

ROYALTY PHARMA

Corporate Presentation

February 2025

Forward looking statements & Non-GAAP Measures

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Also, this presentation will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Additional information regarding non-GAAP liquidity measures can be found in the Appendix. Any non-U.S. GAAP liquidity measures presented are not, and should not be viewed as, substitutes for 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.

ROYALTY PHARMA



Our vision

To be the leading partner
funding innovation
in life sciences

Our mission

By collaborating to
accelerate innovation,
we enable our
partners to transform
patient lives

Royalty Pharma: A unique way to invest in biopharma

(Nasdaq: RPRX)

Market leader and pioneer

28

years of compounding value

~56%

share of pharmaceutical royalty market⁽¹⁾

Compounding growth through value creation

10%+

top-line CAGR expected over this decade⁽²⁾

Low-teens

% average unlevered IRR over multiple decades, high-teens or better with conservative leverage⁽³⁾

Long duration, diversified portfolio

~13

year portfolio duration with track record of growing through royalty expirations

15

blockbusters (>\$1bn in annual sales) in portfolio⁽⁴⁾

Significant funding opportunity

>\$1 trillion

capital required for biopharma innovation over next decade

\$10-12 billion

RP expected capital deployment from 2022-2026; path to double this longer term⁽⁵⁾

Strong track record

History

of identifying most transformative products

~13%

top-line CAGR achieved between 2010-2020

Efficient business model

~7-8%

cost of capital even with higher rates

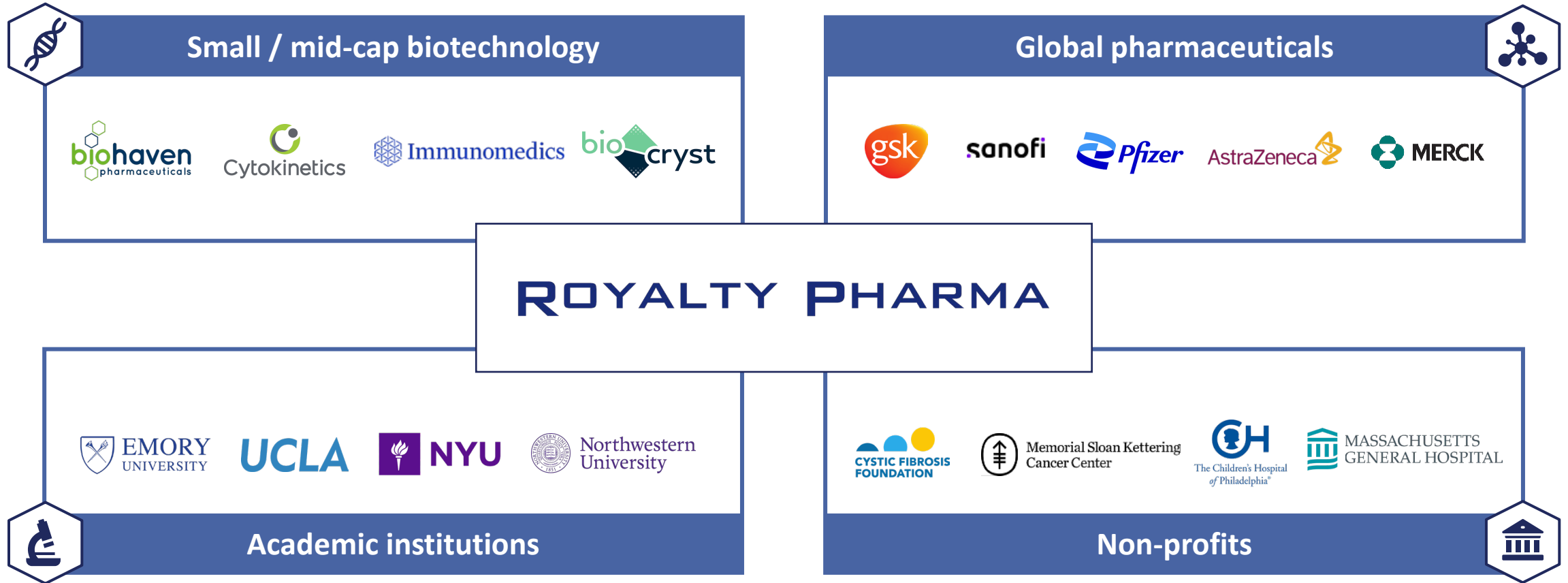
\$2.8 billion

2024 top line; 92% Adjusted EBITDA margins, providing consistent and growing cash flow to be redeployed

Note: "Top line" refers to Royalty Pharma's Portfolio Receipts. 1. Royalty Pharma market share from 2012–2024; internal estimates of biopharma royalty market based on announced transactions. 2. Royalty Pharma top-line CAGR includes future investments. Royalty Pharma's growth target provided at May 2022 Investor Day. See slide 72 for additional details. 3. Returns reflect a combination of actual results and estimated projected returns for investments based on analyst consensus sales projections (where applicable). IRR (or returns) are calculated using total cash outflows and total cash inflows, in each case including royalties, milestones and other cash flows. See slide 72 for additional details. 4. Based on 2024 end market sales and excludes products tied to recently expired royalties. 5. Royalty Pharma's capital deployment target provided at 2022 Investor Day. See slide 72 for additional details.

Deep network across the biopharma ecosystem

Leading provider of funding solutions for life sciences innovation



Clear strategic plan to drive robust and value-enhancing growth

1

Existing royalties

Acquire existing royalties on market-leading or late-stage development therapies with high commercial potential

2

Synthetic royalties / R&D funding

Acquire newly-created royalties on approved or late-stage development therapies with strong proof of concept and high commercial potential

3

Launch & development capital⁽¹⁾

Additional funding in exchange for long-term payment streams

4

M&A related

Acquire royalties by facilitating M&A transactions

5

Adjacencies

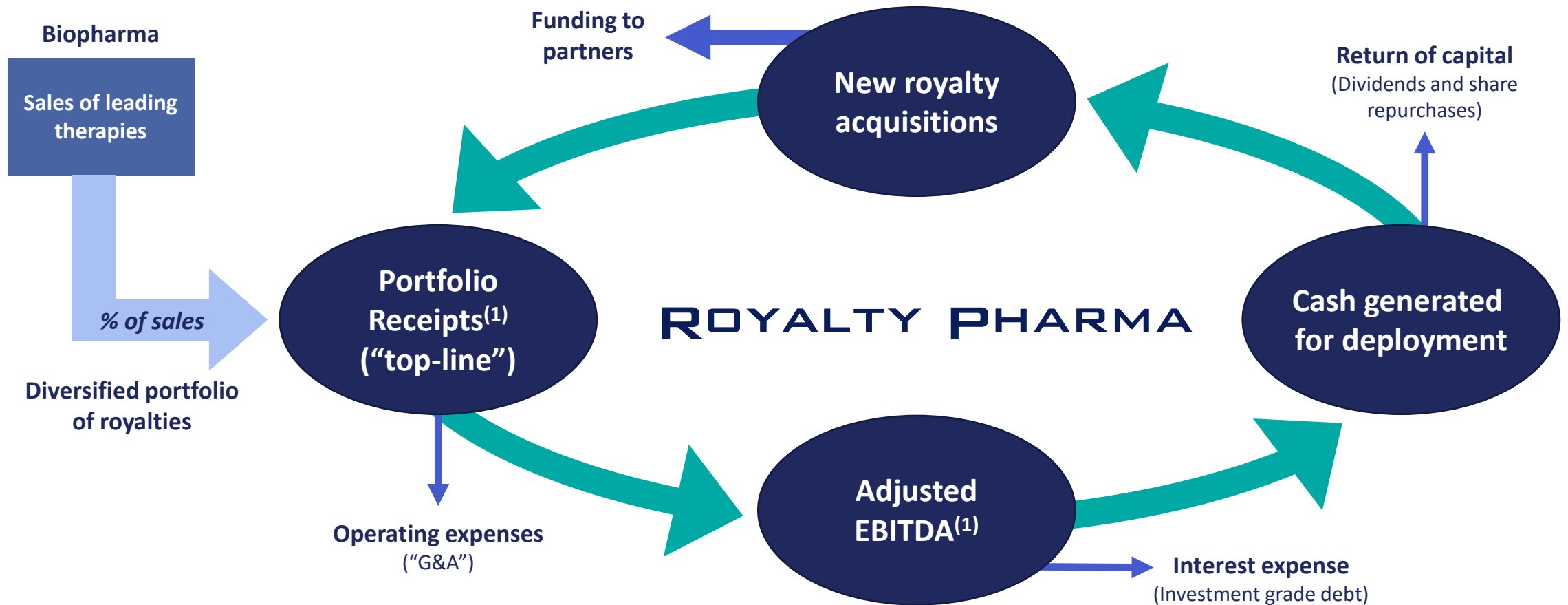
Leverage team's capabilities in business adjacencies

Advancing our partners' core mission with win-win solutions

Structure	Potential benefits to partner
Existing royalties	<ul style="list-style-type: none"> Diversification of asset portfolio Non-dilutive funding for business growth and investment Upfront capital today in exchange for a long-dated stream of payments
Synthetic royalties	<ul style="list-style-type: none"> Funding for completion of development and commercialization of portfolio Retain operational control of development programs Lower cost of capital than issuing equity
Launch & development capital	<ul style="list-style-type: none"> Launch funding offers flexible, patient, long-term alternative financing Lower cost of capital than selling equity and less restrictive than debt
M&A	<ul style="list-style-type: none"> Monetize non-strategic passive royalties to reduce net M&A price Capital provided through purchase of royalties and supplemental funding

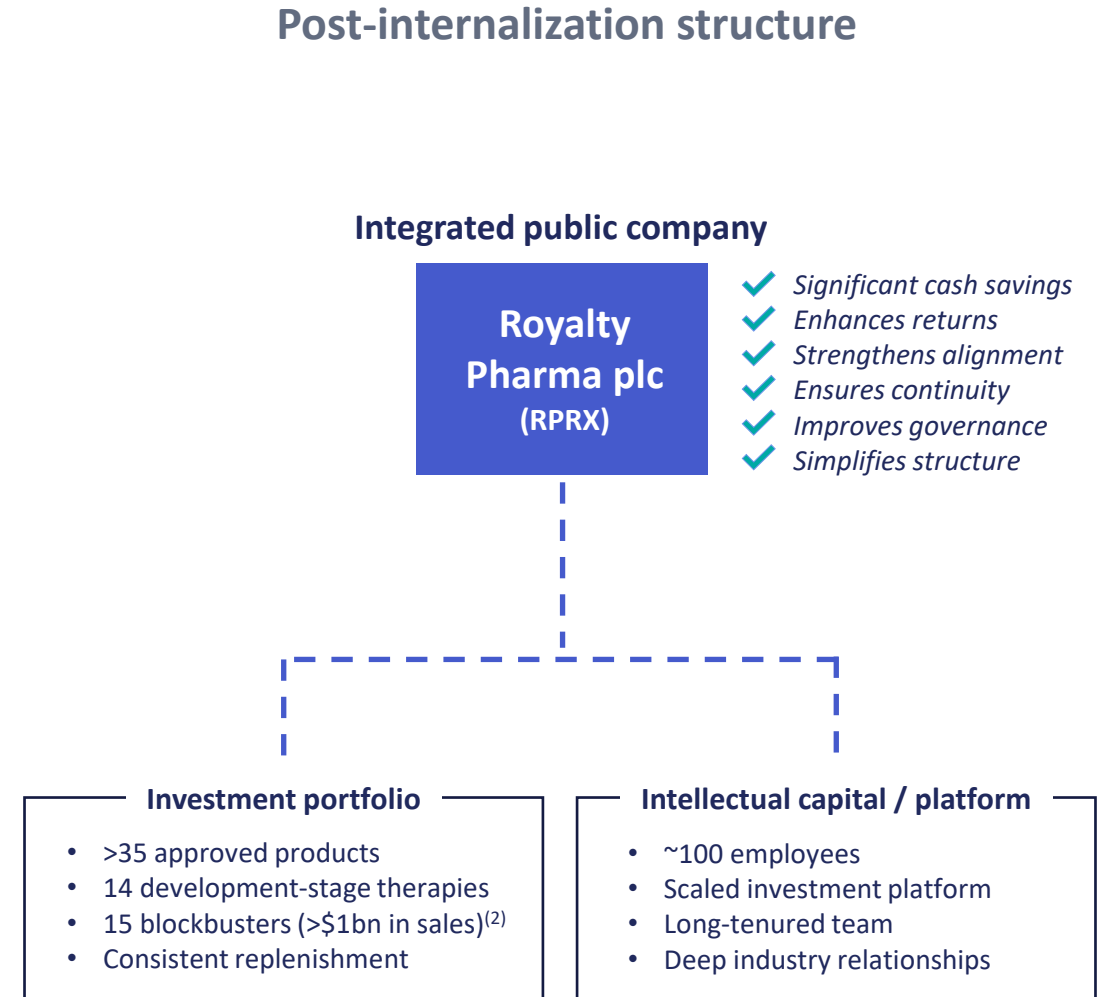
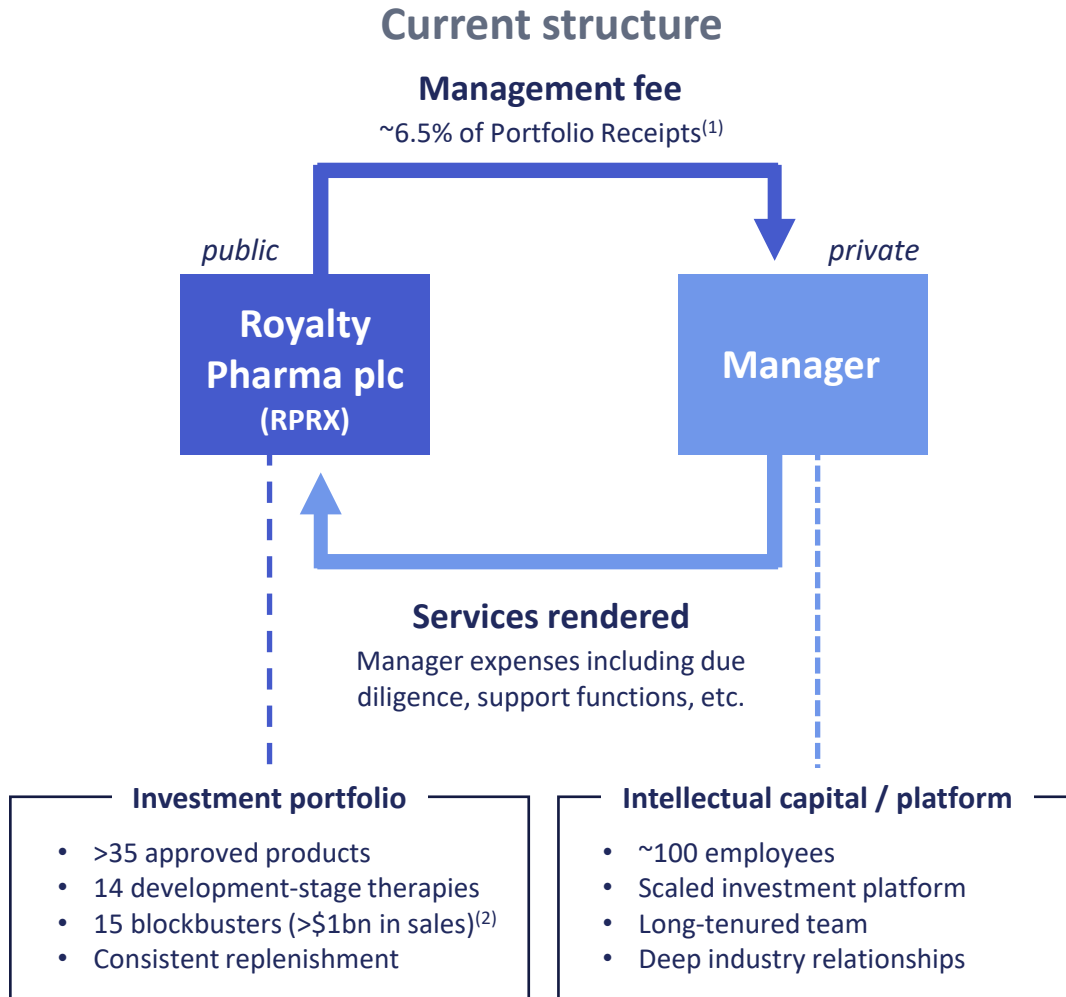


Simple and efficient business model focused on cash flow



Large diversified royalty portfolio generates significant cash to redeploy in new royalties

