

ROYALTY PHARMA ANNOUNCES SALE OF MORPHOSYS DEVELOPMENT FUNDING BONDS

- **Total proceeds of \$530 million on \$300 million original 2022 investment**
- **Proceeds strengthen balance sheet and provide added flexibility to pursue disciplined capital allocation strategy, including significant share repurchases and royalty acquisitions**

NEW YORK, NY, January 29, 2025 – Royalty Pharma plc (Nasdaq: RPRX) today announced the closing of a transaction to monetize the remaining fixed payments on the MorphoSys Development Funding Bonds for \$511 million in upfront cash. This payment, combined with payments previously received, results in total cash proceeds of \$530 million on the \$300 million investment that was made in September 2022. The company generated an attractive return by monetizing these future fixed payments at a low discount rate of 5.35% and will redeploy these proceeds into higher returning investment opportunities, including repurchasing its shares and acquiring attractive new royalties.

“While Royalty Pharma does not generally sell royalty investments, Novartis’ acquisition of MorphoSys created a unique opportunity to convert a fixed stream of long-term payments with no potential for outperformance into a large cash inflow today at an attractive return for shareholders,” said Pablo Legorreta, Royalty Pharma founder and Chief Executive Officer. “Earlier this year, we updated our capital allocation framework, seeking to generate attractive returns through a blend of royalty investments and share repurchases. Royalty Pharma will benefit from enhanced flexibility to pursue our disciplined capital allocation strategy.”

Transaction Details

Royalty Pharma entered into a long-term strategic funding partnership with MorphoSys in 2021 to provide up to \$2.025 billion as part of MorphoSys’ acquisition of Constellation Pharmaceuticals. Through that transaction, Royalty Pharma acquired royalties on Tremfya and other development stage assets including trontinemab. In connection with that transaction, Royalty Pharma purchased \$300 million of Development Funding Bonds from MorphoSys in September 2022. In 2024, Novartis acquired MorphoSys.

Prior to the monetization transaction announced today, Royalty Pharma received the first two quarterly repayments on the Development Funding Bonds, amounting to \$9.7 million in the fourth quarter of 2024 and \$9.7 million in January 2025. These payments will be recorded in Portfolio Receipts. The \$511 million monetization proceeds will be treated as an asset sale and will not be recorded as Portfolio Receipts. Following this sale to a syndicate of investors, Royalty Pharma will no longer receive Development Funding Bond payments over the remainder of 2025 and beyond.

BofA Securities, Inc. acted as placement agent on behalf of Royalty Pharma plc.

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, GSK’s Trelegy, Roche’s Evrysdi, Johnson & Johnson’s Tremfya, Biogen’s Tysabri and Spinraza, AbbVie and Johnson & Johnson’s Imbruvica, Astellas and Pfizer’s Xtandi, Novartis’ Promacta, Pfizer’s Nurtec ODT and Gilead’s Trodelvy, and 14 development-stage product candidates. For more information, visit www.royaltypharma.com.

Forward-Looking Statements

The information set forth herein does not purport to be complete or to contain all of the information you may desire. Statements contained herein are made as of the date of this document unless stated otherwise, and neither the delivery of this document at any time, nor any sale of securities, shall under any circumstances create an implication that the information contained herein is correct as of any time after such date or that information will be updated or revised to reflect information that subsequently becomes available or changes occurring after the date hereof. This document 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 the company’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 Royalty Pharma’s strategies, financing plans, growth opportunities, market growth, and plans for capital deployment. In some cases, you can identify such forward-looking statements by terminology such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “target,” “forecast,” “guidance,” “goal,” “predicts,” “project,” “potential” or “continue,” 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 the company. However, these forward-looking statements are not a guarantee of Royalty Pharma’s 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. For further information, please reference Royalty Pharma’s reports and documents filed with the U.S. Securities and Exchange Commission (“SEC”) by visiting EDGAR on the SEC’s website at www.sec.gov.

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