

ROYALTY PHARMA

Royalty Pharma plc

PTC Transaction

Expanding our portfolio with a premier growth product

October 19, 2023

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 22 and in the Company’s earnings release furnished with its current report on Form 8-K dated August 8, 2023, 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.

Certain information in this presentation contains financial modeling assumptions which are made only as of the date hereof. There can be no assurance that the assumptions underlying financial models, including those regarding product sales or competition, patent expirations, exclusivity terms, license terms or license terminations for the products underlying our portfolio, are accurate. These assumptions involve a significant element of subjective judgment and may be, and in the past have been, adversely affected by post-acquisition changes in market conditions and other factors affecting the underlying product.

Agenda

Highlights	Pablo Legorreta	Founder & Chief Executive Officer
PTC partnership	Chris Hite	EVP, Vice Chairman
Evrysdi – A premier growth product	Marshall Urist	EVP, Head of Research and Investments
Financials	Terrance Coyne	EVP, Chief Financial Officer
Conclusion	Pablo Legorreta	Founder & Chief Executive Officer
Q&A	Pablo Legorreta Terrance Coyne Chris Hite Marshall Urist	Founder & Chief Executive Officer EVP, Chief Financial Officer EVP, Vice Chairman EVP, Head of Research and Investments

Key Highlights

Pablo Legorreta

Founder & Chief Executive Officer

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Win-win solution for PTC and Royalty Pharma



Expansion of partnership with PTC demonstrates Royalty Pharma's unique business model and role in biopharma funding

Key messages

1

Premier growth product

Evrysdi is marketed by Roche for the treatment of spinal muscular atrophy

Multi-blockbuster potential with projected net sales of \$3.3bn in FY 2030⁽¹⁾

Duration expected until 2035-36⁽²⁾

Not exposed to Inflation Reduction Act

2

Financially attractive

Transaction expected to deliver unlevered IRR in the low double-digits with attractive spread over cost of capital

Evrysdi projected to be a top 4 royalty by 2025 with ACR⁽³⁾ contribution >\$200m⁽⁴⁾

Increases portfolio diversification

3

Power of business model

Unique ability to invest multiple times in the same TA and product

History of multiple transactions with same partner

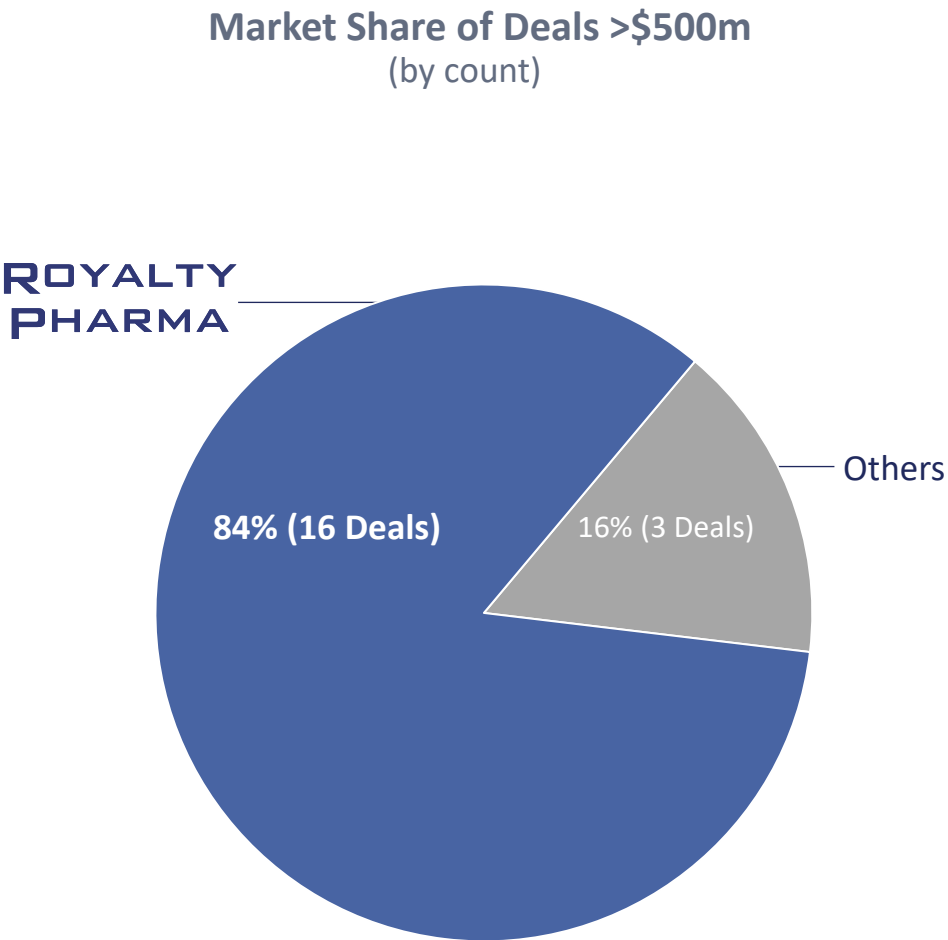
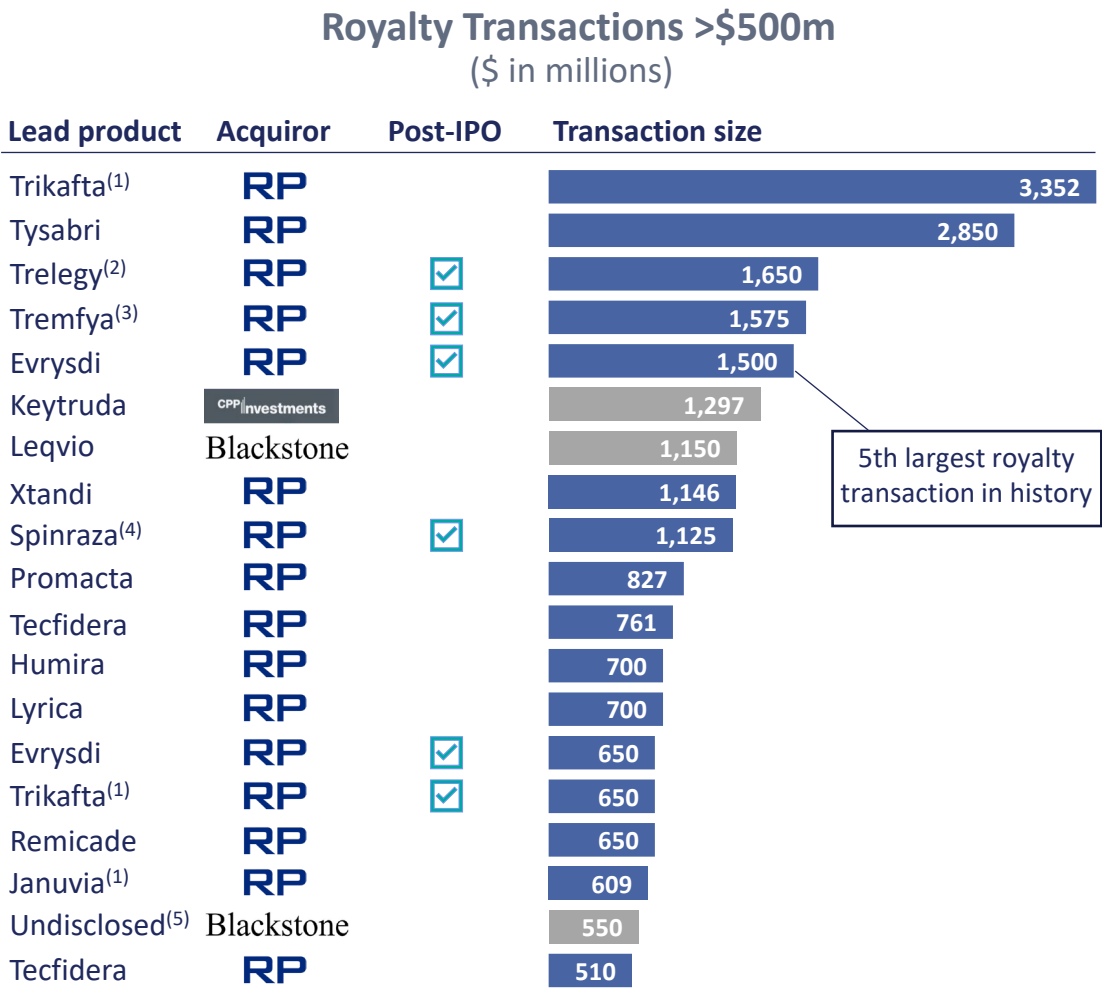
Rapid access to substantial capital