Royalty Pharma has been externally managed since 1996

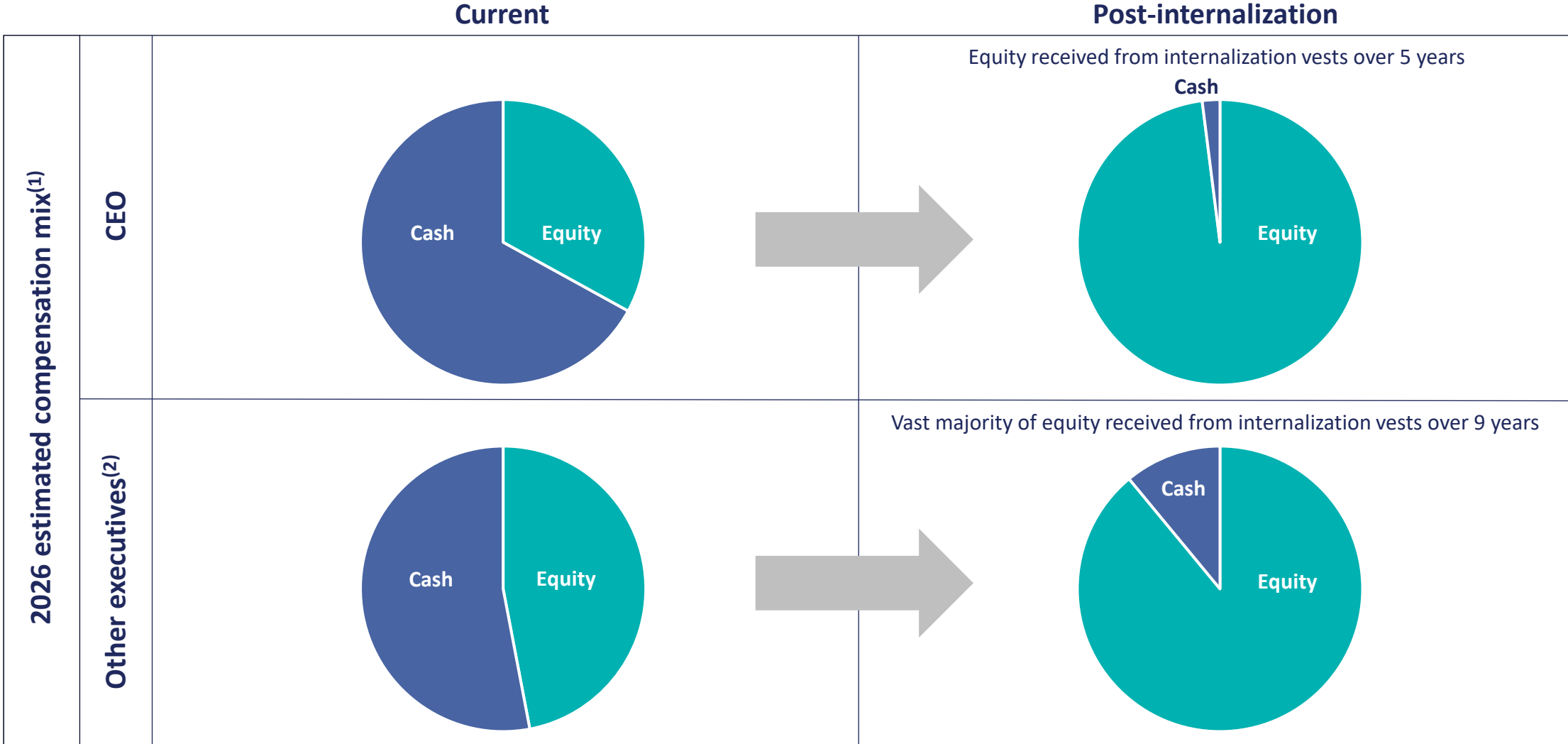


Multiple benefits from internalizing the Manager

		Benefits
Financial	Savings	Cash savings are expected to be >\$100m in 2026 and >\$175m in 2030, compared to status quo, with cumulative savings of >\$1.6bn over ten years
	Returns	Extinguishment of the management fee enhances returns to shareholders on investments
	Valuation	Responsive to investor feedback that the externally managed structure is an impediment to investing in Royalty Pharma; Internalizing the Manager could expand Royalty Pharma's shareholder base and enhance valuation over time
Strategic	Alignment	Majority of total consideration consists of equity vesting over 5 to 9 years, replacing cash bonuses to senior management through 2033; extinguishing the management fee largely for equity further strengthens alignment
	Continuity	Employees of RP Management become part of integrated company, ensuring long-term continuity of personnel and operations; 5 to 9 year vesting of equity consideration maximizes retention
	Governance	Greater Board oversight on executive compensation and succession furthers commitment to robust governance
	Simplification	New integrated structure will reduce complexity, ease comparability with other companies and enhance transparency

Strengthening alignment with shareholders

Transaction results in significantly greater portion of management compensation in equity



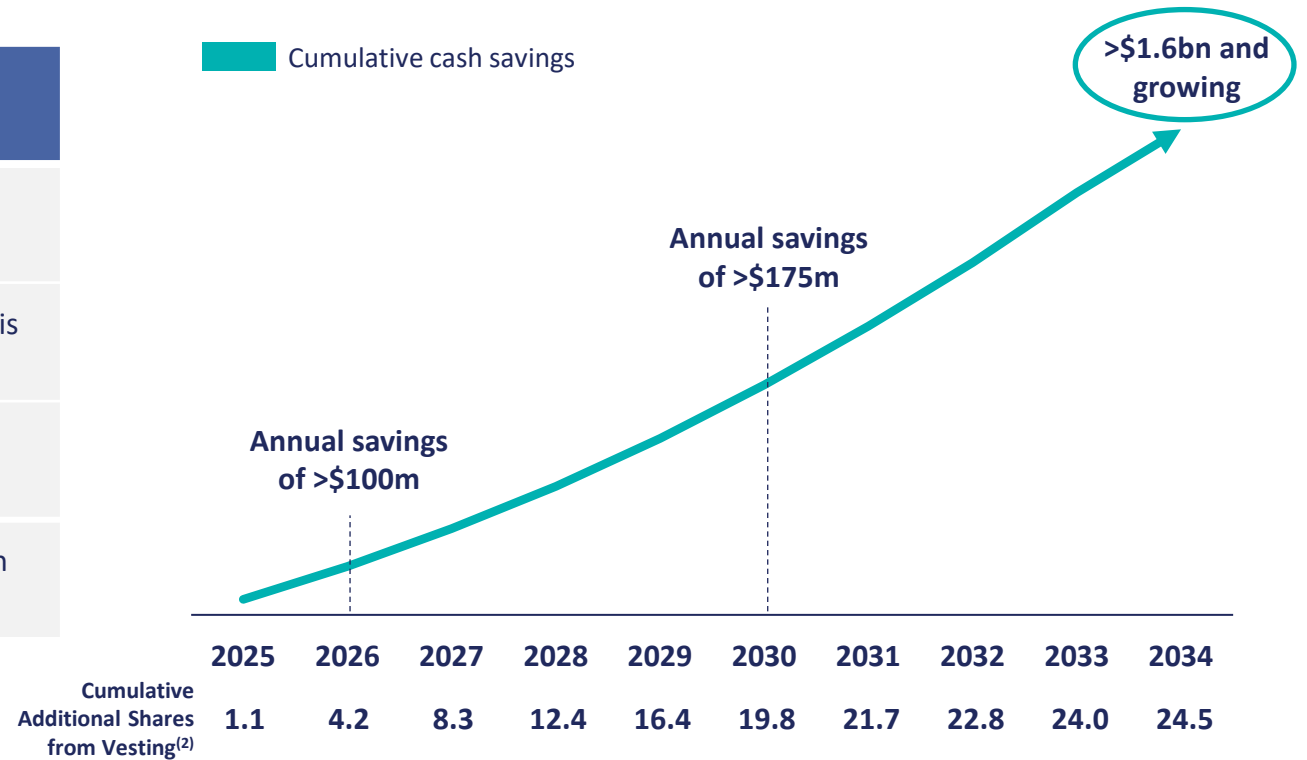
1. For this analysis Equity Performance Awards are treated as equity. A portion of equity performance awards will be paid in cash to enable recipients to pay taxes, with the after-tax amount settled in equity.
 2. Represents other named executive officers of Royalty Pharma.

Internalization expected to result in significant cash savings

Acquiring the Manager for ~\$1.1bn total consideration

Consideration	Amount	Details
Cash	~\$100m ⁽¹⁾	-
Debt	\$380m	Assumption of existing Manager debt is leverage neutral to Royalty Pharma
Shares	~24.5m	Equity vests over 5 to 9 years
Total	~\$1.1bn	Majority of total consideration paid in Royalty Pharma equity over time

Benefits include significant savings expected to grow over time



	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Cumulative Additional Shares from Vesting ⁽²⁾	1.1	4.2	8.3	12.4	16.4	19.8	21.7	22.8	24.0	24.5

1. Royalty Pharma will pay the Manager \$200 million in cash less any management fee paid to the Manager from January 1, 2025 through the closing of the transaction. The transaction is estimated to close during the second quarter of 2025 and the management fees paid through the closing is expected to be approximately \$100 million.
 2. Reflects estimated impact of equity consideration on weighted average diluted share count for each year. Figures based on \$26.20 share price (RPRX closing price as of 1/8/2025); actual vesting schedule may vary as purchase price allocation to 5- and 9-year vesting portions will be based on share price at transaction close. Assumes transaction close in Q2 2025.

Internalization savings drives increased Portfolio Cash Flow

\$ in millions	FY 2024		% PR	Internalization impact
Royalty Receipts ⁽¹⁾	2,771	+13% YoY		No impact
Milestones & other contractual receipts	31	-95% YoY		No impact
Portfolio Receipts	2,801	-8% YoY		No impact
Payments for operating and professional costs	-236		8.0%	Reduction to ~4-5% of Portfolio Receipts in 2026, compared to initial guidance of 8% to 9% in 2024
Adjusted EBITDA (non-GAAP)	2,565		92.0%	Cash savings will increase Adjusted EBITDA
Interest received/(paid), net	-113			Assumption of the Manager's debt would have increased interest paid by ~\$20m in 2024 vs guidance of ~\$160m
Portfolio Cash Flow (non-GAAP)	2,452		88.8%	Cash savings will increase Portfolio Cash Flow
Capital Deployment	-2,761			
Share count ⁽²⁾	594			\$3bn authorization; intend to repurchase \$2bn of shares in 2025; Equity vests over 5 to 9 years

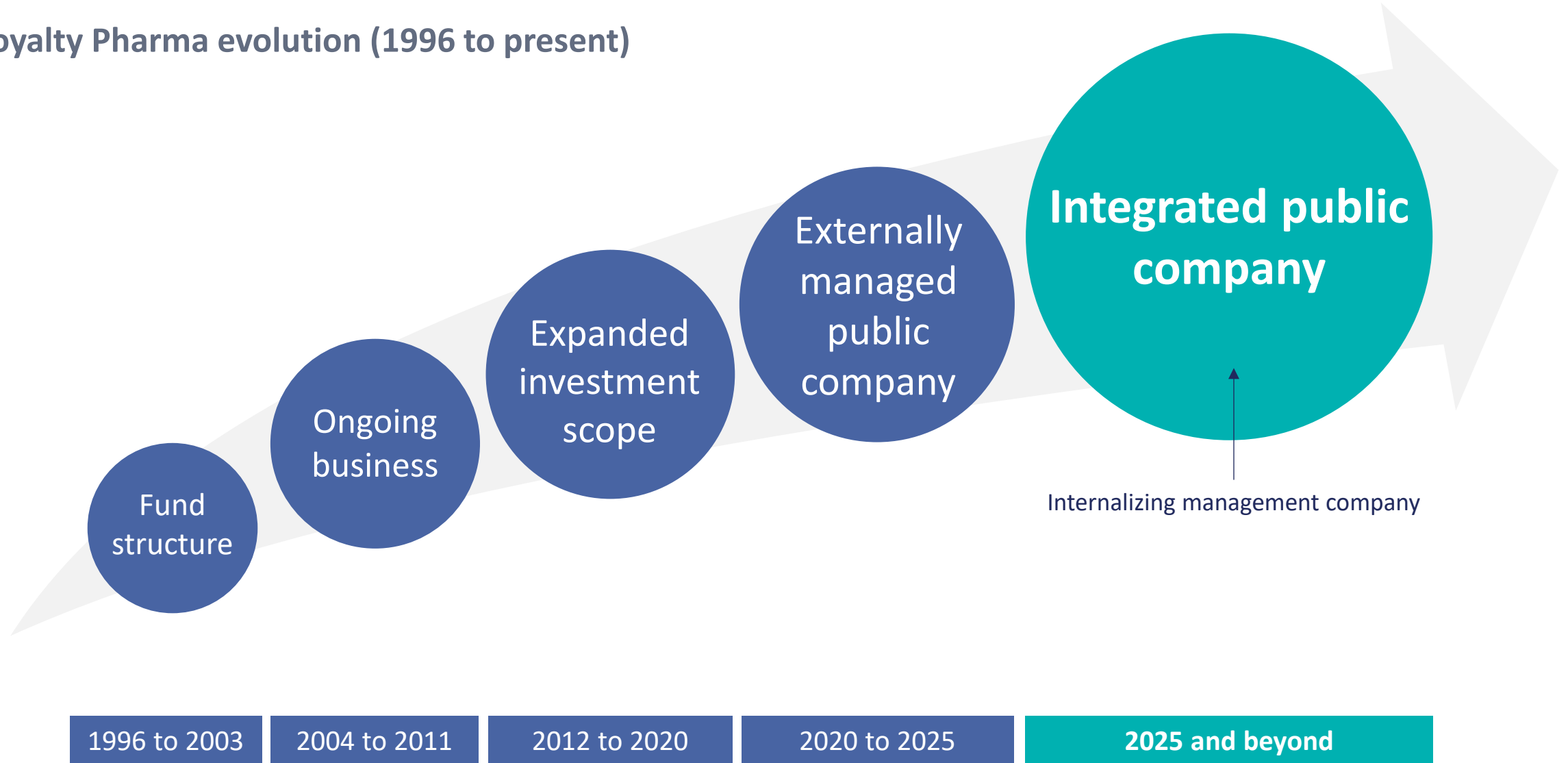
YoY: year over year; PR: Portfolio Receipts

1. Reported net of legacy non-controlling interests to facilitate increased transparency of individual royalty economics and milestones.

2. Reflects weighted-average diluted Class A ordinary shares outstanding in millions.

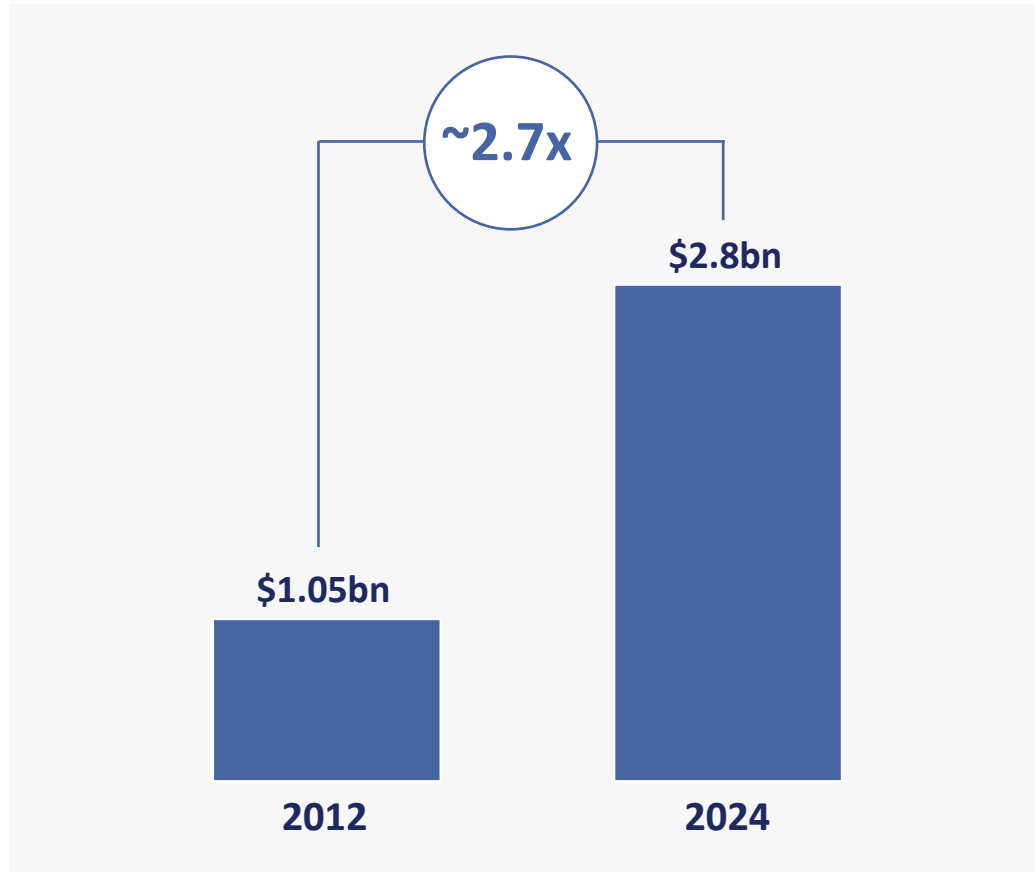
Internalizing the Manager is the next step in our evolution

Royalty Pharma evolution (1996 to present)

