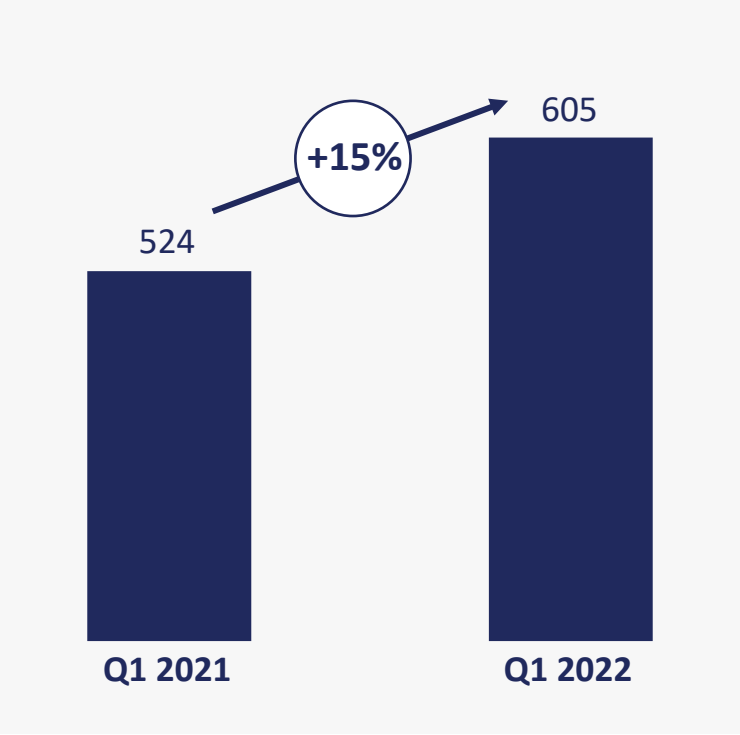
Reaffirming full-year guidance for Adjusted Cash Receipts (excluding new investments)

EC: European Commission

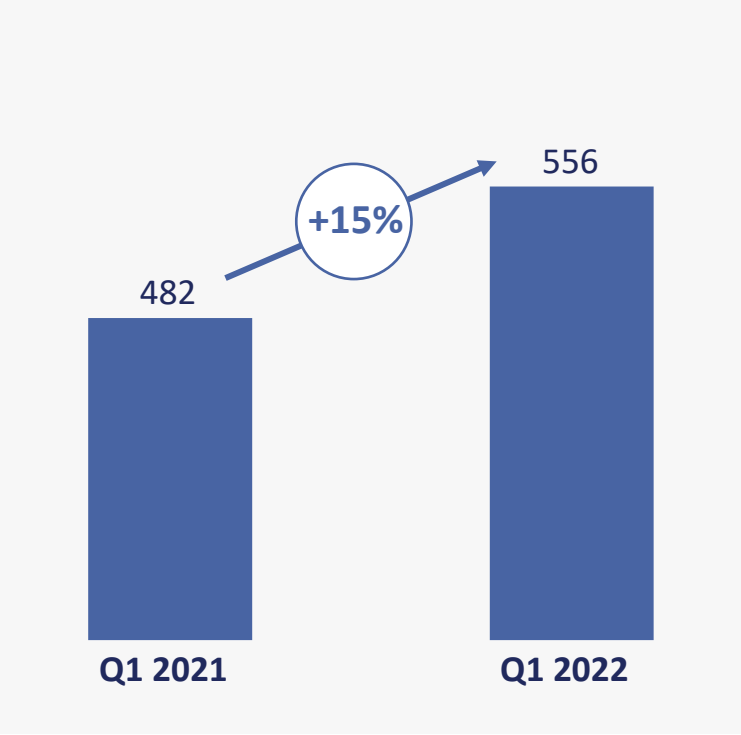
1. Top-line refers to Adjusted Cash Receipts. See slide 17 for definition and additional information.
2. Announced transaction amount includes potential milestone payments.
3. Biohaven press release, April 27, 2022.
4. Vertex press release, January 11, 2022.

Q1 2022 – double-digit top-line growth, bottom-line impacted by update of non-GAAP presentation