84% share of transactions >\$500m

IRR: internal rate of return; ACR: Adjusted Cash Receipts; TA: therapeutic area

1. Per Visible Alpha consensus as of October 19, 2023; there can be no assurance that the assumptions underlying the Visible Alpha consensus are accurate.
2. Duration shown represents our estimate as of the current date of when the royalty will substantially end, which may depend on clinical trial results, regulatory approvals, contractual terms, commercial developments, estimates of patent expiration dates (which may include estimated patent term extensions) or other factors and may vary by geography. There can be no assurances that our royalty will expire when expected.
3. See slide 22 for definitions and additional information.
4. Royalty calculation based on Visible Alpha consensus as of October 19, 2023; there can be no assurance that the assumptions underlying the Visible Alpha consensus are accurate.

Clear leader in blockbuster royalty transactions



Note: transaction size excludes equity and debt investments

1. Products representative of royalties on franchises include Trikafta (CF Franchise), Januvia (DPP-IVs).

2. Transaction includes ampreloxetine

3. Transaction size includes amount paid for royalties on gantenerumab, otilimab, pelabresib, CPI-0209.

4. Transaction size includes amount paid for royalties on pelacarsen.

5. R&D funding deal with Pfizer announced April 2023.

PTC Partnership

Chris Hite

Executive Vice President
Vice Chairman

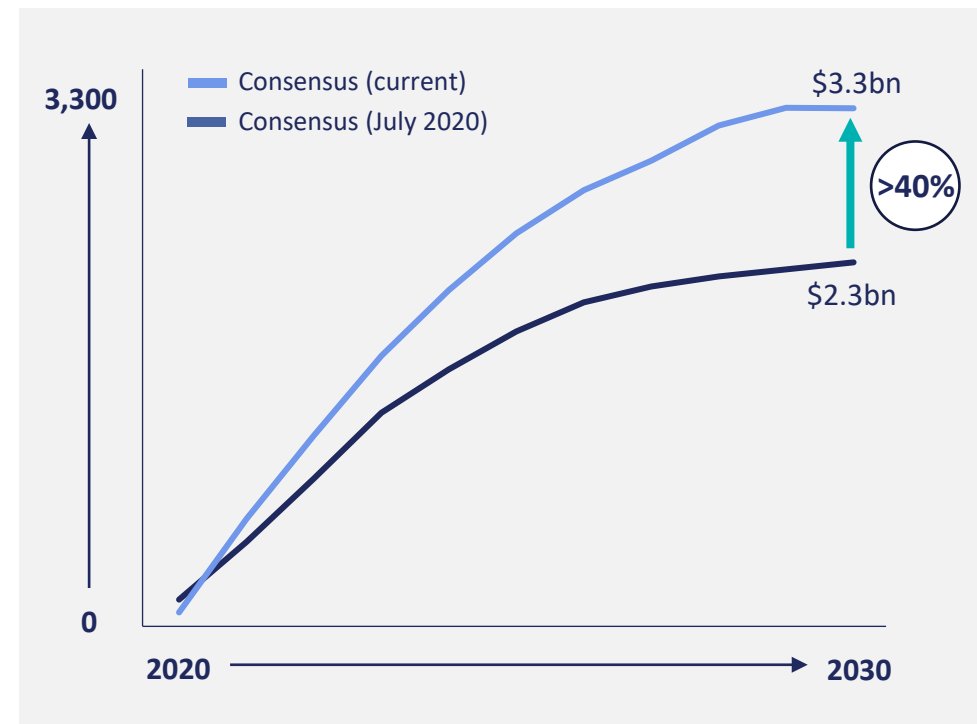
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July 2020 transaction – Evrysdi becoming a global leader in SMA

- July 2020 - Royalty Pharma acquired 43% of PTC's royalty interest on Roche's Evrysdi for spinal muscular atrophy
 - \$650m upfront payment
 - Entitled to effective 3.4%-6.9% tiered royalty on worldwide sales⁽¹⁾
 - Royalties cease when 2x return achieved (\$1.3bn)
- Strong global launch following FDA approval in August 2020
 - \$1.2bn in 2022 sales (+87% constant currency year-over-year)
 - >11,000 patients treated worldwide⁽²⁾
 - Market share gains driven by treatment-naïve patients and switching
 - >40% of U.S. patients are not on any disease-modifying therapy⁽²⁾

 **Evrysdi consensus sales evolution⁽³⁾**
(\$ in millions)

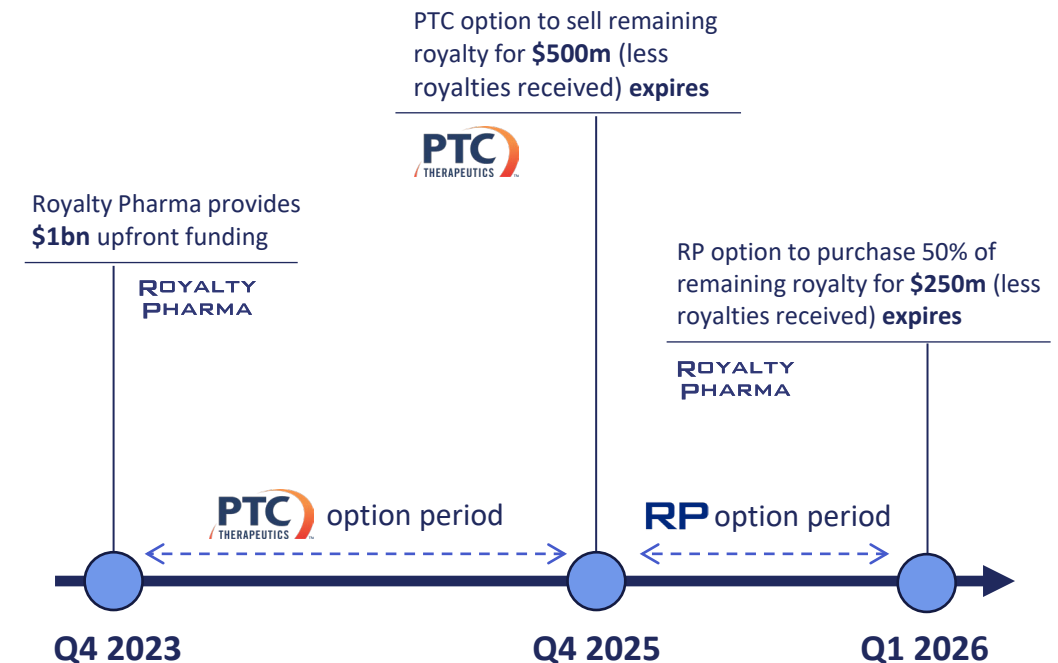


1. Royalty Pharma is entitled to 43% of PTC's tiered royalty of 8% to 16% on Evrysdi, which equates to 3.4% on worldwide net sales up to \$500 million, 4.7% on net sales between \$500 million and \$1 billion, 6.0% on net sales between \$1 billion and \$2 billion and 6.9% on net sales over \$2 billion; rights on royalties revert to PTC when total royalties paid to Royalty Pharma reach \$1.3 billion.
2. Roche Pharma Day 2023 presentation, September 11, 2023.
3. Per Visible Alpha consensus as of October 19, 2023; there can be no assurance that the assumptions underlying the Visible Alpha consensus are accurate. Consensus as of July 2020 is Royalty Pharma compiled consensus.