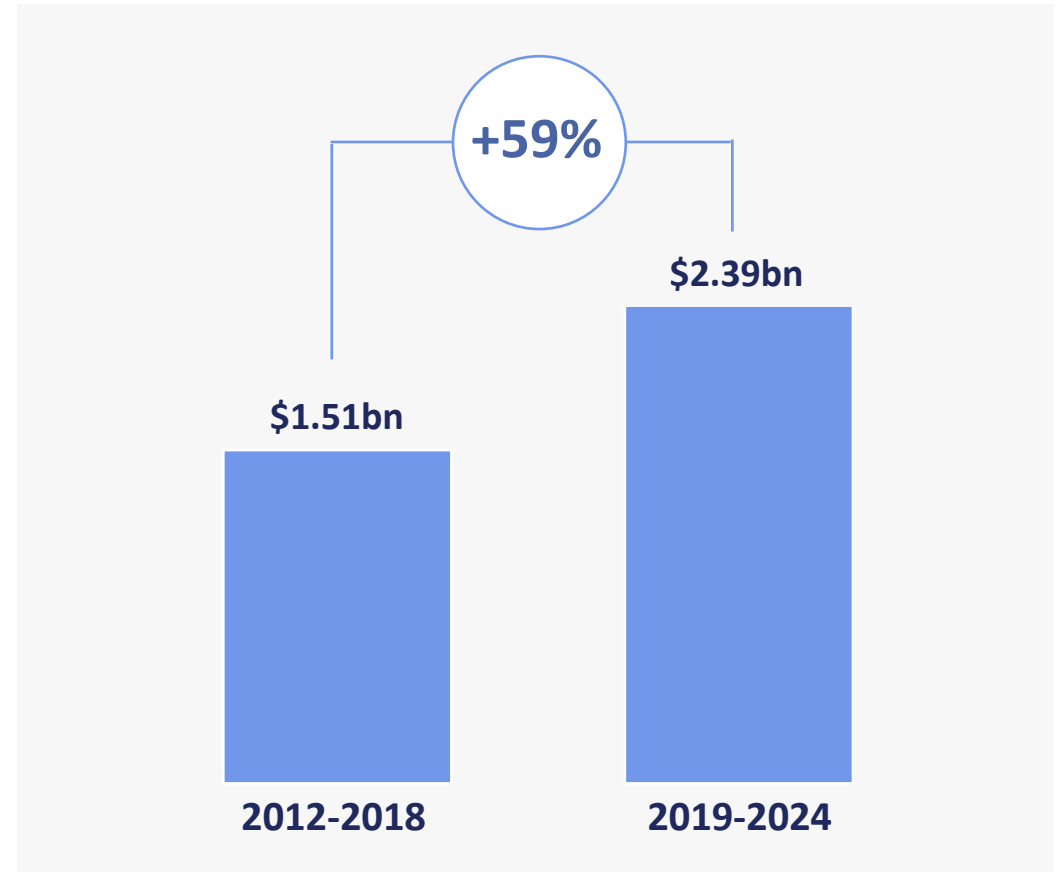


Track record of delivering strong growth

Portfolio Receipts⁽¹⁾

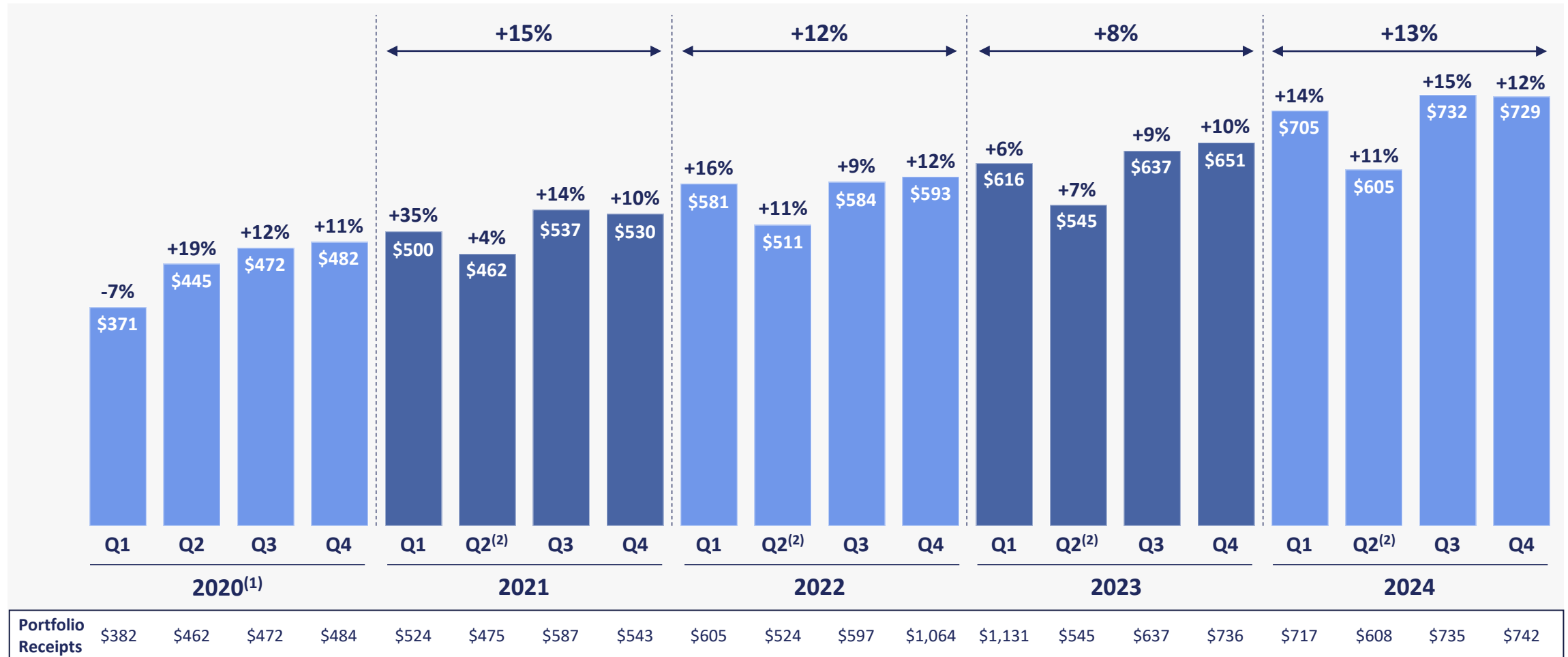


Capital Deployment
(annual average)



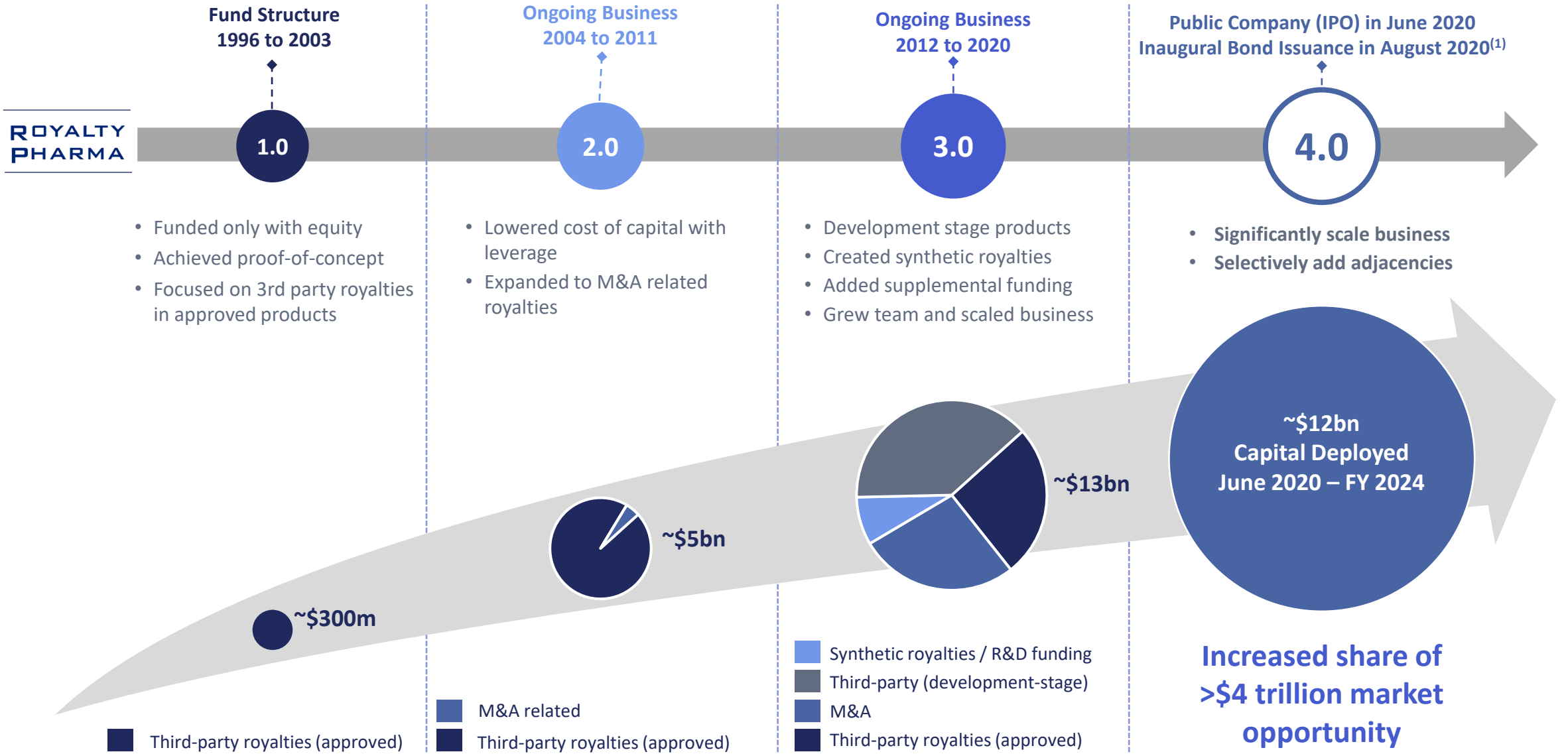
Unique business model powering ~12% average growth since IPO

Royalty Receipts
(year/year growth; \$ in millions)



1. Growth rates are presented on a pro forma basis. See slide 72 for definition and additional information.
 2. Royalty Receipts in the second quarter are typically lower than the first quarter as royalties for certain products or franchises are tiered and typically reset at the beginning of the year. Thus, second quarter Royalty Receipts (reflecting first quarter sales) often include royalties on sales at the lowest royalty tier.

Innovative business model supports biopharma ecosystem



Strong competitive moat in biopharma royalty funding



Business model



Scale



Platform



- Publicly traded company
- Long royalty durations
- ~7-8% cost of capital
- ~3.1% cost of debt⁽¹⁾

- Portfolio >45 products
- Large investment capacity
- Deep capital markets access
- Ability to leverage portfolio

- Long-tenured team
- Singular biopharma focus
- Long collaboration history
- Deep industry relationships
- Partner of choice

Other Royalty Buyers

- Serial fund structures
- Often shorter royalty durations
- High-single to double-digit cost of capital

- Smaller, concentrated portfolios
- Funded with significantly more expensive private debt and equity

- Multi-strategy
- New to industry

Simple business model drives compounding growth



Capital Deployment

\$10-\$12 billion expected capital deployment, 2022-2026

Mix of approved and development-stage therapies with strong PoC

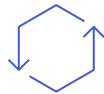
~\$16 billion announced value of transactions since 2020



Return of capital

~2.8% annual dividend yield with commitment to mid single digit growth

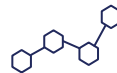
Opportunistic share repurchases



Returns

Consistent attractive returns meaningfully above cost of capital

Targeting low teens blended unlevered returns with high teens or better levered returns

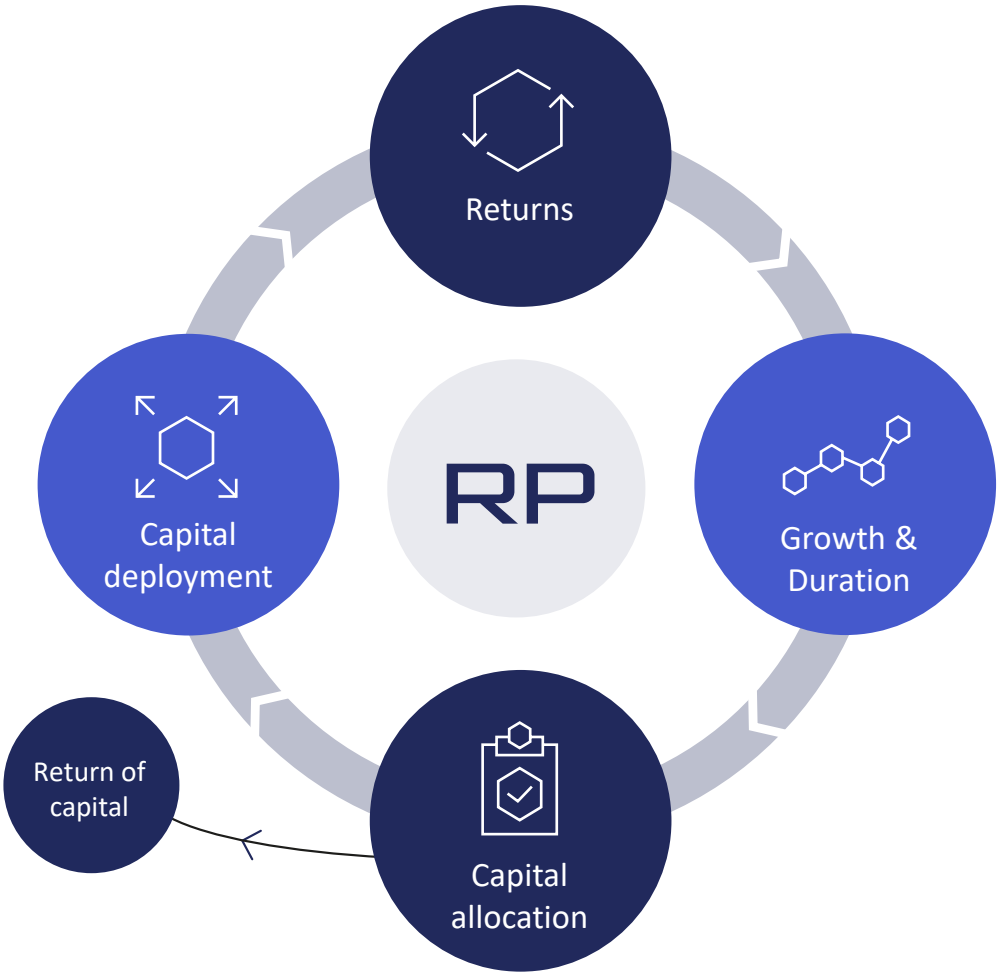


Growth & Duration

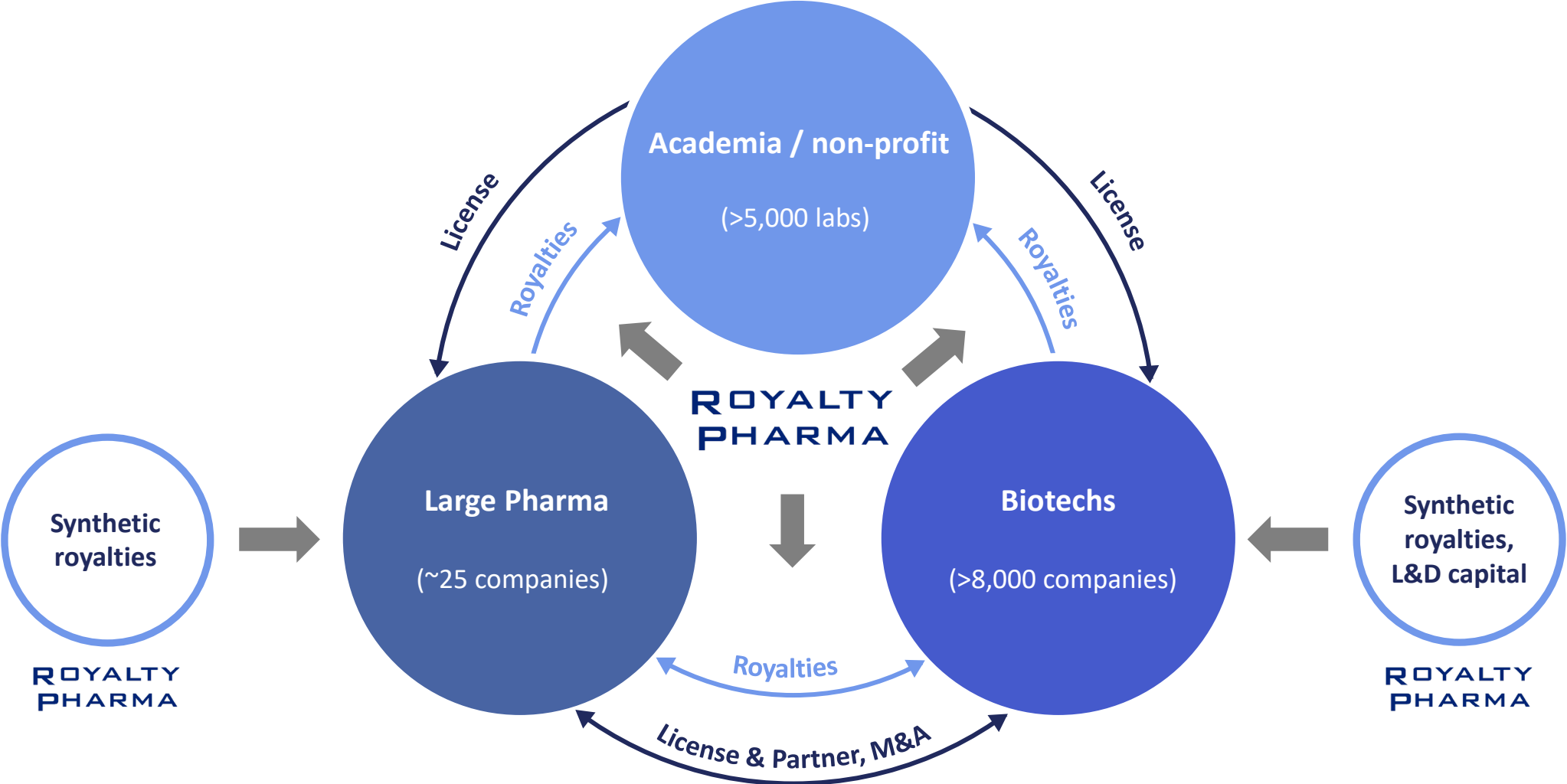
Portfolio Receipts CAGR of 10% or more 2020-2030