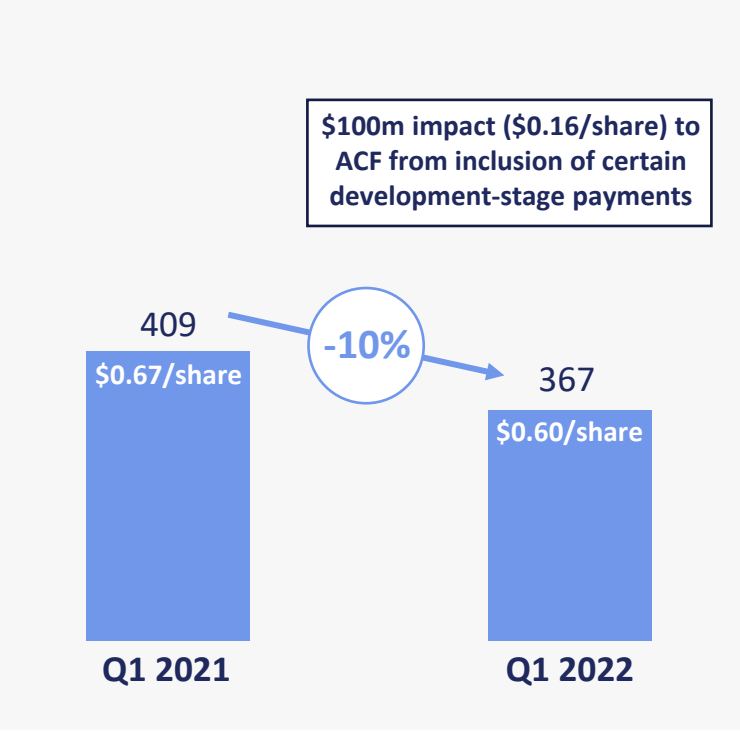
Adjusted Cash Receipts[1]
($ in millions)



Adjusted EBITDA[1]
($ in millions)



Adjusted Cash Flow[1,2,3]
($ in millions, except per share amount)

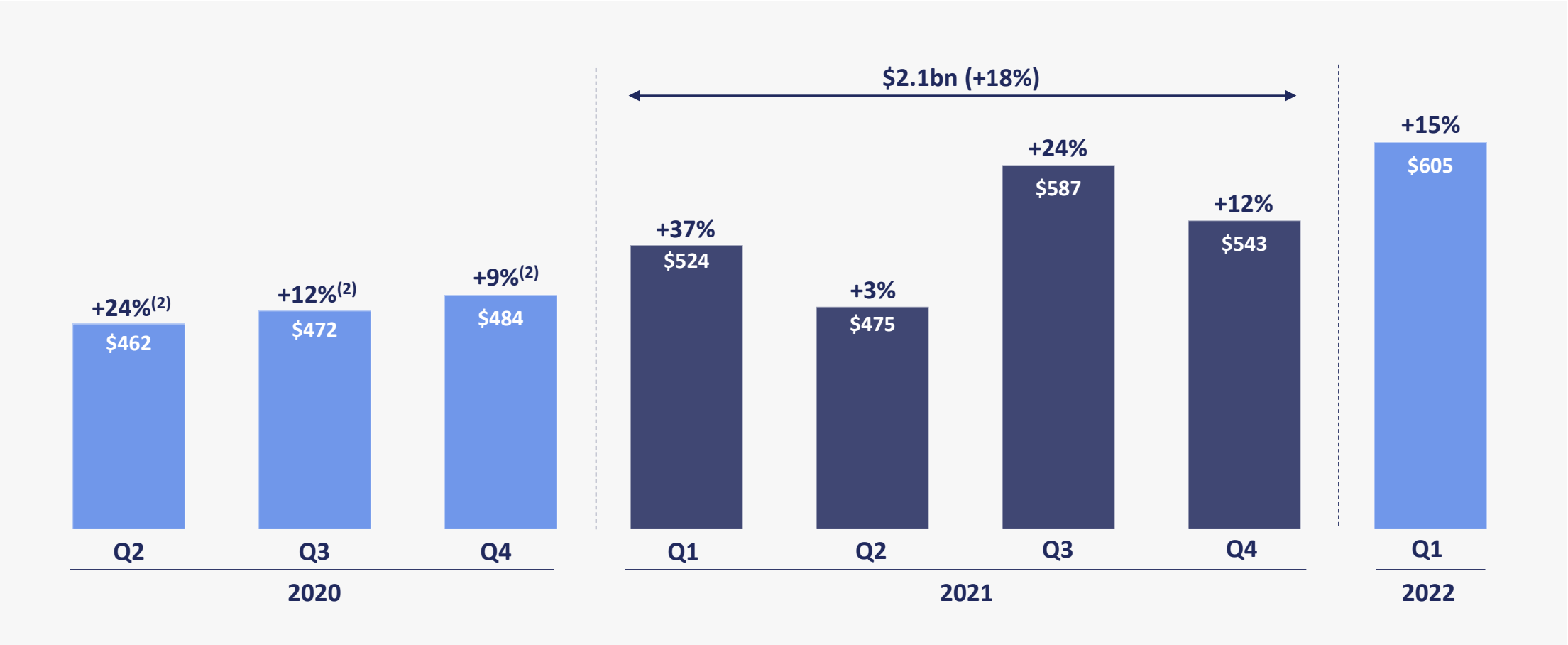


1. See slide 17 for definitions. Refer to Royalty Pharma's Current Report on Form 8-K dated May 5, 2022 for a GAAP to non-GAAP reconciliation.
2. Based on weighted-average diluted shares outstanding of 607 million for the three months ended March 31, 2022 and 2021.
3. Reflects upfront and milestone development-stage funding payments of $100 million for aficamten in Royalty Pharma's non-GAAP measures to align with updates being applied by other biopharmaceutical industry participants.