October 2023 transaction – strengthening partnership with PTC

- Royalty Pharma acquires 67% of PTC's remaining Evrysdi royalty⁽¹⁾
 - Upfront purchase price of \$1.0bn
 - RP to receive royalties beginning on Q4 2023 sales paid in Q1 2024
 - Extends royalty duration to 2035-2036 (from early 2030s)⁽²⁾
 - New investment is not subject to a cap and if PTC exercises its full call right, the prior cap will be removed
- Joint option structure creates win-win solution
 - PTC option to sell remaining royalty to RP for \$500m less royalties received before YE 2025
 - RP option to purchase 50% of remaining royalties for \$250m less royalties received, under certain circumstances

Joint option structure:
Creative structure provides RP and PTC added flexibility



1. Includes 67% of residual above \$1.3bn cap

2. Early 2030s duration from July 2020 transaction based on estimate date 2.0x return (\$1.3 billion cap) will be achieved. Duration shown represent our estimate as of the current date of when the royalty will substantially end, which may depend on clinical trial results, regulatory approvals, contractual terms, commercial developments, estimates of patent expiration dates (which may include estimated patent term extensions) or other factors and may vary by geography. There can be no assurances that our royalty will expire when expected.

Repeat transactions highlight strength of Royalty Pharma



Evrysdi – A premier growth product

Marshall Urist, MD, PhD

Executive Vice President
Head of Research & Investments

ROYALTY PHARMA



Our framework focuses on key product success factors



Strong
scientific
rationale



Significant impact
on patients and/or
caregivers



Conviction in probability of
clinical and regulatory success
for pre-approval programs



Mission and
execution-oriented
management team



Strong marketer and
global commercial
opportunity



Clear
commercial
positioning



Potential for
multiple indications
or label expansion



First-in-class or
best-in-class



Long duration of
patent protection
or exclusivity





















Compelling value
proposition for government
and commercial payors

Evrysdi – clearly aligned with product selection framework

Royalty Pharma product selection framework



	Strong scientific rationale	Treats underlying cause of SMA	
	Significant impact on patients/caregivers	Convenient oral treatment for SMA	
	Mission and execution-oriented management	Roche is a premier marketer in rare disease and neuroscience	
	Strong marketer, global commercial footprint	Evrysdi approved in >100 countries ⁽¹⁾	
	Clear commercial positioning	Only oral option for SMA; not impacted by IRA	
	Potential for multiple indications	Approved across multiple age groups and SMA types	
	First-in-class or best-in-class	First-in-class oral splicing modifier for the treatment of SMA	
	Long duration of exclusivity	Patent protection expected through 2035-36	
	Compelling value proposition for payors	~22% lower price versus competitor ⁽²⁾	

Financials

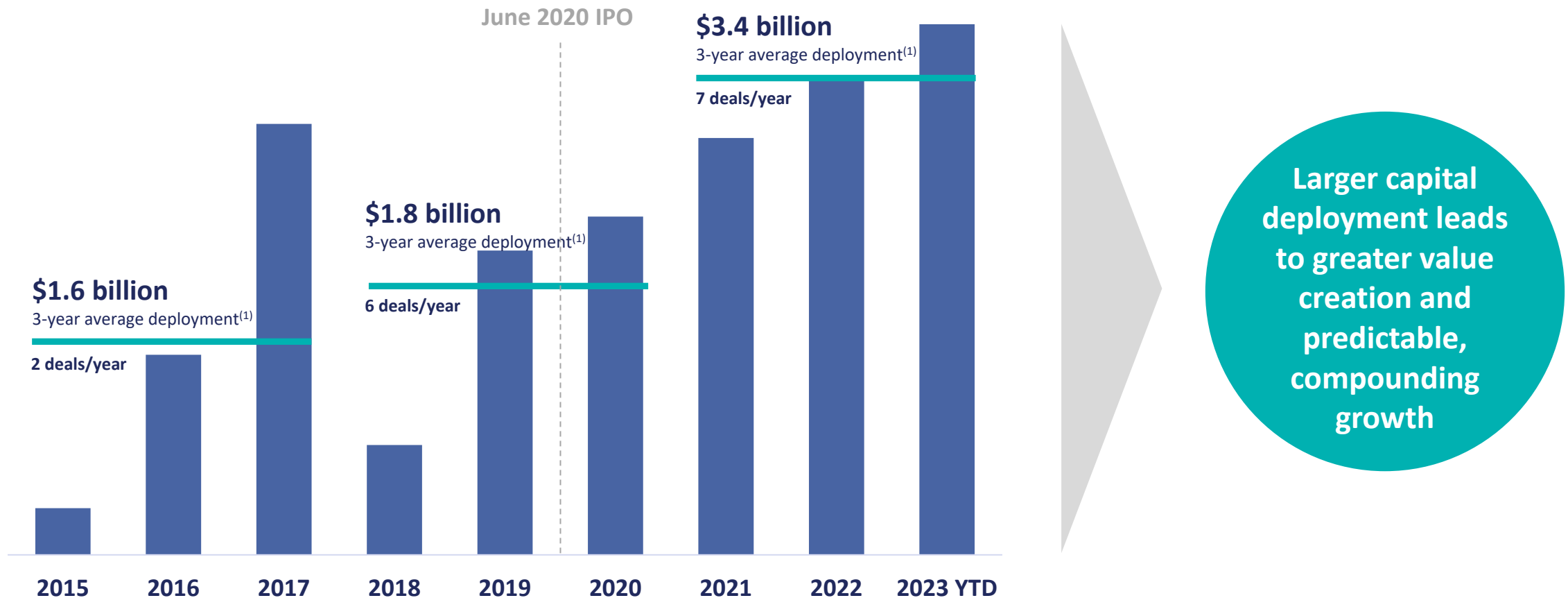
Terrance Coyne

Executive Vice President
Chief Financial Officer

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Increased capital deployment given large funding opportunity



Current incremental financial capacity of ~\$3 billion⁽²⁾ for future royalty acquisitions