Weighted average portfolio duration of approximately 13 years

Diversified portfolio of >45 royalties

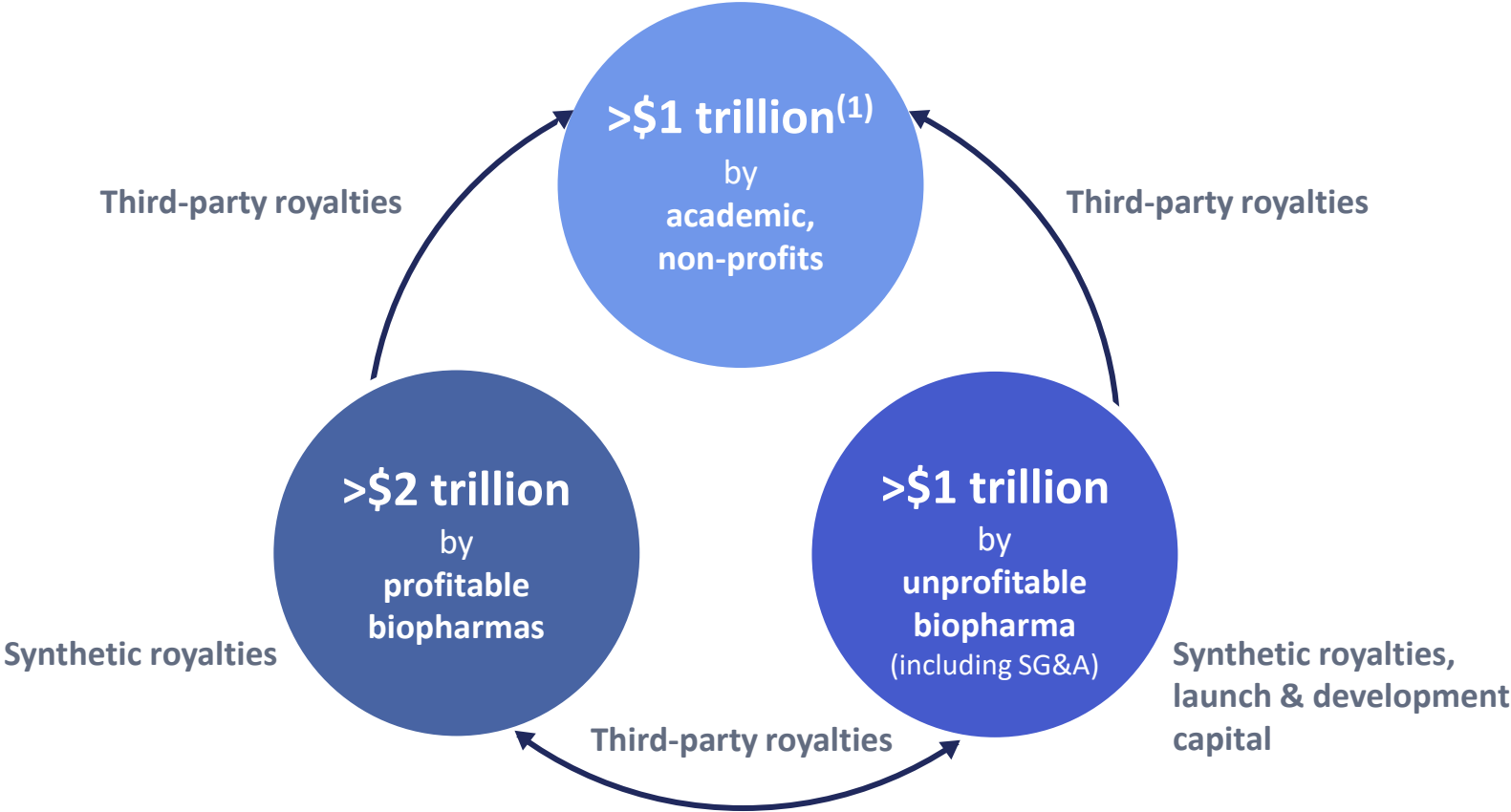


Industry fragmentation and complexity drive royalty creation

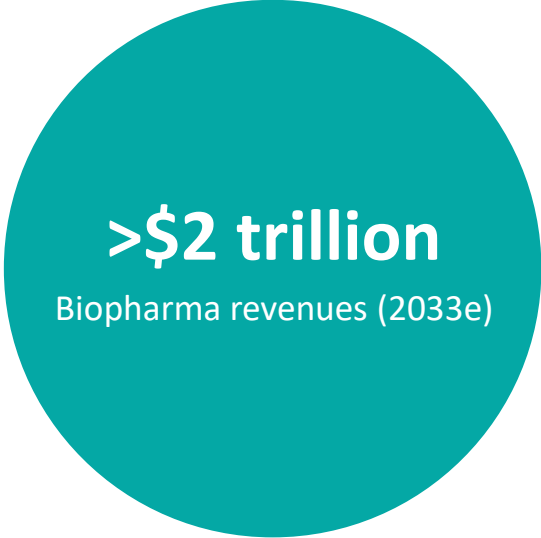


Significant opportunity to fund biopharma innovation

Biopharma ecosystem cumulative R&D spend over next decade



Global pharma market⁽²⁾

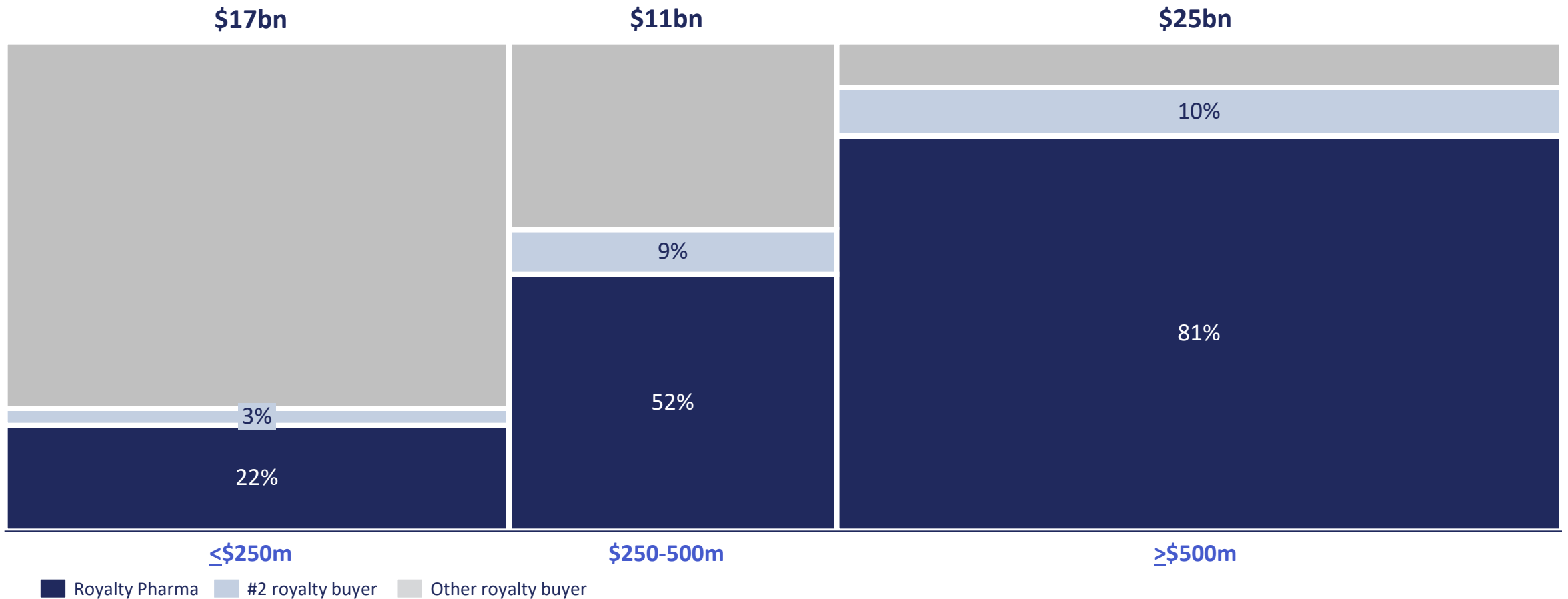


Entire biopharma ecosystem drives our pipeline

Source: Bloomberg, Visible Alpha and CapIQ
1. Based on estimates from Research America and internal Royalty Pharma analysis.
2. Based on Evaluate Pharma as of January 2024.

Royalty Pharma is the leader in royalty transactions

Biopharma royalty market size and share by transaction value, 2012-2025 YTD⁽¹⁾



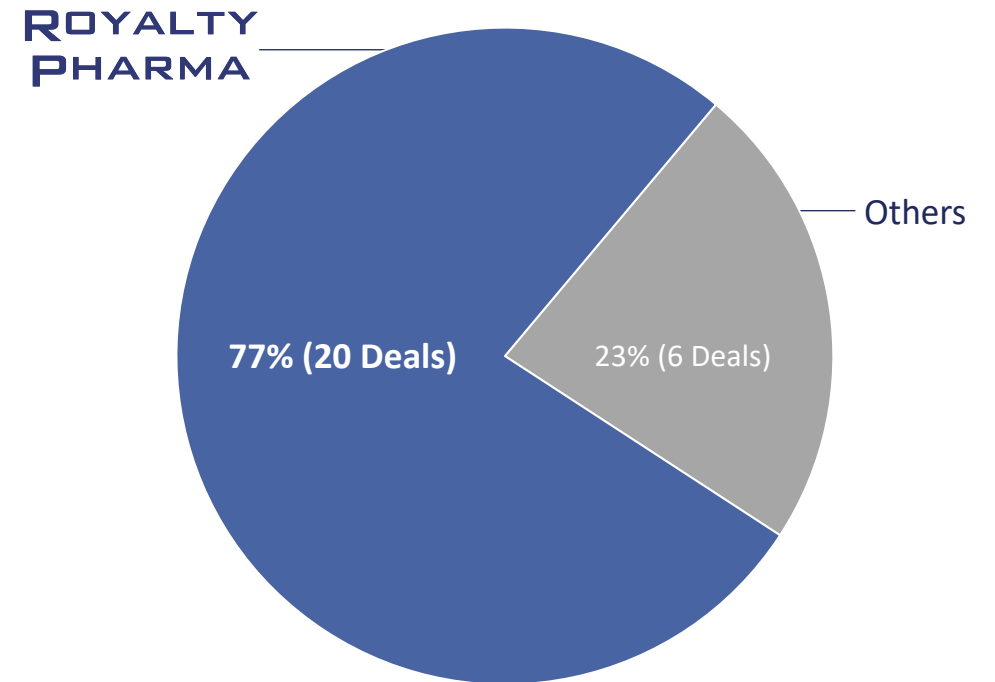
Royalty Pharma has maintained a majority overall share since 2012 and is the go-to partner for larger transactions

Royalty Pharma dominates large royalty transactions

Royalty transactions \geq \$500m
(announced value; \$ in millions)

Lead product	Acquiror	Post-IPO	Transaction size
Trikafta ⁽¹⁾	RP		3,352
Tysabri	RP		2,850
Trelegy ⁽³⁾	RP	✓	1,653
Tremfya ⁽⁴⁾	RP	✓	1,575
Evrysdi	RP	✓	1,500
Keytruda	Other		1,297
Leqvio	Other		1,150
Xtandi	RP		1,146
Spinraza/pelacarsen	RP	✓	1,125
Voranigo	RP	✓	905
Promacta	RP		827
Tecfidera	RP		761
Flu program	Other		750
Humira	RP		700
Lyrice	RP		700
Evrysdi	RP	✓	650
Trikafta ⁽¹⁾	RP	✓	650
Remicade	RP		650
Januvia ⁽²⁾	RP		609
Undisclosed ⁽⁵⁾	Other		550
frexalimab ⁽⁶⁾	RP	✓	525
Tecfidera	RP		510
Cobenfy	RP	✓	500
Adstiladrin	RP	✓	500
acoramidis	Other		500
Crysvisa ⁽⁷⁾	Other		500

Market share of deals \geq \$500m
(by count)

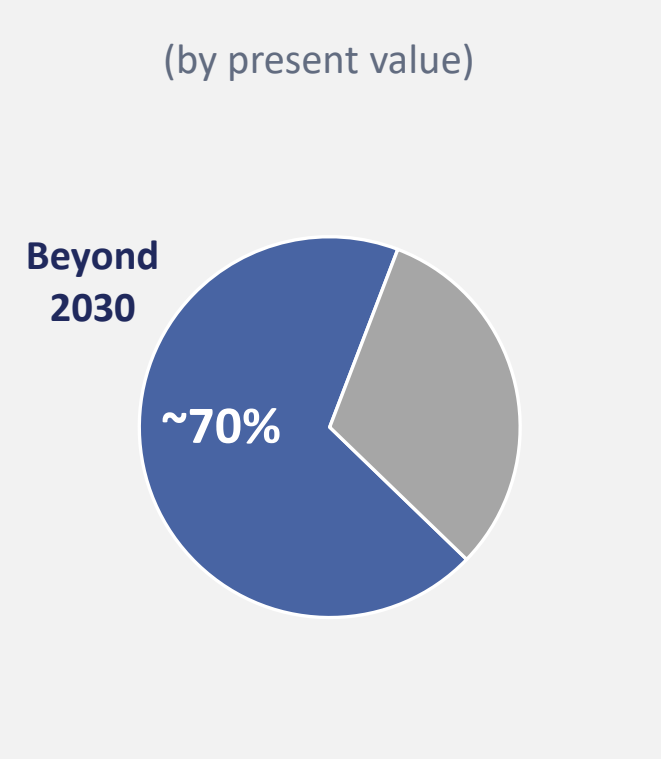


Note: transaction size excludes equity and debt investments

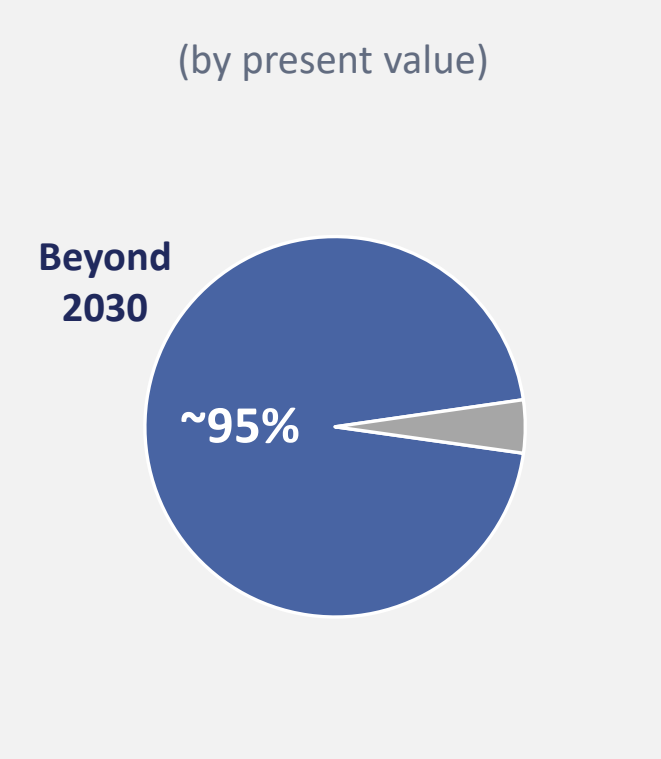
1. Products representative of royalties on franchises include Trikafta (CF Franchise). 2. Products representative of royalties on franchises include Januvia (DPP-IVs). 3. Transaction value also includes ampreloextine. 4. Transaction value also includes amount paid for royalties on gantenerumab/trontinemab, otilimab, pelabresib, tulmimetostat. 5. R&D funding deal with Pfizer announced April 2023. 6. Deal value includes estimated transaction costs. 7. OMERS acquisition of Crysvisa royalties announced July 2022.