Impressive double-digit top-line growth since IPO

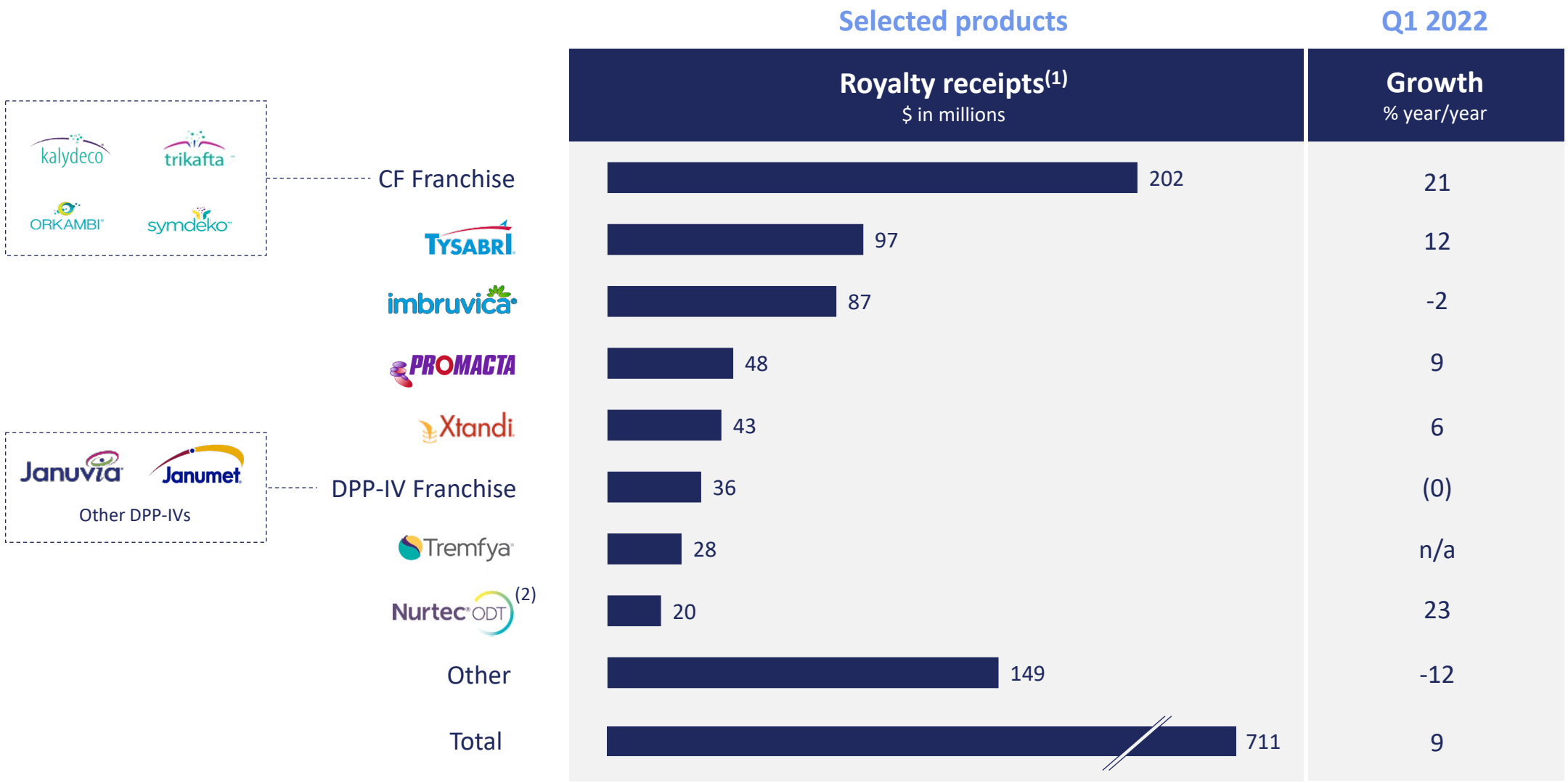
Adjusted Cash Receipts[1]

($ in millions, year/year growth)



1. See slide 17 for definitions. Refer to Royalty Pharma's Current Report on Form 8-K dated May 5, 2022 for a GAAP to non-GAAP reconciliation.
2. On pro forma basis. See slide 17 for definition and additional information.