Well positioned in evolving interest rate environment

Existing capital structure

Long duration, low-cost debt an underappreciated asset

- Fixed weighted-average coupon of ~2.5% on \$6.3bn of investment grade bonds
- ~70% of existing bonds due 2030 or later
- Committed to investment grade rating
- Revolving credit facility of up to \$1.5bn

Future investments

Higher risk-adjusted returns

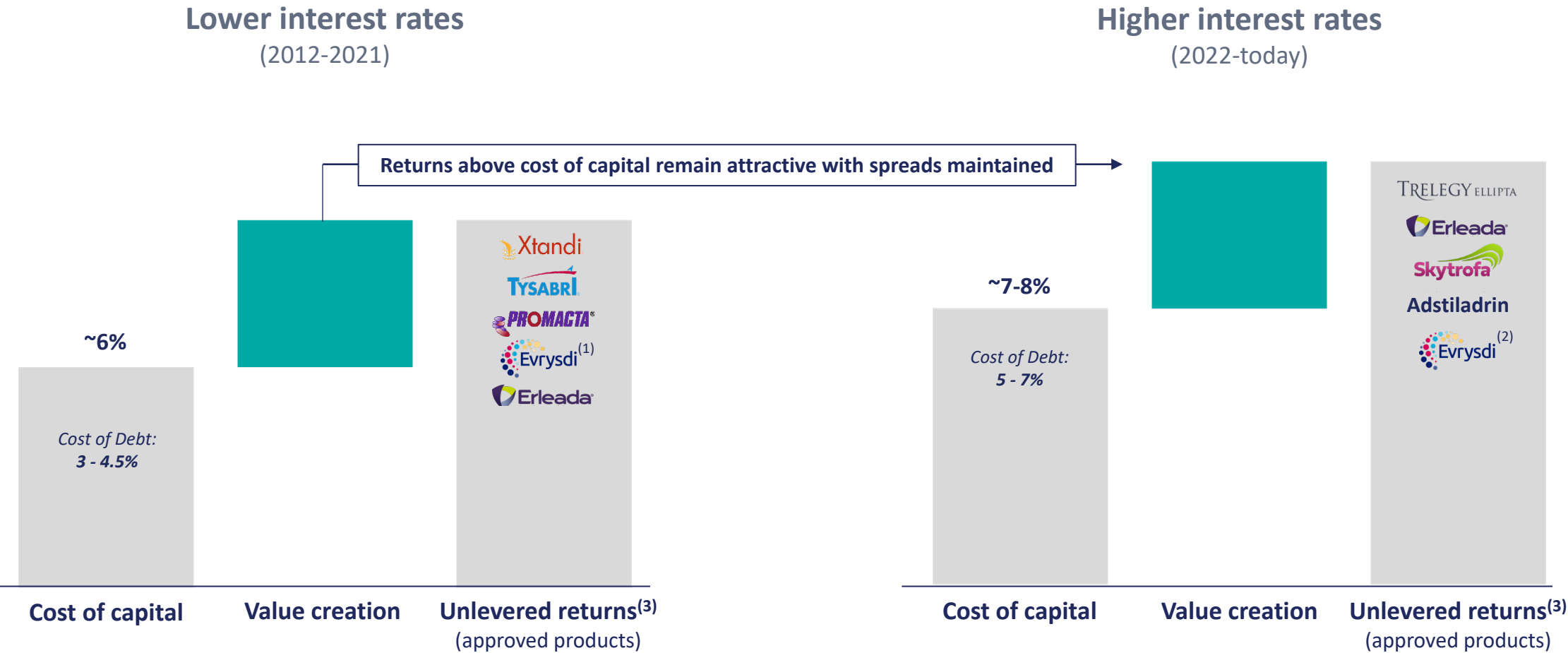
- Higher royalty return expectations in response to higher rate environment
- Maintaining attractive returns above cost of capital with consistent spreads

Expanding opportunity set

- Higher partner cost of capital accelerates momentum in royalty funding

Interest rates

Well positioned to create value in changing market environments



Spreads maintained and larger opportunity set equals greater value creation

1. Transaction purchasing 43% of PTC's Evrysdi royalty announced July 2020.
2. Transaction purchasing 67% of PTC's remaining Evrysdi royalty announced October 2023.
3. Illustrative returns reflect a combination of actual results and estimated projected returns for investments from 2012 – 2023 YTD. IRR (or returns) are calculated using total cash outflows and total cash inflows, in each case including royalties, milestones and other cash flows.