Long duration portfolio consistently replenished

Duration of portfolio
(At IPO)



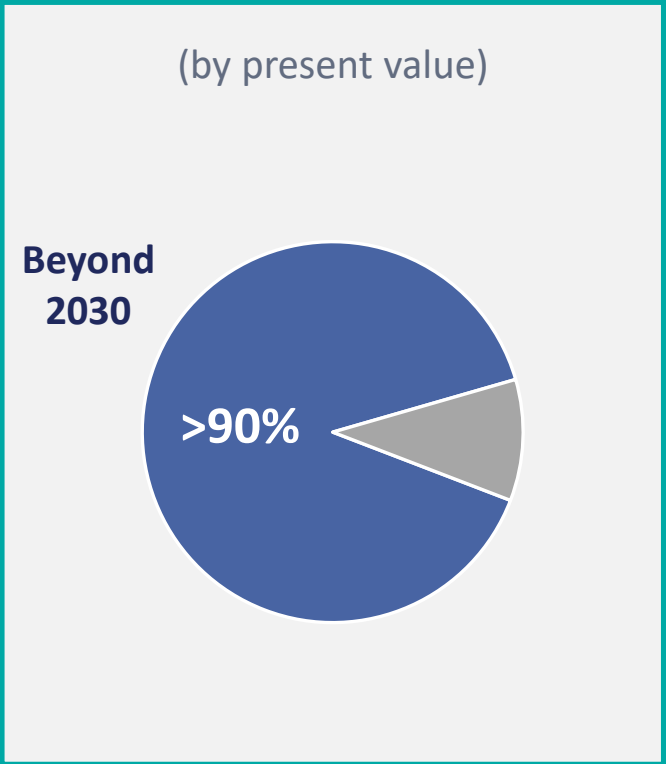
Duration of royalties acquired
2020-2024



+

=

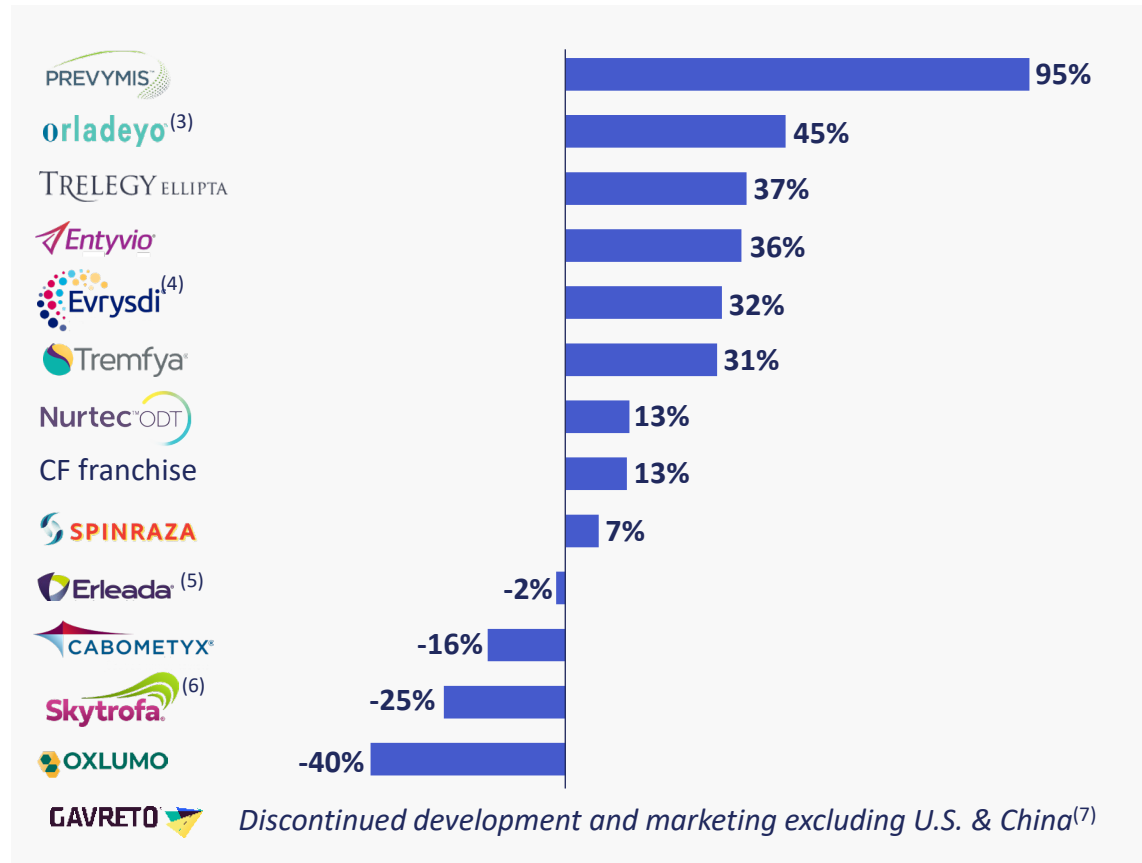
Duration of portfolio
(Today)



~13 year weighted average royalty portfolio duration

Strong early performance from recent transactions⁽¹⁾

Percent change in 2025 consensus sales⁽²⁾ since acquisition (Transactions since 2020; approved therapies)



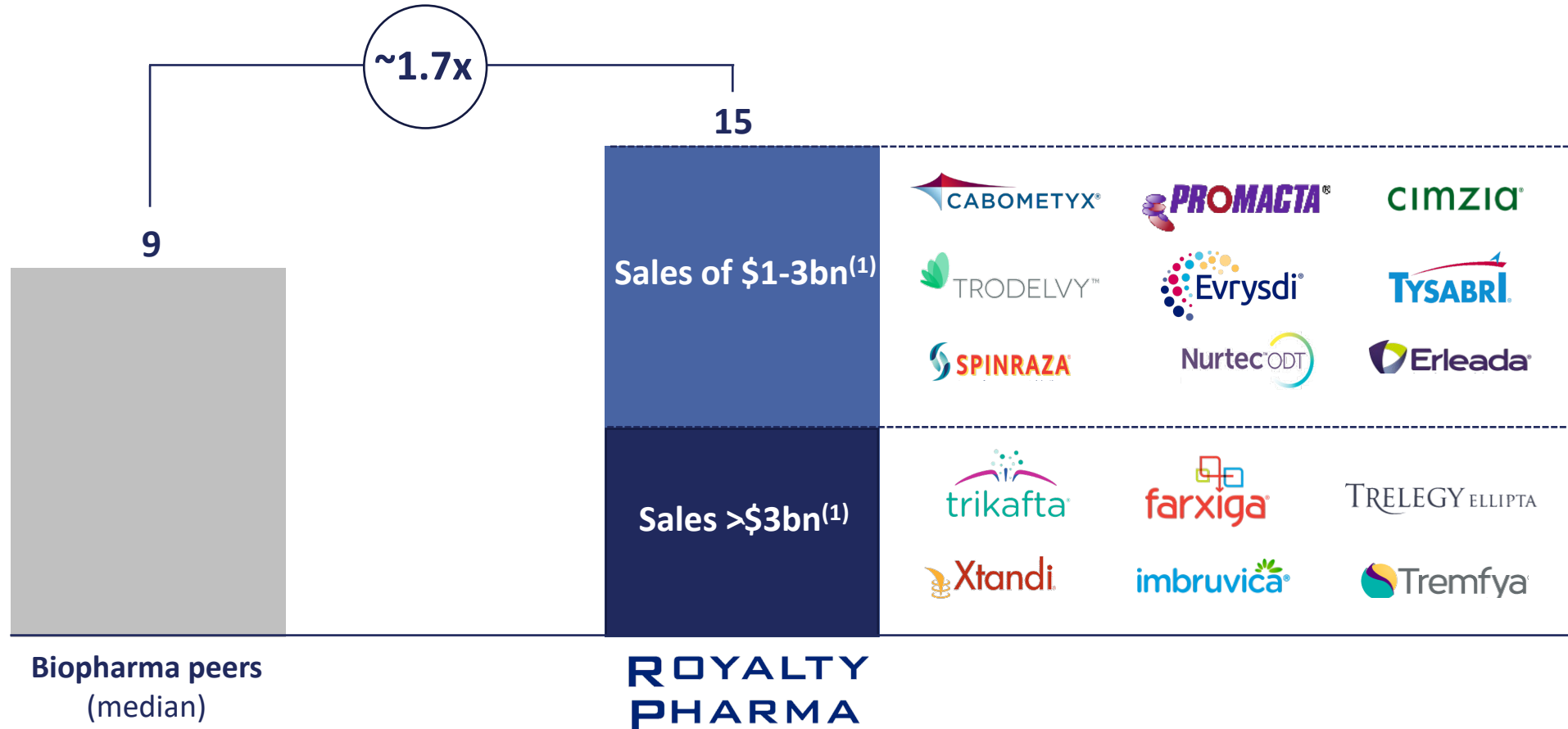
Development-stage therapies (Transactions since 2020; select events)

	Therapy	Indication	Event	Status
Clinical	ecopipam	Tourette's syndrome	Phase 3 results	✓
	aficamten	oHCM	Phase 3 results	✓
	Seltorexant ⁽⁸⁾	depression	Phase 3 results	✓
	Pelabresib ⁽⁹⁾	myelofibrosis	Phase 3 results	✓
	Tremfya	Crohn's disease	Phase 3 results	✓
	TEV-749	schizophrenia	Phase 3 results ⁽¹⁰⁾	✓
	BCX10013	PNH	Phase 1 results	✗
	otilimab	rheumatoid arthritis	Phase 3 results	✗
	gantenerumab	Alzheimer's disease	Phase 3 results	✗
	trontinemab (gantenerumab brain shuttle)	Alzheimer's disease	Phase 1b/2a data	✓
	MK-8189 ⁽¹¹⁾	schizophrenia	Phase 2b data	□
Regulatory	Voranigo	glioma	FDA approval	✓
	Cobenfy	schizophrenia	FDA approval	✓
	Tremfya	ulcerative colitis	FDA approval	✓
	Zavzpret	migraine	FDA approval	✓
	Airsupra	asthma	FDA approval	✓
	Evrysdi	SMA	FDA approval	✓

oHCM: obstructive hypertrophic cardiomyopathy; UC: ulcerative colitis; PNH: paroxysmal nocturnal hemoglobinuria; SMA: Spinal muscular atrophy; NDA: New Drug Application

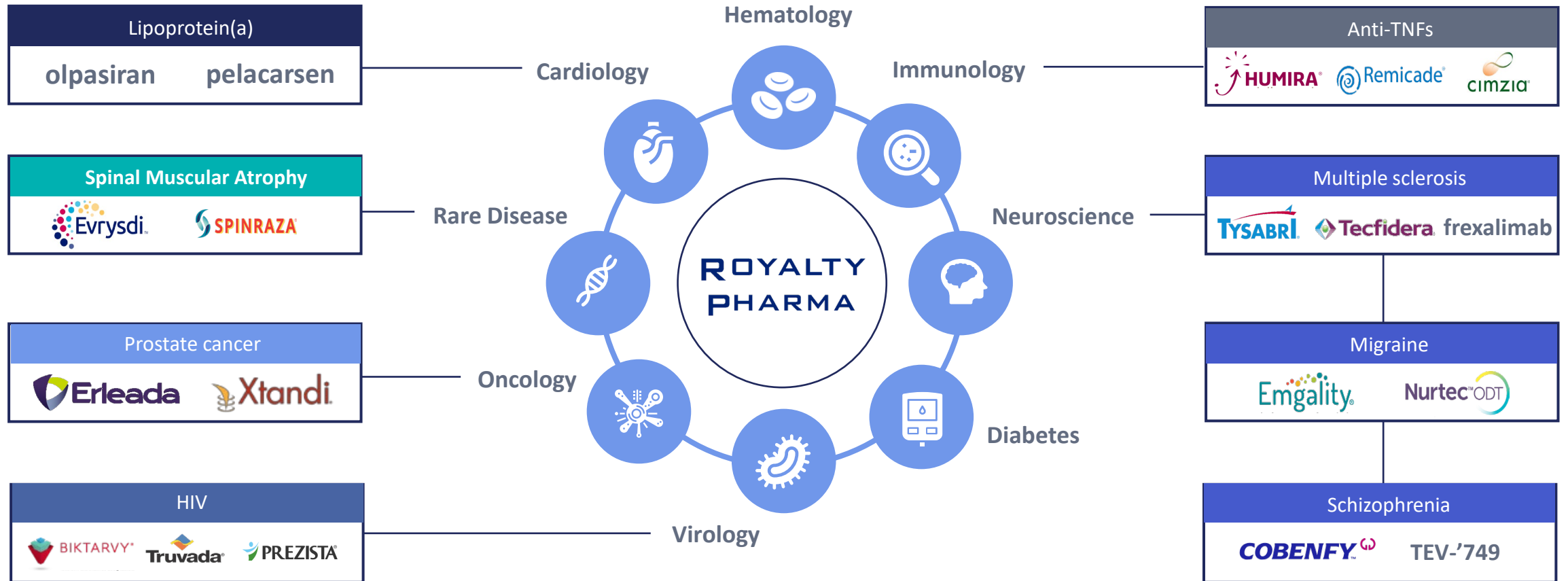
1. Recent transactions include transactions since 2020. 2. Consensus sales sourced from Visible Alpha as of January 2025 and includes therapies with consensus available at the time of the deal and now. 3. Change in Orladeyo consensus sales is from date of initial BioCryst transaction (December 7, 2020). 4. Change in Evrysdi consensus sales is from date of initial PTC transaction (July 20, 2020). 5. Change in Erleada consensus sales is from date of second Erleada transaction (June 5, 2023). 6. Reflects U.S. sales of Skytrofa. 7. Blueprint Medicines press release, January 8, 2024. 8. According to Clinicaltrials.gov, Johnson & Johnson is currently conducting an additional Phase 3 study on seltorexant. 9. The clinical status of Pelabresib is pending additional disclosure from Novartis. 10. Teva reported positive Phase 3 efficacy results on May 8, 2024. Long-term safety data is expected in H1 2025. 11. In October 2024, Merck updated its public disclosures to remove MK-8189 from its pipeline chart and Royalty Pharma does not anticipate making a further investment in this program.