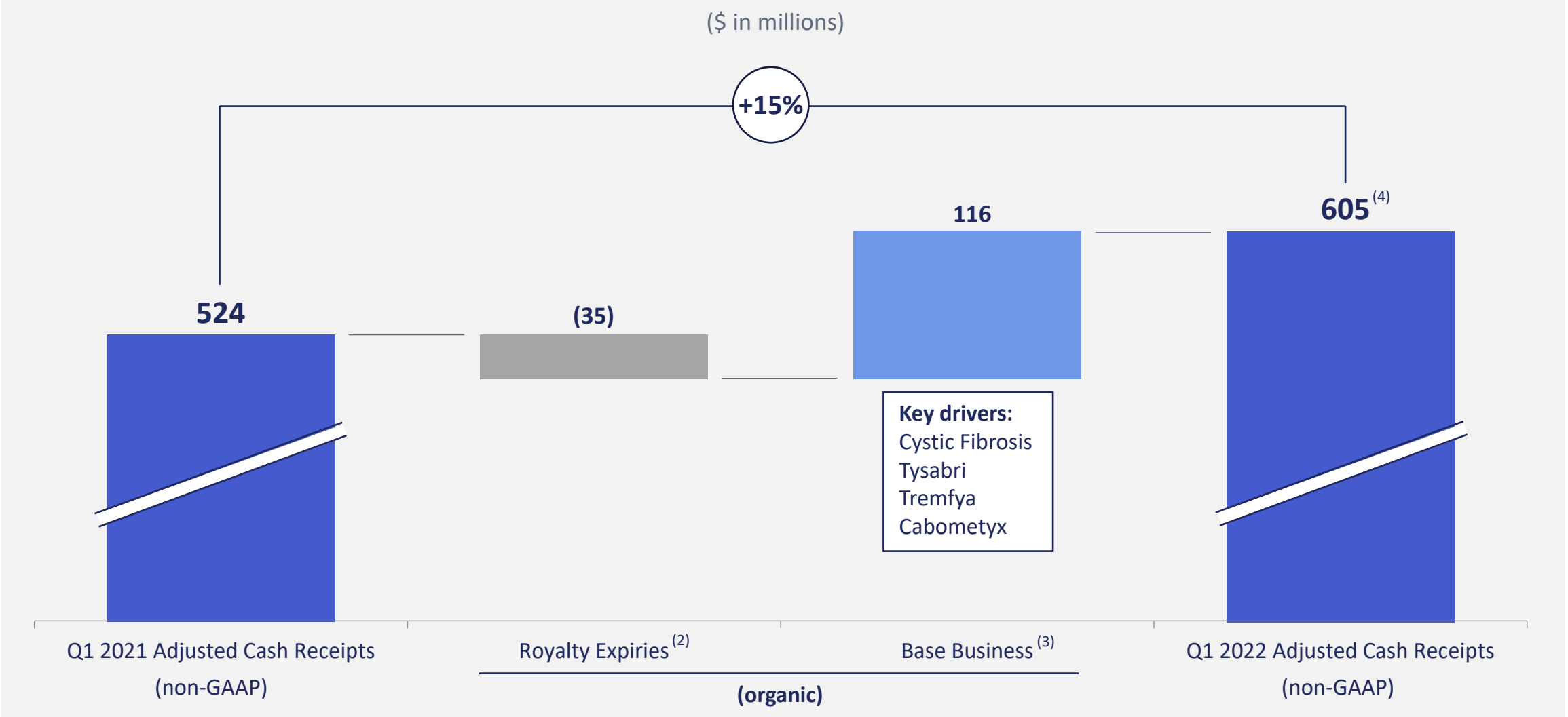
Total royalty receipts growth of 9% in Q1 2022



1. Amounts may not add due to rounding.
2. Nurtec ODT royalty receipts includes payments related to the Series A Biohaven Preferred Shares.

Existing portfolio powered 15% growth in Q1 2022

Q1 2022 Adjusted Cash Receipts (non-GAAP)[1]