Key Highlights

Pablo Legorreta

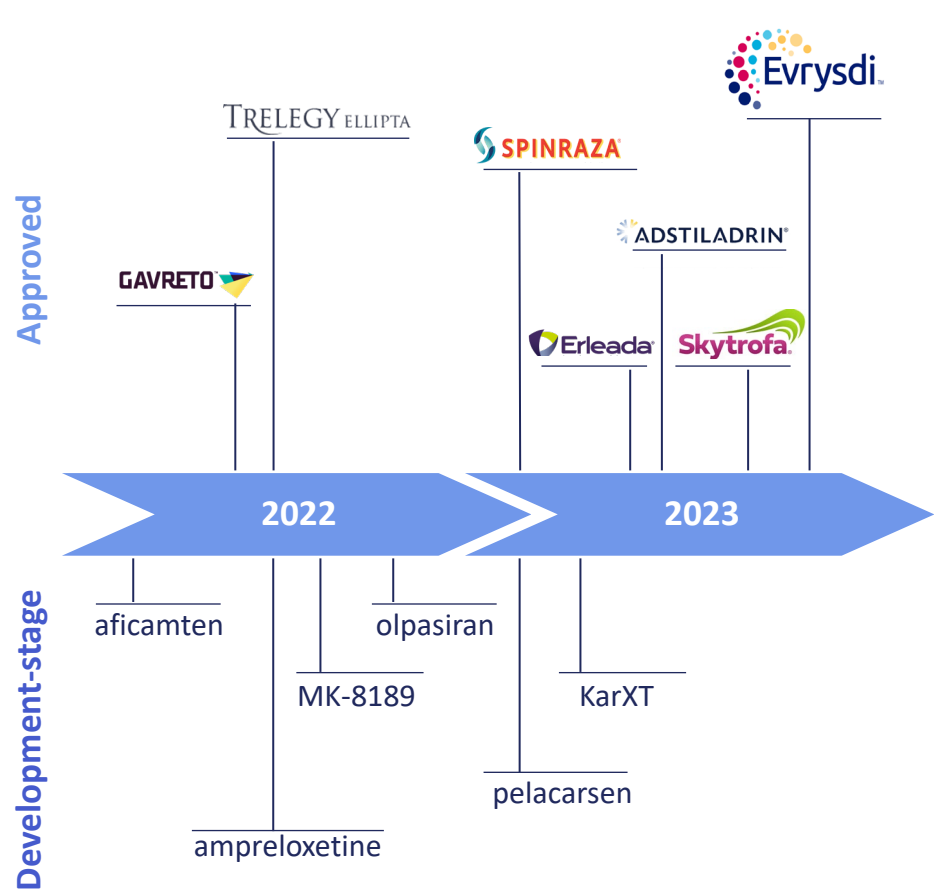
Founder & Chief Executive Officer

ROYALTY PHARMA

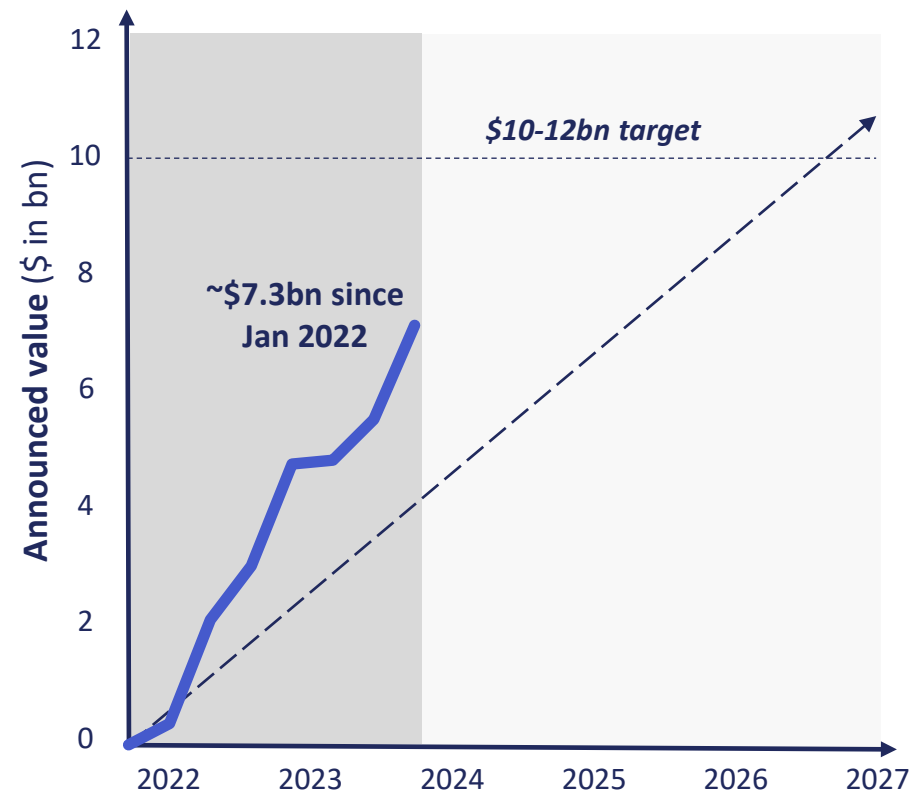


On track to meet or exceed 5-year capital deployment target

Transactions announced in 2022 and 2023



5-year capital deployment target^(1,2)
(Announced value, since January 1, 2022)



Footnotes

Adjusted Cash Receipts is a measure calculated with inputs directly from the statements of cash flows and includes total royalty receipts: (i) Cash collections from royalty assets (financial assets and intangible assets), (ii) *Other royalty cash collections*, (iii) *Distributions from equity method investees*, and (iv) *Proceeds from available for sale debt securities*; less *Distributions to legacy non-controlling interests - royalty receipts*, which represent contractual distributions of royalty receipts and proceeds from available for sale debt securities 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, 2023 for additional discussion. See GAAP to Non-GAAP reconciliation in the Company's Current Report on Form 8-Ks dated May 5, 2022, November 8, 2022, February 15, 2023, May 9, 2023 and August 8, 2023.

Financial Guidance footnote

Royalty Pharma's long-term outlook is based on its most up-to-date view on its prospects as of May 17, 2022. This long-term outlook assumes no major unforeseen adverse events subsequent to the date of this presentation. Growth outlook includes future royalty acquisitions. Furthermore, Royalty Pharma may amend its long-term outlook in the event it engages in new royalty transactions. See the information on slide 3 "Forward Looking Statements & Non-GAAP Financial Information," for factors that may impact the long-term outlook.