Industry leading exposure to blockbuster products



Portfolio includes premier products and franchises backed by strong support from marketers

Unique ability to invest in multiple products in the same class



Portfolio agnostic to therapeutic area, modality and drug class

Repeat transactions highlight value of Royalty Pharma partnership



Deploying substantial capital with repeat partners

Multiple benefits to long-term partnerships

Speed of execution

Ability to transact quickly given strong base of existing knowledge

Information edge

Potentially in-depth access to product information, strategy, management

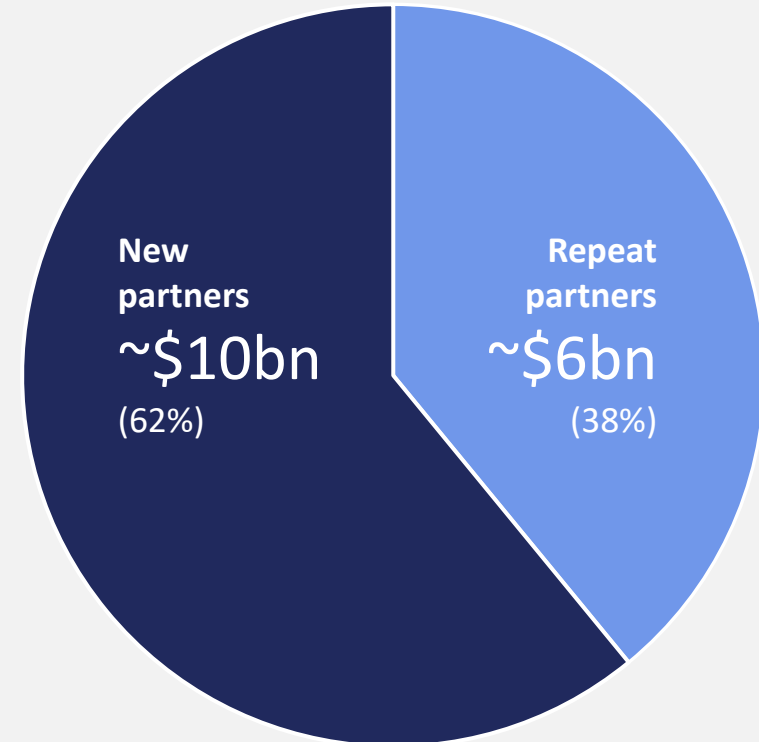
Probability of transacting

Strong existing relationships and already established roadmap for success

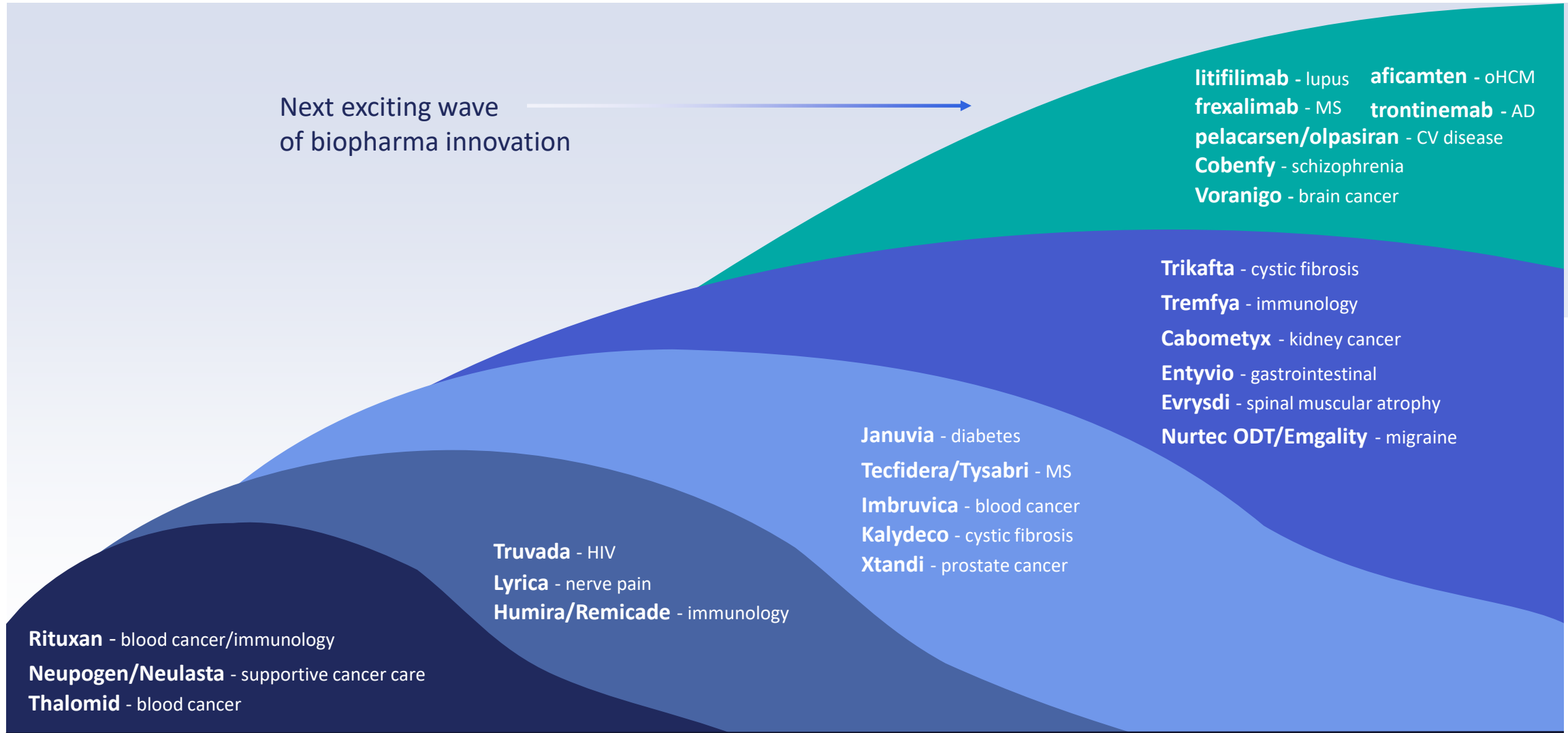
Growth with partner

Increases RP success rate and potential for future transactions with partner

Capital deployed with repeat partners (~\$16bn of announced transaction value since 2020)



Participating in most important waves of biopharma innovation



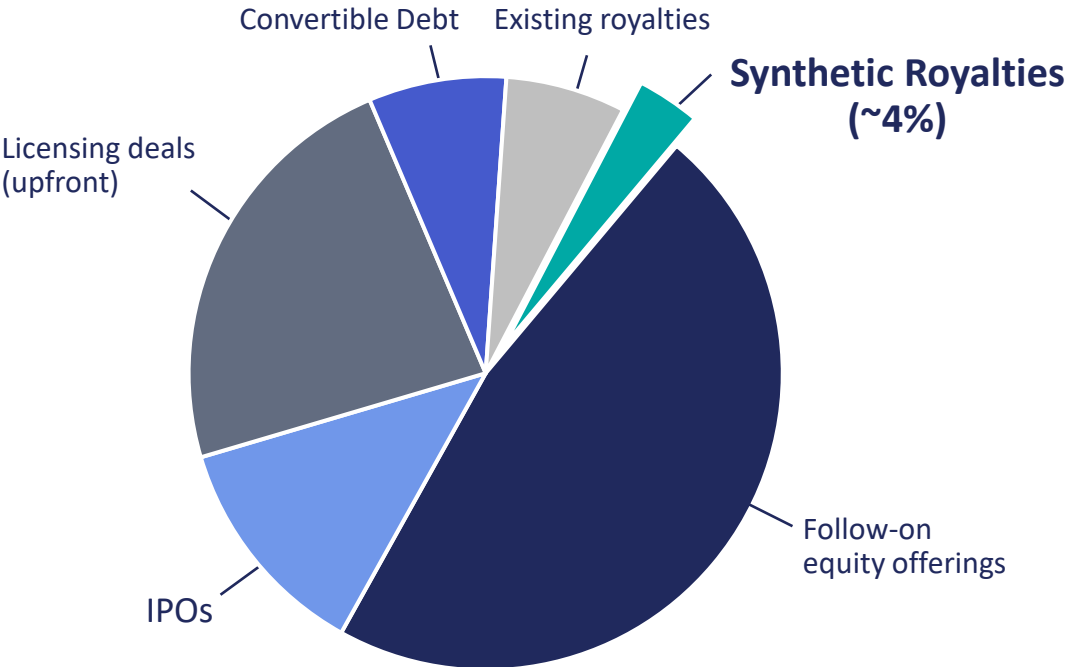
Synthetic royalties are an attractive funding modality

	Benefits to biopharma partner		
	Royalty	Debt	Equity
Non-dilutive to equity / preserves equity upside	✓	✓	
Customized and tailored funding solutions	✓		
Independent validation of therapy's value to patients	✓		
Share risk of development and/or commercialization	✓		✓
No financial covenants	✓		✓
Long-term alignment of interests	✓		
Value add through proprietary analytics	✓		

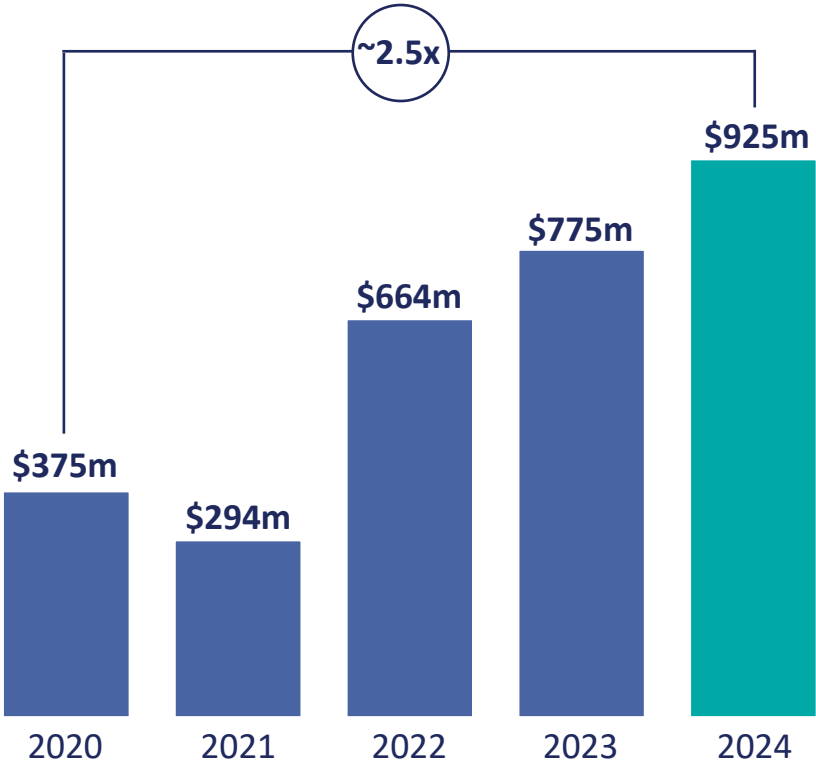
Synthetic royalties – a compelling innovation with significant growth potential

Synthetic royalty opportunity is large and rapidly growing

~\$290bn biopharma industry funding^(1,2)
(2020-2024)



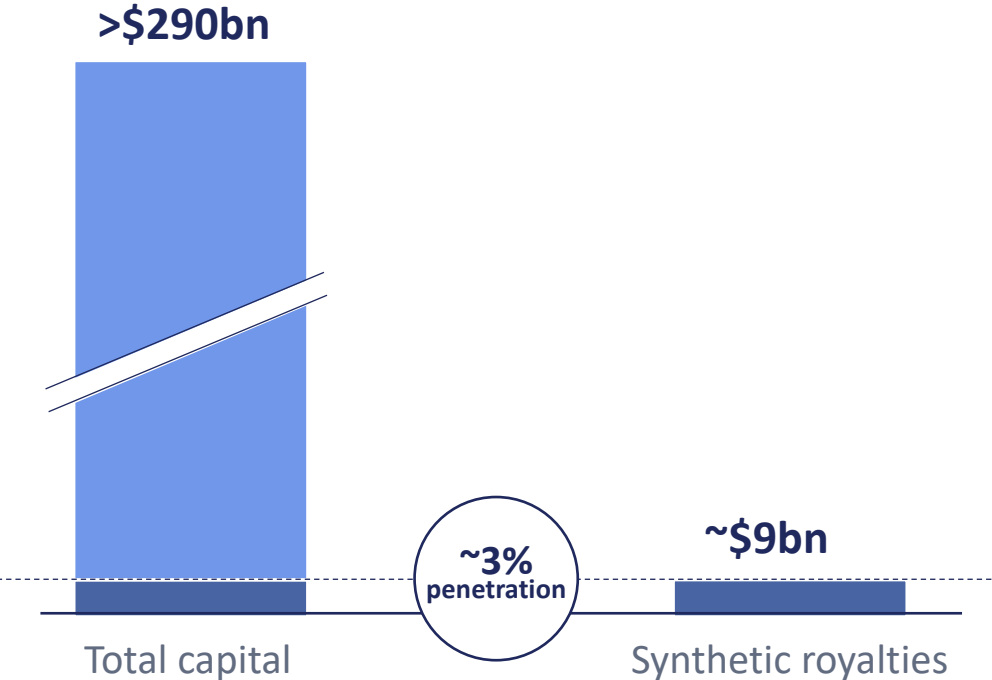
Record year for RP synthetic royalty transactions
(Announced value)⁽³⁾



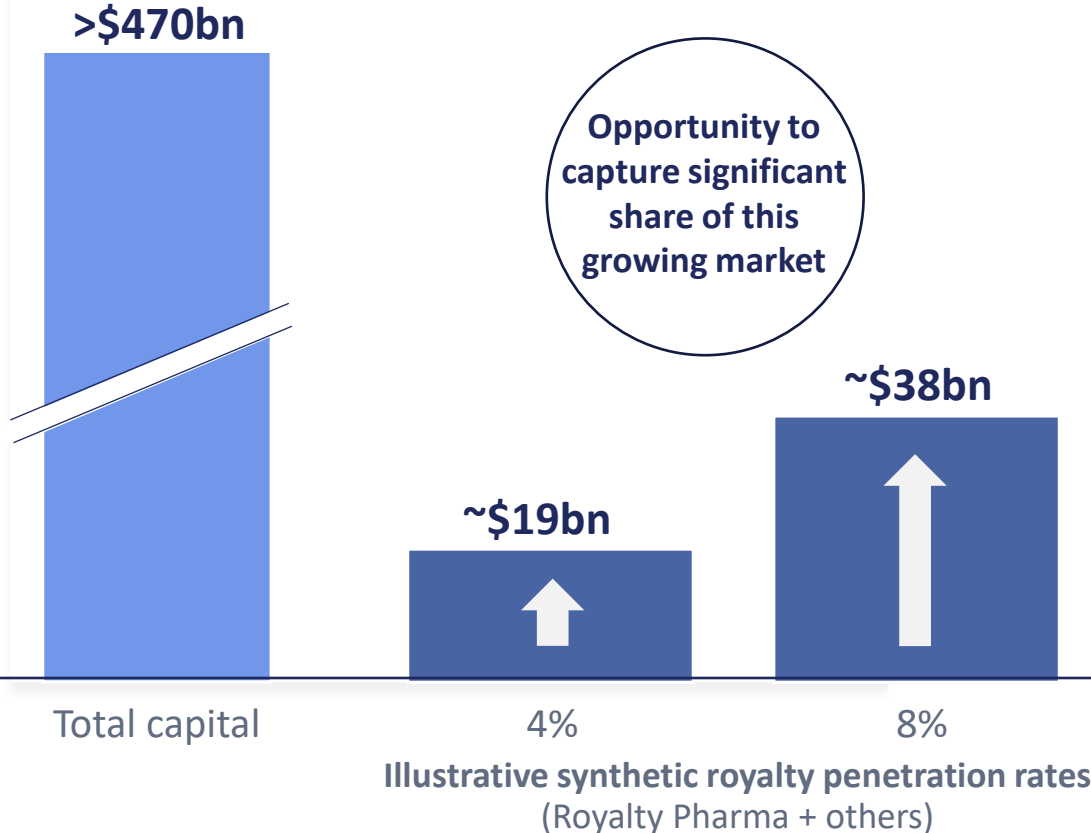
Source: Dealogic, Biomedtracker, internal estimates, Evaluate.
 1. Includes capital raised through initial public offerings (IPOs), follow-on offerings, equity linked issuances and upfronts from licensing deals.
 2. Royalty funding reflects announced value of transactions and includes associated equity investments.
 3. Data reflects announced value of transactions, including milestones and contingent payments. Amount in 2024 also includes Cytokinetics development funding but excludes commercial launch funding.

Synthetic royalty market has room for significant expansion

Biopharma funding sources^(1,2)
(2019 to 2024)







Synthetic royalty opportunity
(Cumulative next 5 years⁽³⁾)

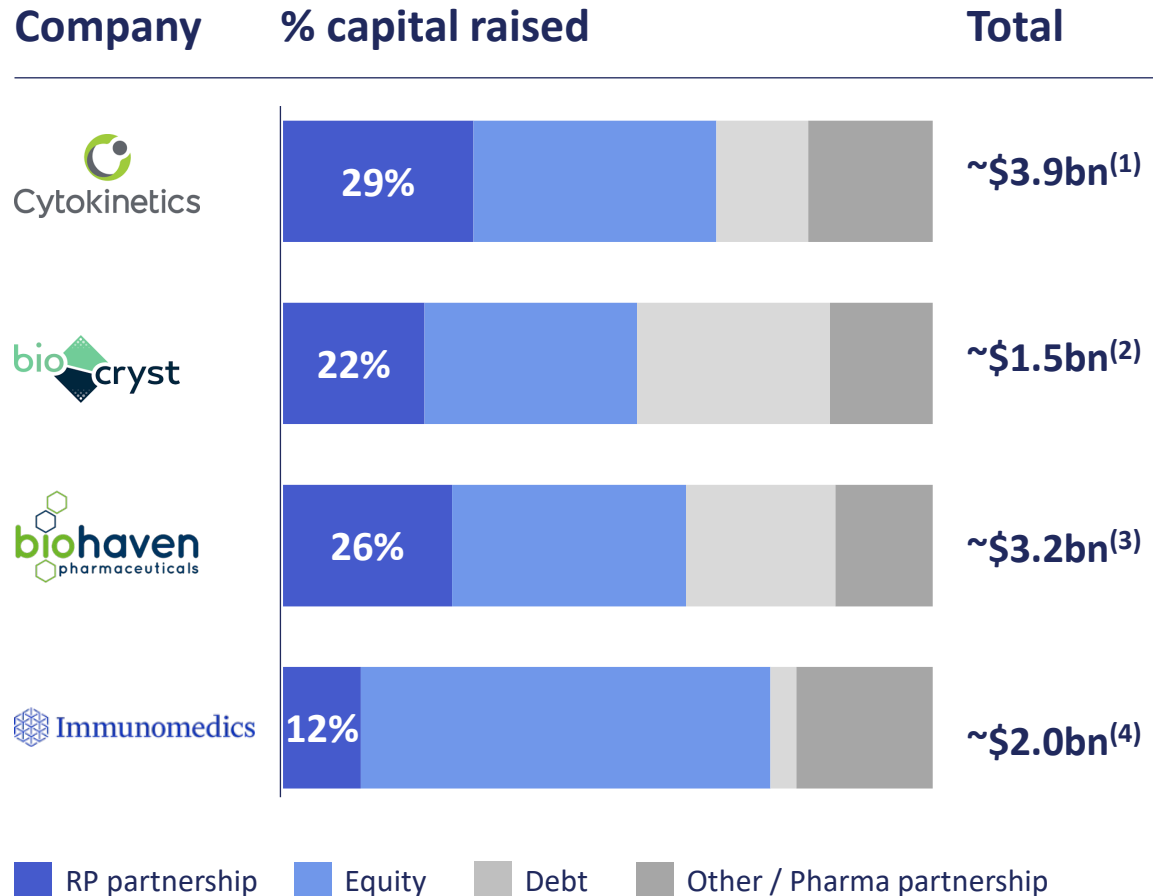


Source: Dealogic, Biomedtracker, internal estimates, Evaluate.
 1. Includes capital raised through initial public offerings (IPOs), follow-on offerings, equity linked issuances and upfronts from licensing deals.
 2. Royalty funding includes upfront investment consideration, including acquisitions of synthetic royalties and associated equity investments.
 3. Estimated capital needs for today's unprofitable biopharmas based on Visible Alpha, Dealogic, internal estimates.