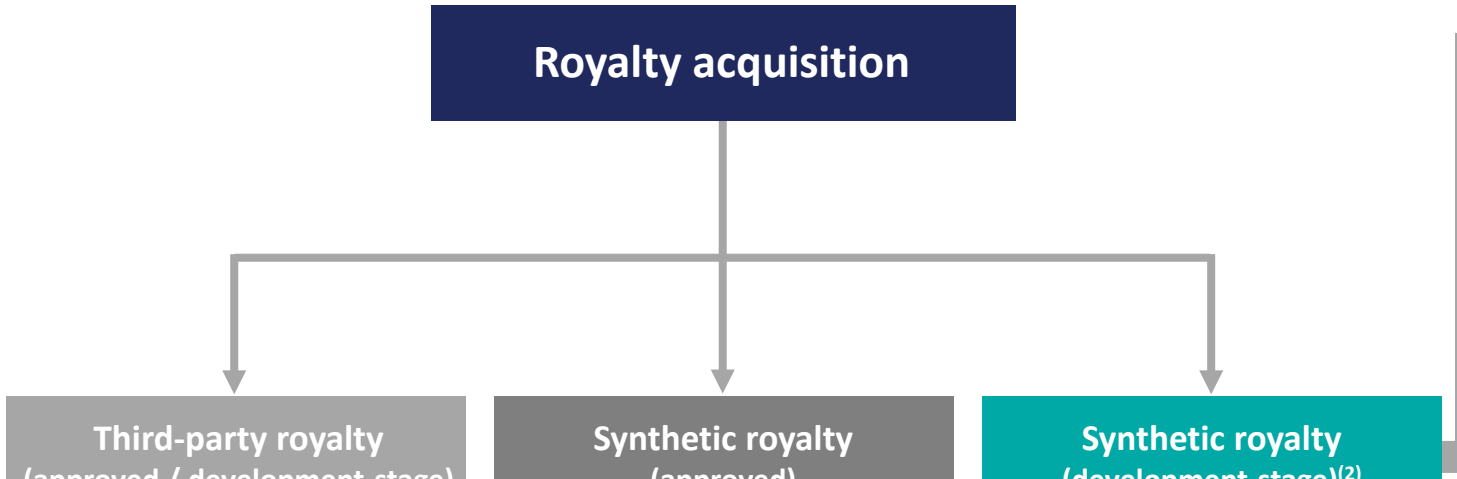
1. See slide 17 for definitions. Refer to Royalty Pharma's Current Report on Form 8-K dated May 5, 2022 for a GAAP to non-GAAP reconciliation.
2. Includes HIV franchise, Lyrica, Letairis and Thalomid royalties.
3. Base business is defined as royalties in Royalty Pharma's portfolio as of December 31, 2021.
4. Incremental royalty purchased on Orladeyo in November 2021 had *de minimis* inorganic growth impact on Q1 2022 Adjusted Cash Receipts.

Adjusted Cash Flow[(1)] primarily impacted by update to non-GAAP financial measures

$ in millions (except per share amount)	Q1 2022	% change	% ACR	Comments
Royalty receipts	711	9%		
Distributions to non-controlling interests	-106	-15%		Declining NCI primarily due to end of HIV royalty term
Adjusted Cash Receipts (non-GAAP)[(1)]	605	**15%**		"Top-line"
Payments for operating and professional costs	-49	16%	8.1%	
Adjusted EBITDA (non-GAAP)[(1)]	556	**15%**	**91.9%**	
Development-stage funding payments - ongoing	-1			
Development-stage funding payments - upfront & milestones	-100			Reflects payments for aficamten to align with updates being applied by biopharma industry
Interest paid, net	-86			
Other[(2)]	-2			
Adjusted Cash Flow (non-GAAP)[(1)]	367	**-10%**	**60.7%**	"Bottom-line" impacted by $100 million aficamten payment
	$0.60/share[(3)]			($0.16) impact from inclusion of aficamten payments

1. Refer to slide 17 for definitions. Refer to Royalty Pharma's Current Report on Form 8-K dated May 5, 2022 for a GAAP to non-GAAP reconciliation.
2. Includes investments in equity method investees and contributions from non-controlling interests-R&D.
3. Based on weighted-average diluted shares outstanding of 607 million for the three months ended March 31, 2022.

Update to presentation of non-GAAP financial measures[1]



	Third-party royalty (approved / development-stage)	Synthetic royalty (approved)	Synthetic royalty (development-stage)[2]
GAAP	No change	No change	No change
Non-GAAP	No change	No change	Updating financials to include certain R&D funding payments
Examples	*Approved*: Cabometyx, Tremfya *Development-stage*: otilimab, gantenerumab	Orladeyo, Nurtec incremental royalty	BCX9930, pelabresib, CPI-0209, aficamten

Update to Adjusted Cash Flow

($ in millions)

2020

Royalty	Amount
BCX9930	($6)
ACF (prior)	$1,483
ACF (modified)	$1,477
Change (%)	-0.4%

2021

Royalty	Amount
BCX9930	($103)
pelabresib CPI-0209	($90)
ACF (prior)	$1,767
ACF (modified)	$1,573
Change (%)	-11.0%