Appendix

ROYALTY PHARMA

PTC transaction – Evrysdi royalty rate and duration details

Date	July 2020	October 2023	Total (October 2023)	RP owns 100% of royalty under full option exercise	
				PTC option (December 31, 2025)	RP option (March 31, 2026)
Funding amount	\$650m upfront	\$1.0bn upfront	\$1.65bn upfront (up to \$500m option)	Up to \$500m	Up to \$250m
Royalty purchased⁽¹⁾	43% of royalties	38% of royalties before cap and 67% of royalties above cap	81% of royalties before cap and 67% of royalties above cap	Remaining 19% of royalties before cap and 33% of royalties above cap	9.5% of royalties before cap and 16.7% of royalties above cap
Effective royalty rate prior to 2020 deal cap (on worldwide net sales)	<ul style="list-style-type: none"> 3.4% up to \$500m 4.7% on \$500m-\$1.0bn 6.0% on \$1.0-\$2.0bn 6.9% on over \$2.0bn 	<ul style="list-style-type: none"> 3.0% up to \$500m 4.2% on \$500m-\$1.0bn 5.3% on \$1.0-\$2.0bn 6.1% on over \$2.0bn 	(Total ex-option) <ul style="list-style-type: none"> 6.5% up to \$500m 8.9% on \$500m-\$1.0bn 11.3% on \$1.0-\$2.0bn 13.0% on over \$2.0bn 	(Total and full PTC option) <ul style="list-style-type: none"> 8% up to \$500m 11% on \$500m-\$1.0bn 14% on \$1.0-\$2.0bn 16% on over \$2.0bn 	(Total and full RP option) <ul style="list-style-type: none"> 7.2% up to \$500m 10.0% on \$500m-\$1.0bn 12.7% on \$1.0-\$2.0bn 14.5% on over \$2.0bn
Additional details	Royalties cease when aggregate royalties paid equal \$1.3bn	PTC may sell remaining royalty to RP for \$500m less royalties received; RP can purchase 50% for \$250m less royalties received ⁽³⁾ under certain circumstances	After \$1.3bn cap, entitled to 67% of royalties ⁽⁴⁾	PTC option exercisable until December 31, 2025	RP option under certain circumstance until March 31, 2026 After \$1.3bn cap, entitled to 83% of royalties ⁽⁵⁾
Estimated duration	2030-2035 ⁽²⁾	2035-2036	2035-2036	2035-2036	2035-2036

1. PTC is entitled to a tiered royalty ranging from 8% to 16% on worldwide net product sales of Evrysdi.

2. Key patents on Evrysdi in the United States expire in 2035 and in Europe in 2036. Range reflects cumulative royalty cap of \$1.3 billion.

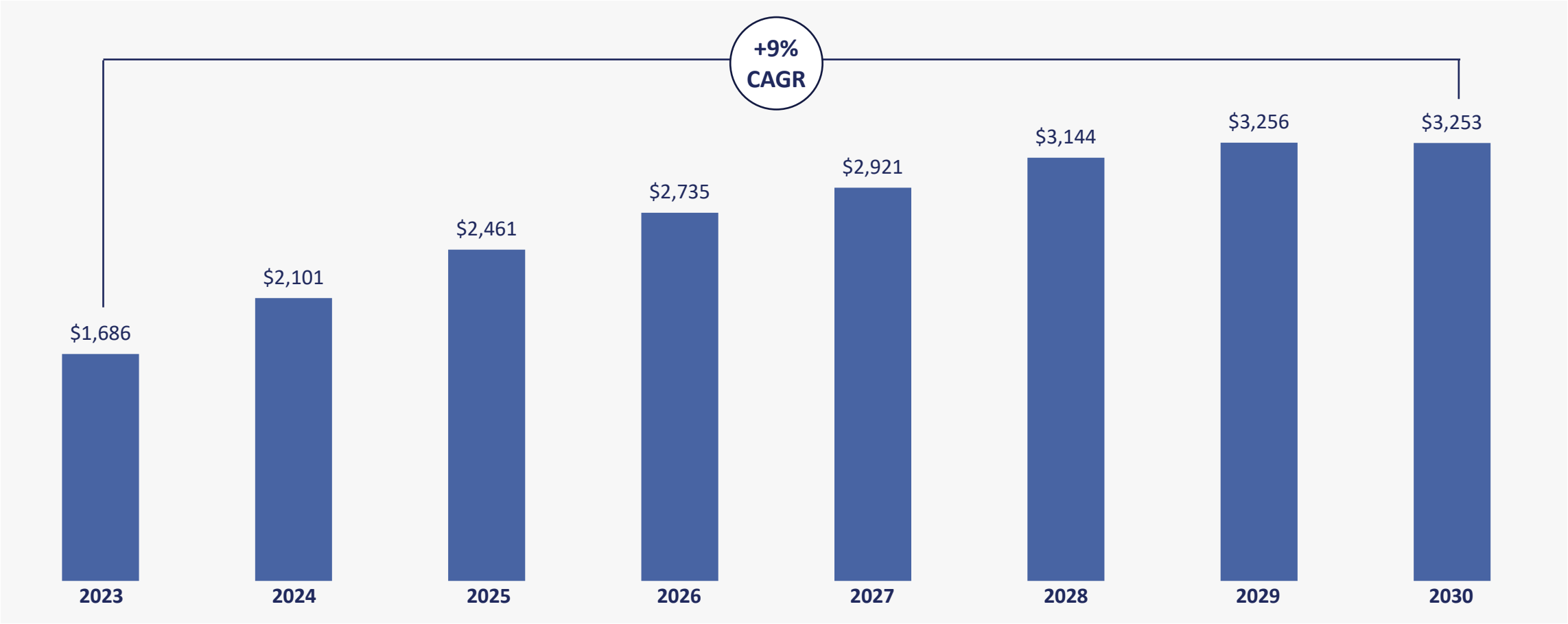
3. PTC has option to sell remaining 19% of Evrysdi royalties before cap and 33% above \$1.3bn cap for \$500m less royalties received by December 31, 2025 in five equal tranches. If PTC exercises fewer than three of these options, Royalty Pharma has the option to purchase 50% of remaining PTC royalties for \$250 million less royalties received by March 31, 2026.