Providing needed capital for M&A transactions

	Mid-cap M&A	Large pharma M&A	Divestitures
Challenge	Cash flow constraints historically have meant equity is the primary funding source	Non-strategic assets at target companies may significantly increase acquisition price	Increasing FTC scrutiny of M&A transactions may reduce attractiveness of target due to regulatory concerns
Our solution	Enable delivery of cash through synthetic royalty creation, third-party royalty monetization and/or launch and development capital	Reduce net price of acquisition by monetizing non-strategic royalty assets at target companies acquired by large pharma	Finance the acquisition of assets that must be divested due to anti-trust concerns
Examples	 	 	Emerging opportunity

New funding paradigm emerging for biopharma



Significant benefits of diversified capital

Financial flexibility tailored to company's needs

Scale of capital needed may only be available through diversified sources

Optionality during all market environments

Proprietary insights potentially shared on development program and/or commercial market

Long-term partner that can support company's needs throughout their growth journey

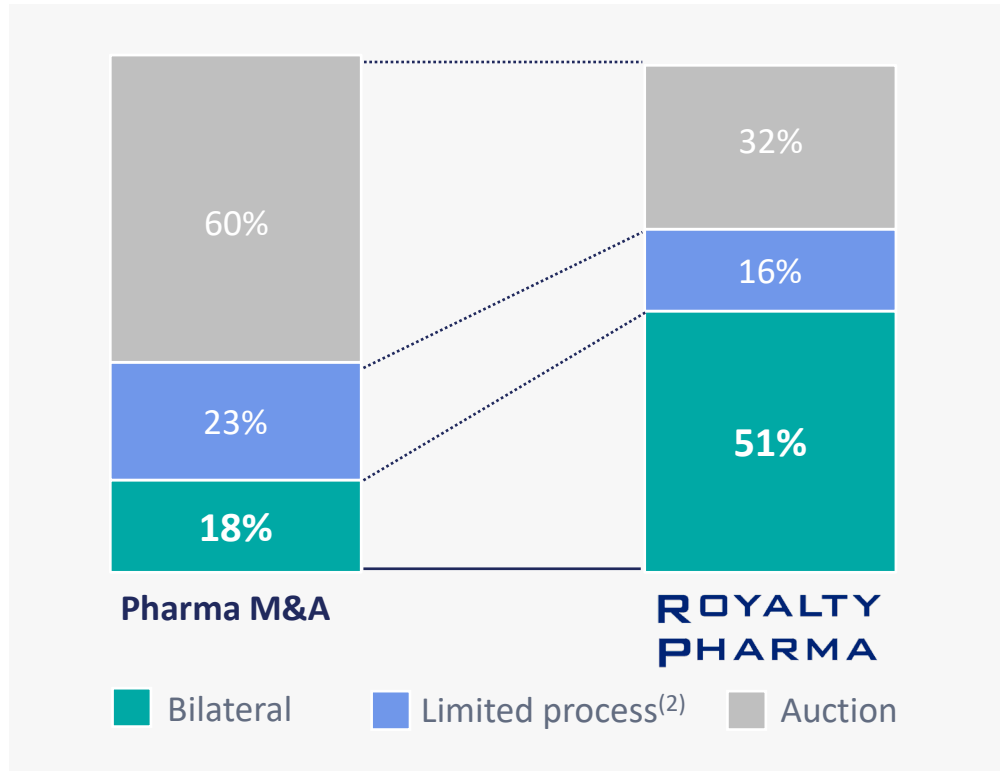
Royalties are a growing part of successful biotech's diversified capital structure

Note: estimates based on publicly available information as of date of announced transaction. Royalty Pharma partnerships assume fully drawn facilities and maximum transaction value. Other primarily includes upfront payments.

1. Capital raised since Cytokinetics expanded license agreement with Amgen, June 12, 2013. 2. Capital raised since BioCryst's December 2012 corporate restructuring to focus strategy on advancing hereditary angioedema program. 3. Capital raised since Biohaven's May 2017 IPO. Only includes upfront payment from Pfizer partnership. 4. Capital raised since January 1, 2013.

Proprietary sourcing provides competitive advantage

Source of deals⁽¹⁾



Network of deep relationships



Track record of “win-win” outcomes



Scale advantages



Strong record of value-enhancing acquisitions

Majority of Royalty Pharma transactions negotiated on a bilateral basis

Unique Research & Investments team and process



Pioneering the royalty market for 25+ years

Innovating new funding solutions, including synthetic royalties



One Royalty Pharma team at the center of every transaction

Long-tenured expert team with deep scientific experience



Open business model: tailored solutions and true partnerships

Proud of partnerships that grow over multiple transactions



Platform built to scale with the royalty market

Team and process growing to address the large opportunity ahead



Exhaustive diligence process sharpened over decades

Able to integrate and interpret a broad and expanding information set



Leveraging big data through Strategy & Analytics

Unique platform for clinical trial analysis and market evaluation

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



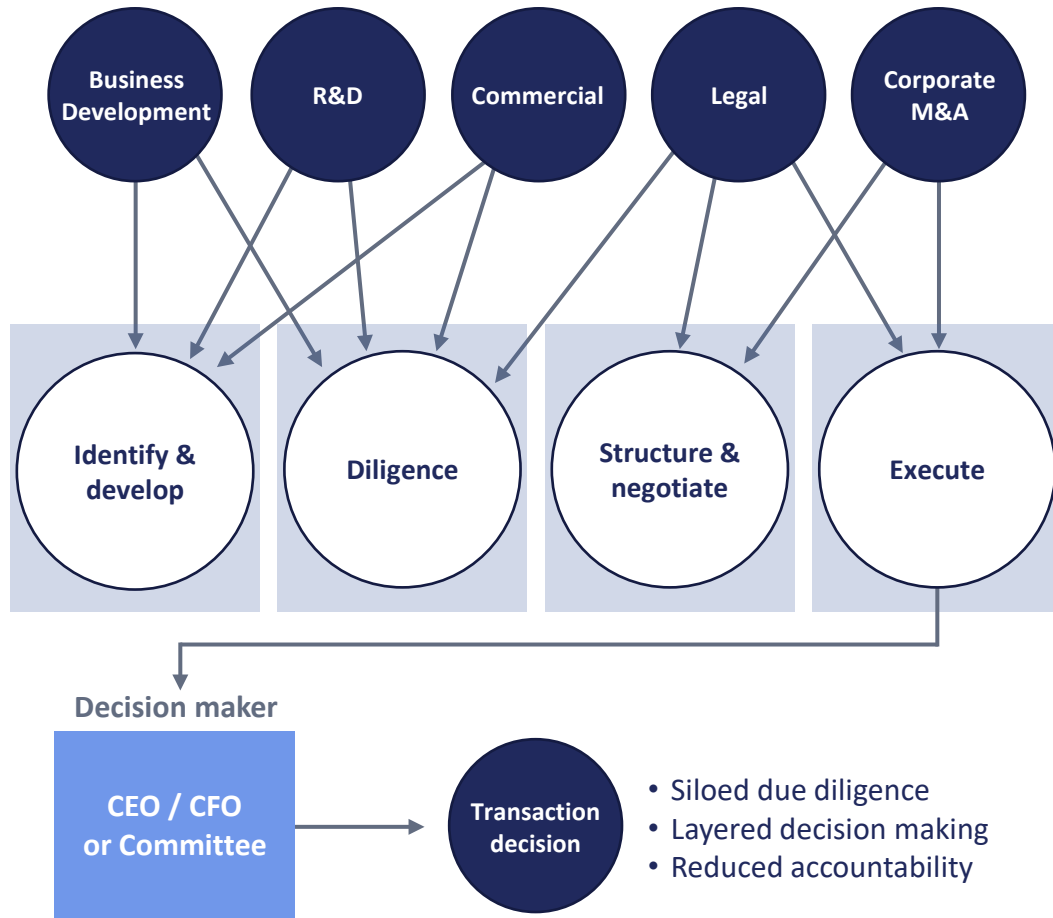
Long duration of patent protection or exclusivity



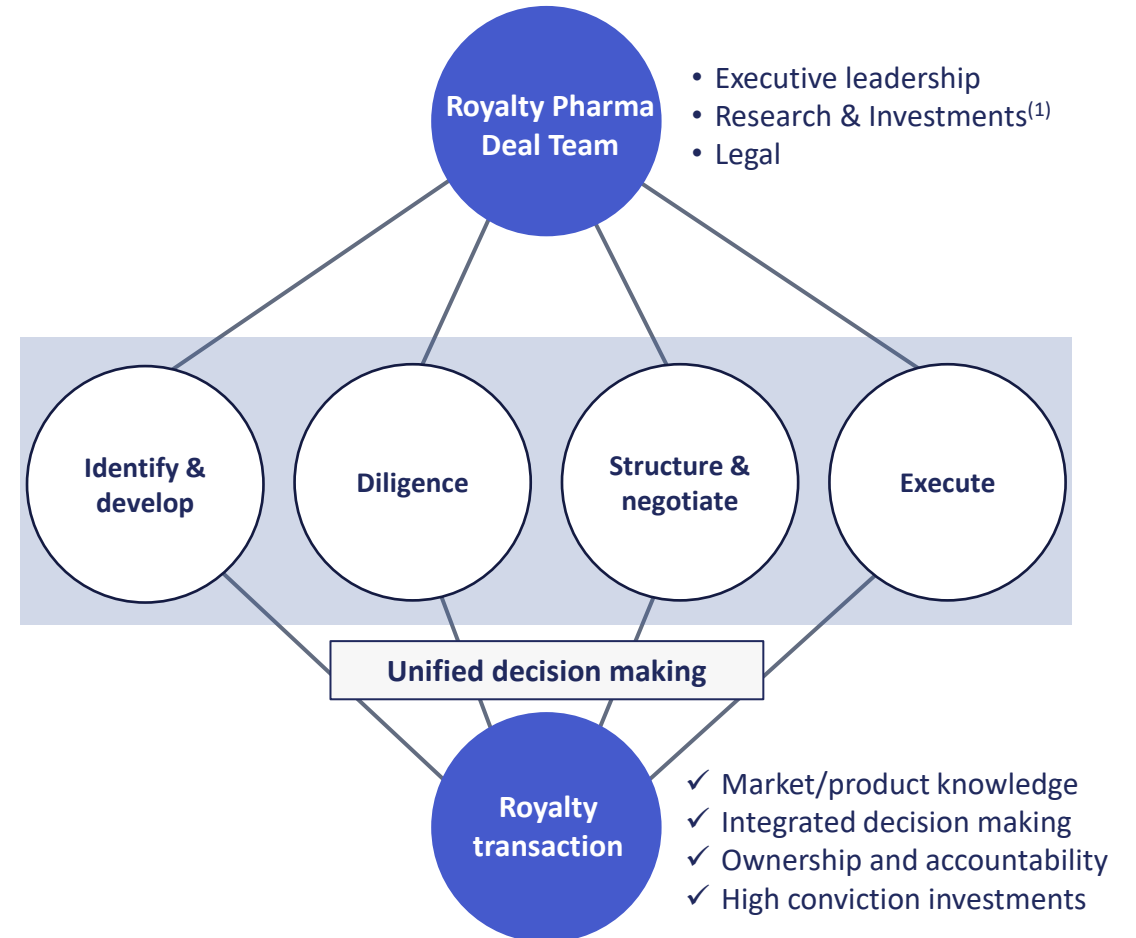
Compelling value proposition for government and commercial payors

One Royalty Pharma team at the center of every transaction

Traditional business development



Royalty Pharma process



Extensive due diligence process sharpened over decades



Clinical



Regulatory, IP, Manufacturing



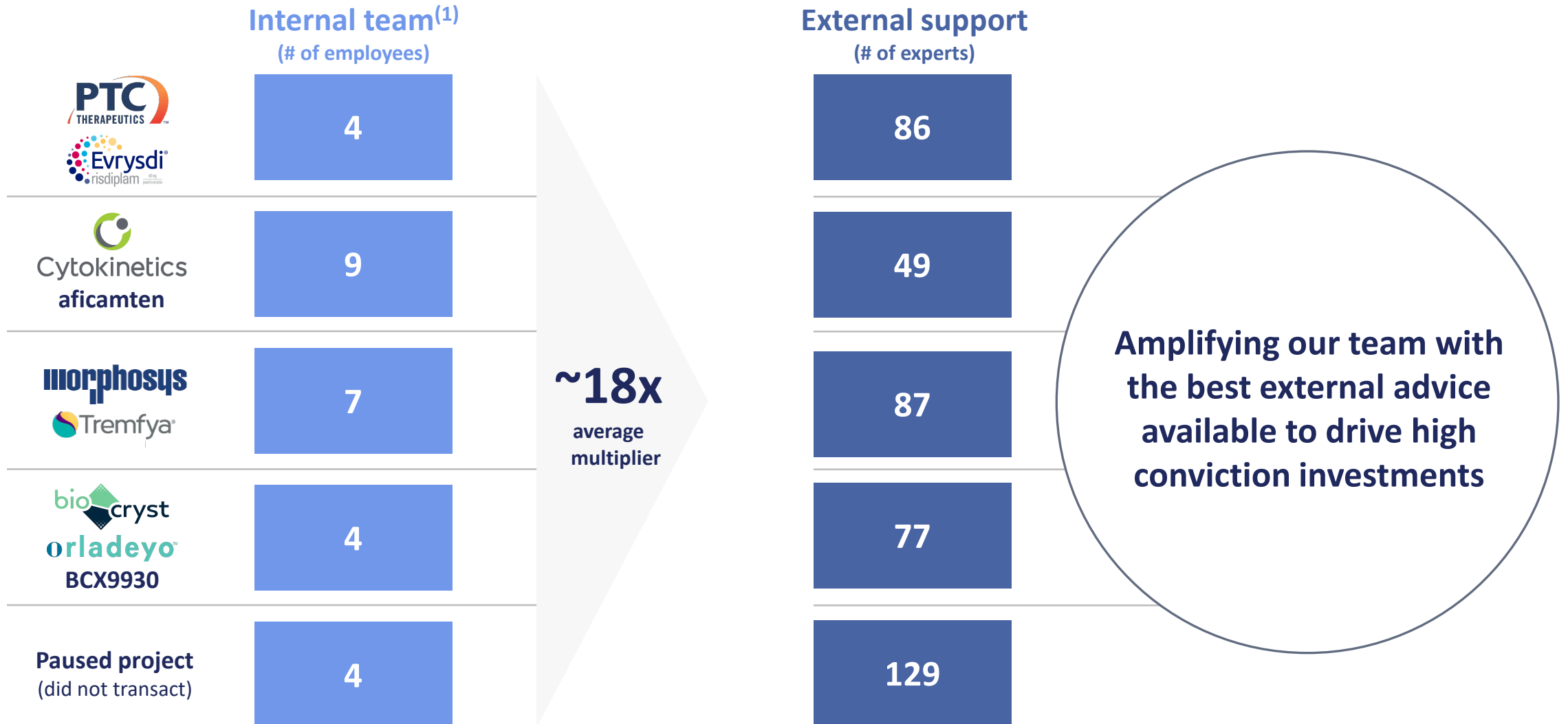
Commercial



Contracts, Governance

Physician diligence <ul style="list-style-type: none"> • US/EU/Japan • KOL/academic • Community • Surveys 	Non-clinical <ul style="list-style-type: none"> • Pharmacokinetics • Pharmacodynamics • Dose modeling 	Intellectual property <ul style="list-style-type: none"> • US/EU/Japan and other • Litigation scenario analysis • Multiple opinions 	Claims analysis <ul style="list-style-type: none"> • Patient diagnosis, treatment, compliance • Site of care • Other patient metrics 	Market sizing <ul style="list-style-type: none"> • Patient finding • Claims-driven • Epidemiology • Scaled market surveys 	Transactional <ul style="list-style-type: none"> • Accounting treatment • Tax implications
Statistics <ul style="list-style-type: none"> • Probability of success • Effect size modeling • Enrollment modeling • Statistical Analysis Plans 	Toxicology <ul style="list-style-type: none"> • Animal toxicologists • Specialized areas – (i.e., ophthalmology) 	Manufacturing <ul style="list-style-type: none"> • Modality expertise: small molecule, biologics, gene therapy • Regulatory perspectives • Capacity planning 	US pricing <ul style="list-style-type: none"> • Pricing modeling • Gross-to-net modeling 	Payors <ul style="list-style-type: none"> • Payor/PBM executives • Formulary analyses 	Licensing and contracts <ul style="list-style-type: none"> • Analysis of contract language • Risk assessment • Expert structuring and drafting
Clinical <ul style="list-style-type: none"> • Interview former R&D executives • Patient level data analysis • Immunogenicity and specific safety observations • Clinical trial design and study reports • Comparative analysis 	Drug delivery <ul style="list-style-type: none"> • Auto-injectors and devices • Design and human factors • Formulation technologies 	Competition <ul style="list-style-type: none"> • Landscape analysis • Product profile and cost comparisons 	International access <ul style="list-style-type: none"> • Market-by-market pricing • Addressable patients • Yearly access caps and other structures 	Management & governance <ul style="list-style-type: none"> • Experience and strategy • Compensation alignment 	
	Regulatory <ul style="list-style-type: none"> • US/FDA meeting minutes • EU/EMA meeting minutes • International (PMDA, other) • Consultants 	Commercial strategy <ul style="list-style-type: none"> • Interview sales and marketing executives, MSLs and district managers • Required promotional spend 			Environmental, Social & Governance <ul style="list-style-type: none"> • Board oversight • ESG-informed investment processes
Patients & Caregivers <ul style="list-style-type: none"> • Efficacy, tolerability, convenience perspectives • Social media 					