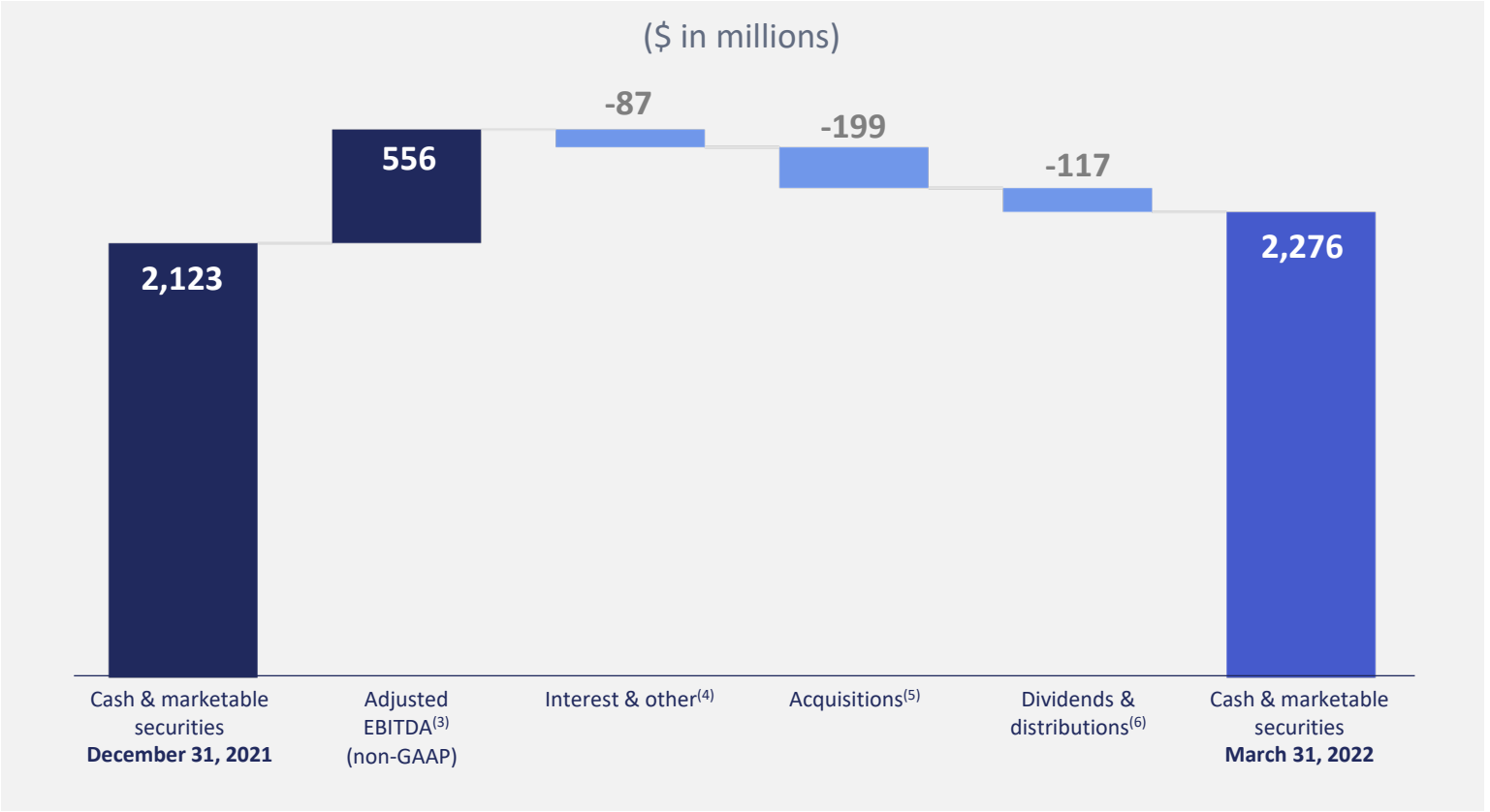
Amounts may not add due to rounding

1. General treatment of development-stage funding payments – upfront and milestones in non-GAAP financials is subject to specifics of transaction; for development-stage therapies, treatment may depend on probability of success, among other factors.
2. Ongoing R&D funding arrangements paid over time as our counterparty incurs R&D costs and already included in non-GAAP financials; upfront and milestone development-stage funding payments related to R&D funding arrangements are now included in Adjusted Cash Flow.

Significant financial firepower for future royalty acquisitions

- $2.3 billion of cash, cash equivalents and marketable securities as of March 31, 2022
- Capital deployed of $199 million in Q1 2022
- $7.3 billion of investment grade debt currently outstanding
  - Total leverage of 3.59x(1)
  - Net leverage of 2.47x(2)

Cash, cash equivalents & marketable securities



1. Total leverage is calculated as Total debt divided by EBITDA (as defined in credit agreement); refer to Exhibit 10-2 of the RPRX IPO S-1 for compliance EBITDA calculation.
2. Net leverage is calculated as Total debt less cash and marketable securities divided by EBITDA (as defined in credit agreement); refer to Exhibit 10-2 of the RPRX S-1 for compliance EBITDA calculation.
3. Refer to slide 17 for definitions; refer to Royalty Pharma's Current Report on From 8-K dated May 5, 2022 for a GAAP to non-GAAP reconciliation.
4. Includes interest paid, net, investments in equity method investees, contributions from non-controlling interests-R&D, and contributions from non-controlling interests-other.
5. Acquisitions primarily relates to funding related to the Cytokinetics transaction, purchase of Epizyme common stock and Biohaven preferred shares.
6. Reflects dividends of $82 million on Class A ordinary shares and distributions of $35 million on Class B ordinary shares.