4. Estimated royalty entitlement does not reflect either PTC or Royalty Pharma exercising option to sell/purchase additional Evrysdi royalties. After \$1.3bn cap is achieved, RP would receive tiered royalties ranging from 5.3%-10.7% on worldwide net sales of Evrysdi.

5. After \$1.3bn cap is achieved, RP would receive tiered royalties ranging from 6.7%-13.3% on worldwide net sales of Evrysdi.

Evrysdi expected to generate strong sales growth

Evrysdi consensus sales estimates⁽¹⁾
(\$ in millions)



Detailed modeling assumptions for Evrysdi royalties

Royalties shown as they are accrued and do not reflect ACR⁽¹⁾; Cash royalty receipts are received on a one-quarter lag

		Actuals			Visible Alpha Mean Consensus								Extrapolated Using Median Growth Rates of Available Brokers						
(\$m)		2020 ⁽²⁾	2021 ⁽²⁾	2022 ⁽²⁾	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035 ⁽⁴⁾	2036	
Visible Alpha Consensus WW Evrysdi Sales (USD) ⁽³⁾		1.11 Fx rate from CHF to USD	\$61	\$654	\$1,182	\$1,686	\$2,101	\$2,461	\$2,735	\$2,921	\$3,144	\$3,256	\$3,253	\$3,327	\$3,371	\$3,450	\$3,473	\$2,392	\$801
Net Sales Adjustment ⁽⁵⁾		2035-2036 duration	94%	97%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
WW Net Sales Earned by Royalty Tier		Total Royalty Rates (100%)																	
\$0 - 500m		8%	\$57	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
\$500m - 1,000m		11%	\$0	\$136	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$268
\$1,000m - 2,000m		14%	\$0	\$0	\$136	\$614	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$0
\$2,000m+		16%	\$0	\$0	\$0	\$0	\$12	\$357	\$619	\$797	\$1,011	\$1,119	\$1,116	\$1,187	\$1,229	\$1,305	\$1,326	\$291	\$0
Total WW Evrysdi Royalties			\$5	\$55	\$114	\$181	\$237	\$292	\$334	\$363	\$397	\$414	\$414	\$425	\$432	\$444	\$447	\$282	\$69
Royalties Acquired by RP in 2020 Deal														Cap using VA consensus sales expected to be reached in 2031					
Total WW Evrysdi Royalties Acquired by RP in 2020 Deal		43% Ownership; \$1.3bn Cap	\$2	\$24	\$49	\$78	\$102	\$125	\$143	\$156	\$170	\$178	\$178	\$96	\$0	\$0	\$0	\$0	\$0
% of Total WW Evrysdi Royalties Acquired by RP in 2020 Deal			43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	23%	0%	0%	0%	0%	0%
Cumulative Royalties Acquired by RP in 2020 Deal			\$2	\$26	\$75	\$152	\$254	\$379	\$523	\$678	\$849	\$1,027	\$1,204	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300
Total WW Evrysdi Royalties Retained by PTC Post-2020 Deal		57% Ownership	\$3	\$31	\$65	\$103	\$135	\$167	\$191	\$207	\$226	\$236	\$236	\$329	\$432	\$444	\$447	\$282	\$69
% of Total WW Evrysdi Royalties Retained by PTC			57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	77%	100%	100%	100%	100%	100%
Royalties Acquired by RP in 2023 Deal For \$1bn Upfront Investment (Assumes No Exercise of Options)																			
Total WW Evrysdi Royalties Acquired by RP in 2023 Deal			\$0	\$0	\$0	\$25	\$90	\$111	\$127	\$138	\$151	\$158	\$157	\$219	\$288	\$296	\$298	\$188	\$46
% of PTC's Retained WW Evrsydi Royalties Acquired by RP in 2023 Deal							67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%
Total WW Evrysdi Royalties Acquired by RP Across 2020 + 2023 Deals			\$2	\$24	\$49	\$103	\$192	\$237	\$270	\$294	\$321	\$335	\$335	\$315	\$288	\$296	\$298	\$188	\$46

Note: Royalties are shown as they are accrued and do not reflect Adjusted Cash Receipts. First cash receipt for 2023 Evrysdi deal will be earned Q4 2023 and received Q1 2024. Cash royalty receipts are received on a one-quarter lag. For example, royalties accrued in Q1-Q4 2024 would be paid Q2 2024 – Q1 2025. Fx rate is based on spot rate as of 10/13/2023.
(1) ACR stands for Adjusted Cash Receipts. (2) Actual reported sales. (3) Post-2030 consensus calculated based on median growth rates of available brokers. (4) 2035 and 2036 sales adjusted to 2035 U.S. and 2036 ex-U.S. loss of exclusivity (5) Reflects the approximate percentage of reported net sales that are royalty bearing.

Illustrative marginal cost of debt over time

