ROYALTY PHARMA ANNOUNCES R&D FUNDING COLLABORATION WITH MERCK

Novel collaboration structure supports pipeline innovation

NEW YORK, NY, October 12, 2022 - Royalty Pharma plc (Nasdaq: RPRX) today announced that it has entered into an agreement with Merck, known as MSD outside the United States and Canada, to co-fund the development of MK-8189, an investigational oral PDE10A inhibitor currently being evaluated in a Phase 2b study for the treatment of schizophrenia.

"We are excited to collaborate with Merck," said Pablo Legorreta, Royalty Pharma's founder and Chief Executive Officer. "This creative agreement is a great example of how Royalty Pharma provides innovative, win-win funding solutions and supports exciting medicines like MK-8189 across the biopharma industry. Royalty Pharma sees an exciting future opportunity to partner with Merck and other global pharmaceutical companies on drug development."

Under the agreement Royalty Pharma will provide $50 million upfront to Merck to support ongoing development of MK-8189. Following Merck's decision to proceed with Phase 3, Royalty Pharma has the option to provide an additional $375 million to co-fund the pivotal clinical development program. Royalty Pharma will be eligible for milestone payments associated with certain regulatory approvals for MK-8189 as well as royalties on annual worldwide sales of any approved product.

"There remains a serious unmet need for new therapeutic options for patients with schizophrenia," said Dr. Michael Egan, vice president, Neuroscience, Global Clinical Development, Merck Research Laboratories. "We look forward to progressing the development of MK-8189 by means of this creative agreement with Royalty Pharma."

Royalty Pharma is a leader in collaborating with biopharmaceutical companies to jointly fund late-stage development programs. The combination of scale and a long-term outlook across the clinical, regulatory and commercial phases of a product's lifecycle positions Royalty Pharma as a unique partner for the industry.

For more information about the ongoing Phase 2b clinical trial of MK-8189 please visit clinicaltrials.gov.

Advisors

Goodwin Procter, Fenwick & West and Maiwald acted as legal advisors to Royalty Pharma.

About Royalty Pharma

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 non-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 35 commercial products, including Vertex's Trikafta, Kalydeco, Orkambi and Symdeko, Biogen's Tysabri, AbbVie and Johnson & Johnson's Imbruvica, Astellas and Pfizer's Xtandi, GSK's Trelegy, Novartis'

Promacta, Biohaven and Pfizer's Nurtec ODT, Johnson & Johnson's Tremfya, Roche's Evrysdi, Gilead's Trodelvy, and 12 development-stage product candidates.

Forward-Looking Statements

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