Well positioned for the current market environment

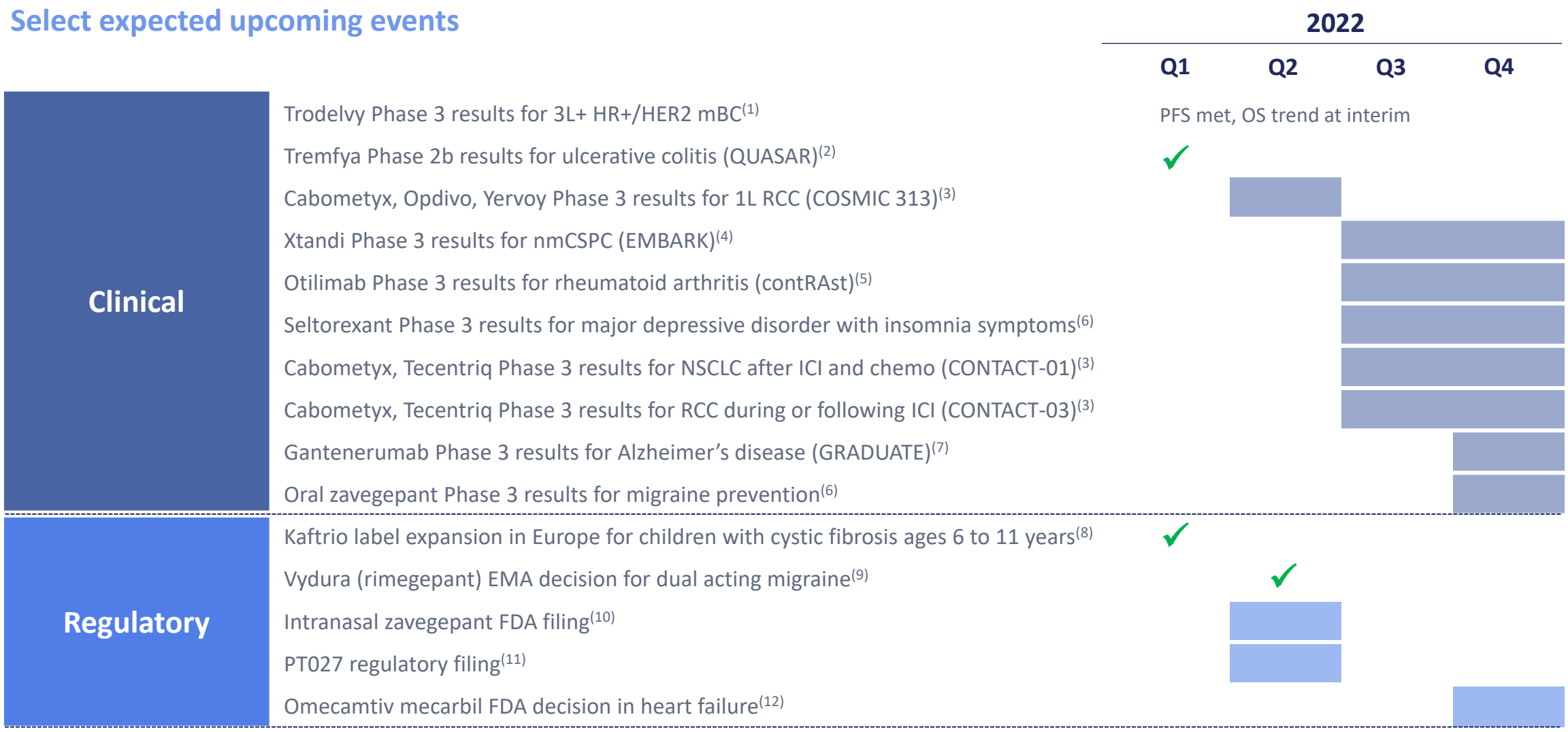
Cost of debt funding	Lower biotech valuations	Ability to maintain returns
• **$7.3bn** debt portfolio with **2.24%** fixed-rate weighted average coupon and ~**13 year** weighted average maturity • Limited near-term refinancing needs with **~60%** of debt due **2030** or later • Debt refinancing through 2025 expected to have <1% impact to WAC • Commitment to investment grade enables low cost and depth of access	• Increases attractiveness of royalties versus other financing alternatives • Expanded universe of potential counterparties • Potential consolidation could result in new M&A royalty opportunities	• Asset prices should reflect a rising rate environment, providing a hedge • Flexible investment process enables us to react quickly in dynamic market • Aim to deliver high teens levered returns, even at higher interest rates

Benefits of expanding opportunity should more than offset modest increase in cost of capital

WAC: weighted average coupon.

Multiple important milestones expected in 2022

Select expected upcoming events



mBC: metastatic breast cancer; RCC: Renal cell carcinoma; nmCSPC: non-metastatic castration sensitive prostate cancer; NSCLC: Non-small cell lung cancer; ICI: immune checkpoint inhibitor; FDA: Food & Drug Administration; EMA: European Medicines Agency

1. Gilead press release, March 7, 2022. 2. Johnson & Johnson press release, February 18, 2022. 3. Exelixis Q4 2021 financial results, February 17, 2022. 4. Pfizer Q1 2022 earnings presentation, May 3, 2022. 5. GlaxoSmithKline Q1 2022 financial results, April 27, 2022. 6. www.clinicaltrials.gov. 7. Roche Q1 2022 results, April 25, 2022. 8. Vertex press release, January 11, 2022. 9. Biohaven press release, April 27, 2022. 10. Biohaven Q4 earnings press release, February 25, 2022. 11. AstraZeneca Q1 2022 earnings presentation, April 29, 2022. 12. Cytokinetics press release, February 4, 2022.

Full-year 2022 guidance reaffirmed[1,2]

	May 5, 2022	Comments
Adjusted Cash Receipts (non-GAAP) excluding new transactions[1,2]	**$2,225m - $2,300m** (+~5% to 8% year/year)	• Residual impact from end of HIV royalty term in 2021 • DPP-IV royalty receipt to substantially end in Q2 2022 • ~$30-$40 million unfavorable impact based on foreign exchange at current spot rates
Operating & professional costs	**~9%** of Adjusted Cash Receipts[2]	
Interest paid	**~$170 million**	• Interest paid anticipated to be $83 million in Q3 2022 • *De minimis* interest paid expected in Q2 and Q4 of 2022

1. See Slide 17 for definitions and for additional information regarding Royalty Pharma's 2022 full-year financial guidance.
2. This guidance is as of May 5, 2022 and assumes no major unforeseen adverse events and excludes the contributions from transactions announced subsequent to that date. Furthermore, Royalty Pharma may amend its guidance in the event it engages in new royalty transactions which have a material near-term financial impact on the Company. See the information on page 3, "Forward Looking Statements & Non-GAAP Financial Information," for factors that may impact the achievement of this guidance.

Royalty Pharma inaugural Investor Day on May 17, 2022

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- Outlook for royalty funding in life sciences
- Capital deployment opportunities
- Long-term growth targets

Footnotes

1) To aid in comparability, quarter-over-quarter growth in 2020 is calculated based on pro forma 2019 results, 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 statements of cash flows and includes (1) royalty receipts by product: (i) Cash collections from royalty assets (financial assets and intangible assets), (ii) *Other royalty cash collections*, (iii) *Distributions from equity method investees*, plus (2) *Proceeds from available for sale debt securities*, less (1) *Distributions to non-controlling interests*, which represents contractual distributions of royalty receipts and proceeds from available for sale debt securities to our historical non-controlling interests related to the Legacy Investors Partnerships and Royalty Pharma Select Finance Trust (RPSFT). 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 May 5, 2022.

3) Adjusted EBITDA is important to lenders and is defined under the credit agreement as Adjusted Cash Receipts less payments for operating and professional costs. Operating and professional costs are comprised of *Payments for operating and professional costs* from the statements of cash flows. See GAAP to Non-GAAP reconciliation in the Company's Current Report on Form 8-K dated May 5, 2022.

4) Adjusted Cash Flow is defined as Adjusted EBITDA less (1) *Development-stage funding payments - ongoing*, (2) *Development-stage funding payments - upfront and milestones*, (3) *Interest paid*, net of *Interest received*, (4) *Investments in equity method investees* and (5) Other (including *Derivative collateral posted*, net of *Derivative collateral received* and *Termination payments on derivative instruments*) plus (1) *Contributions from non-controlling interests- R&D*, all directly reconcilable to the statements of cash flows. See GAAP to Non-GAAP reconciliation in the Company's Current Report on Form 8-K dated May 5, 2022.

Financial Guidance footnote

5) Royalty Pharma has not reconciled its non-GAAP 2022 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 equity method investees, 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.

Appendix

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Distributions to non-controlling interests (NCI)

- Royalty Pharma includes several non-controlling interests in our financial statements.
- The largest of these impacting the non-GAAP financial measures is an ~17.6% interest in substantially all of Royalty Pharma's pre-IPO investments held by some legacy investors. These legacy investors do not participate in acquisitions of royalties since our June 2020 IPO.
- The interest of these legacy investors will exist through the life of the pre-IPO investments, but will decline over time as a percentage of our royalty receipts as products expire and we acquire new royalties.

Products	First quarter 2022 NCI as a % of Royalty Receipts
Cystic fibrosis franchise[1]	9.9%
Tysabri	17.6%
Imbruvica	17.6%
Promacta	17.6%
Xtandi	17.6%
Januvia, Janumet, Other DPP-IVs	34.1%
Tremfya	0.0%
Nurtec ODT/Biohaven payment[1]	16.9%
Cabometyx/Cometriq	0.0%
Farxiga/Onglyza	17.6%
Evrysdi	0.0%
Trodelvy	17.6%
Erleada	17.6%
Emgality	17.6%
Crysvita	17.6%
Orladeyo	0.0%
Prevymis	0.0%
Oxlumo	0.0%
Other products (blended)	19.5%

1. Cystic fibrosis franchise and Nurtec ODT NCI % figures represent a blend across multiple royalty interests.