Leveraging the best internal and external expertise available



Our ambitious vision for Strategy & Analytics

Strategic search and evaluation



Development landscape scanning



Therapeutic area mapping



Monitoring emerging science



Clinical trial meta-analysis and design

- Horizon scanning to position Royalty Pharma for the future
 - Identify emerging target companies and products
 - Enhance knowledge of pipelines and mechanisms in development
 - Perform clinical trial analysis and competitive intelligence
 - Stay ahead of faster biopharma innovation cycles
- Earlier partner engagement benefits business development

Data and analytics



Medical claims analysis



Real world evidence



Sales & marketing benchmarking



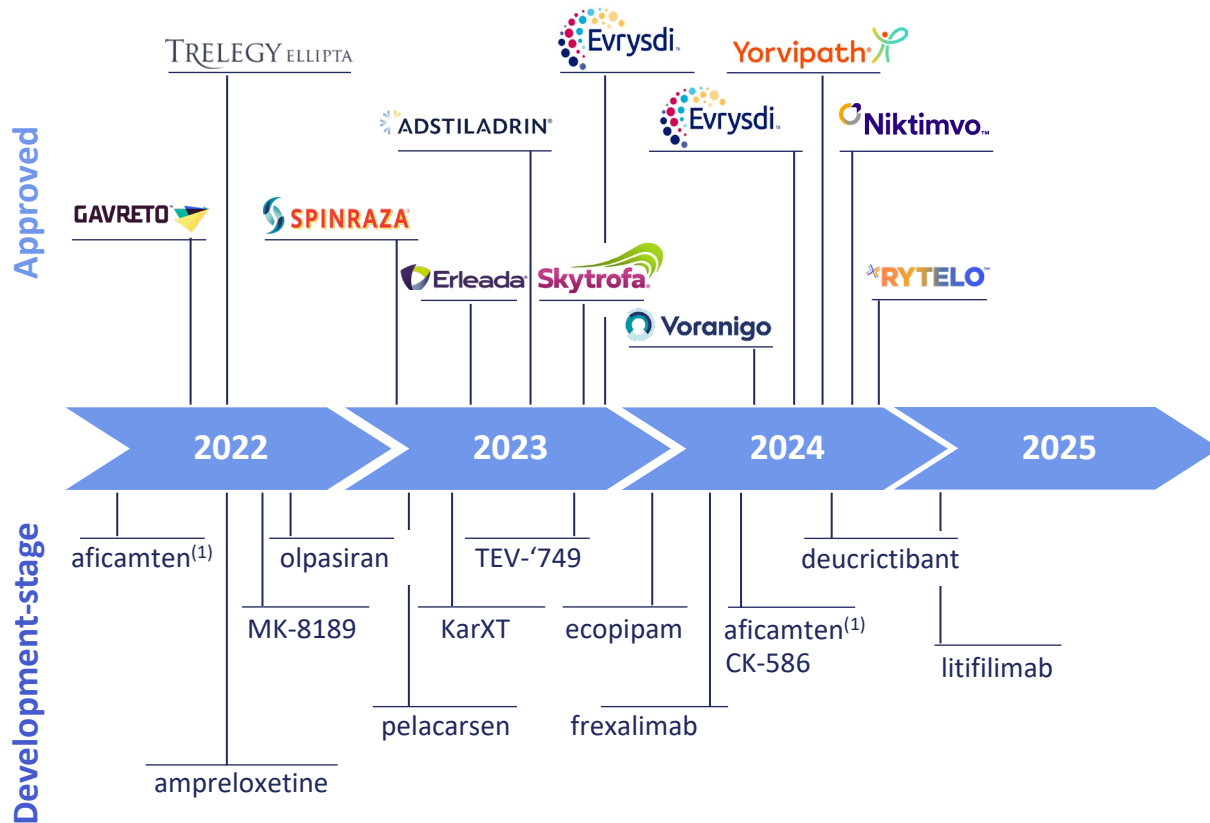
Payor & formulary landscape

- Unique insight from proprietary integration of data sources
 - Automation to ensure full coverage at scale
- Best-in-class platform for market evaluation and forecasting
 - Patient mapping – diagnosis, procedures and treatment
 - Long-term ambition to develop for global markets

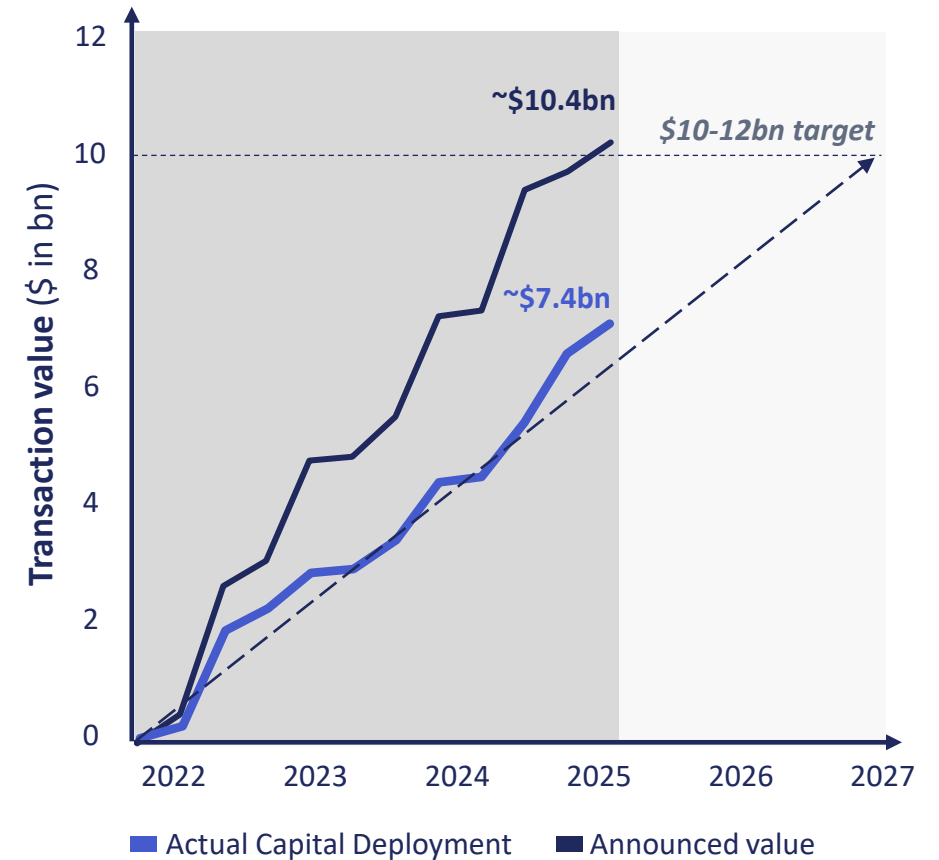
Strategy & Analytics improves Royalty Pharma's investment process and adds value to our partners

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

Investing in approved and development-stage royalties
(Transactions announced since January 1, 2022)



5-year capital deployment target^(2,3)
(Transaction value; since January 1, 2022)



Announced \$2.8 billion of royalty transactions in 2024

2024 Royalty Pharma investment activity



Maintained strong financial discipline: ~2% of initial reviews resulted in an acquired royalty

Strong Royalty Pharma pipeline trends given market backdrop

Opportunity set increasing

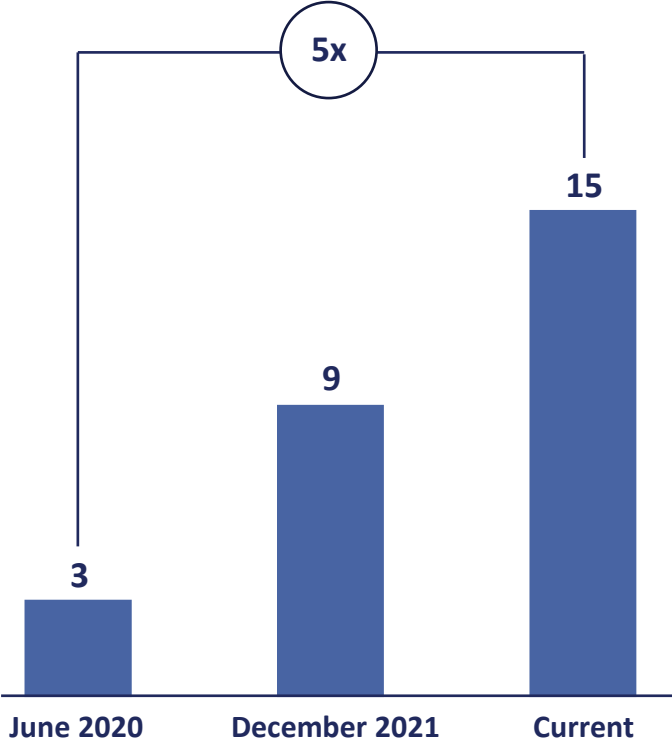


Robust royalty acquisition activity

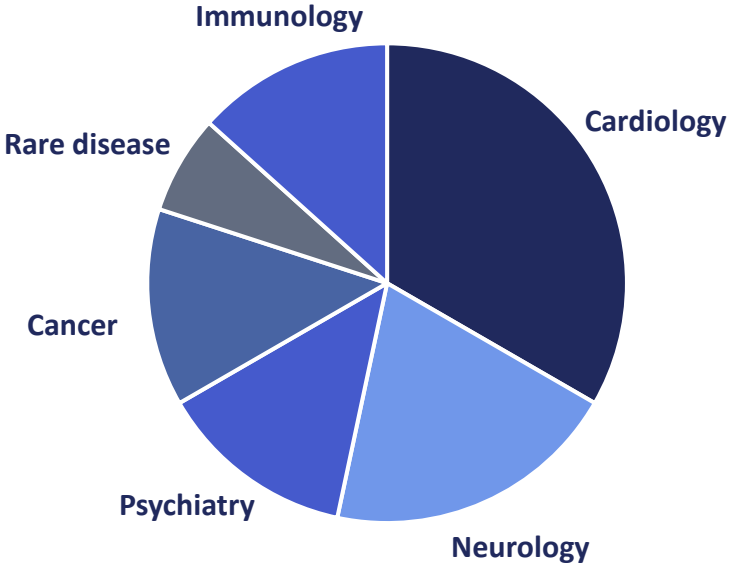


Significant growth and diversity of development-stage pipeline

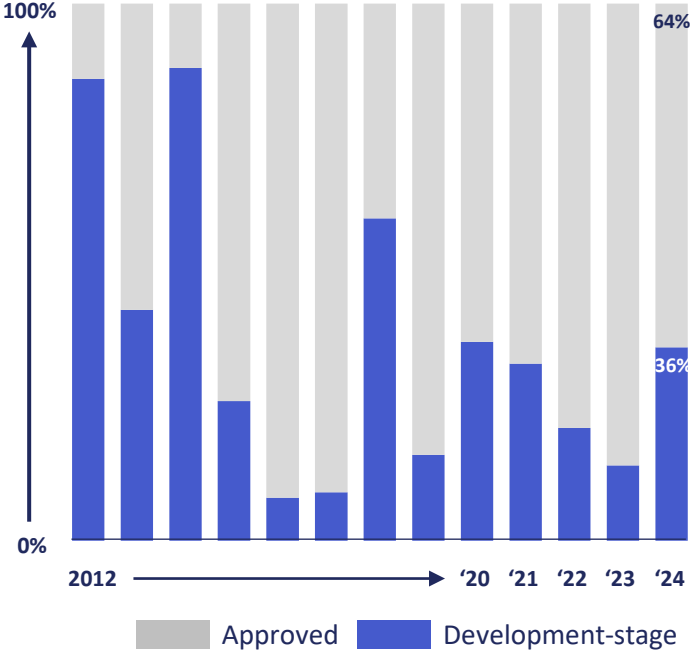
Pipeline evolution since IPO
(by number of therapies)



Strong diversity of pipeline
(by number of therapies)⁽¹⁾



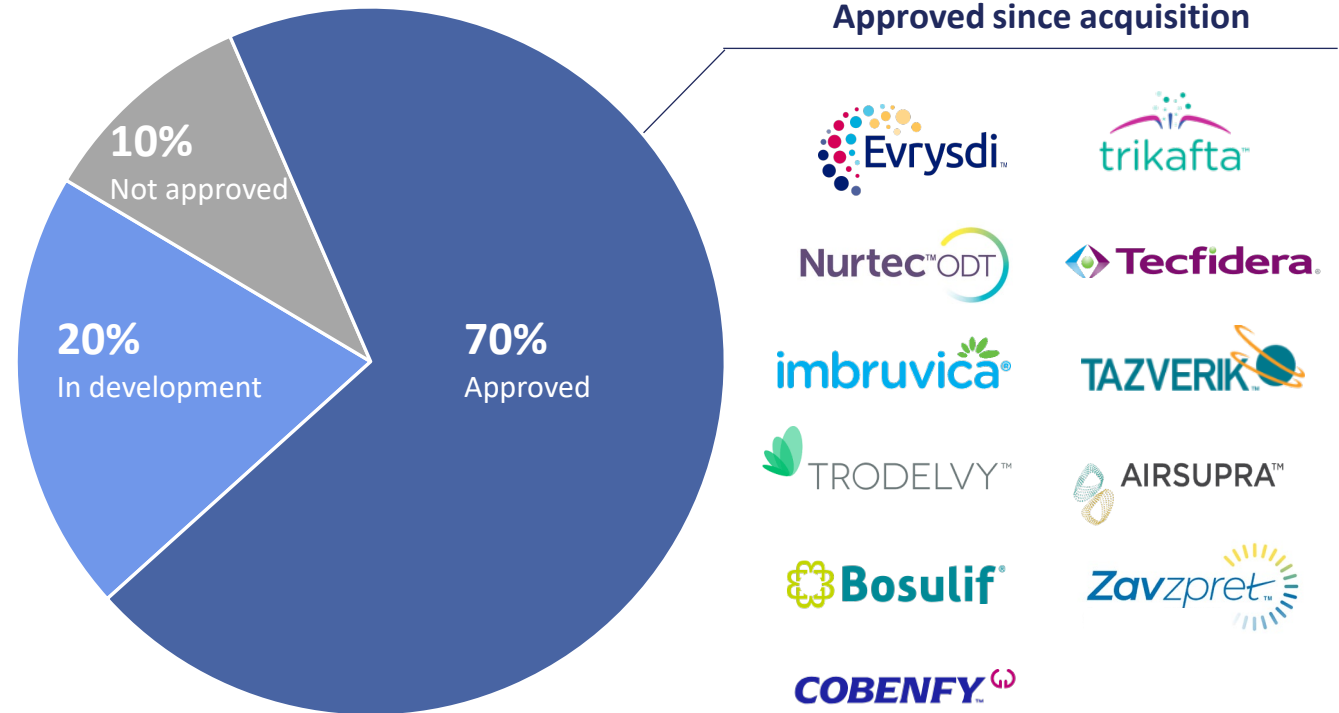
Annual Capital Deployment
(~\$25bn in cumulative Capital Deployment)



Strong track record of investing in development-stage therapies

- Invested >\$9bn in development-stage therapies since 2012
 - Require strong proof of concept data
 - Broad landscape of opportunities
 - Not constrained by therapeutic area
 - Target returns in the teens
- 15 development-stage therapies in portfolio
- History of identifying therapies with unmet and underserved patient needs

Capital Deployment on development-stage therapies^(1, 2)
(since 2012)



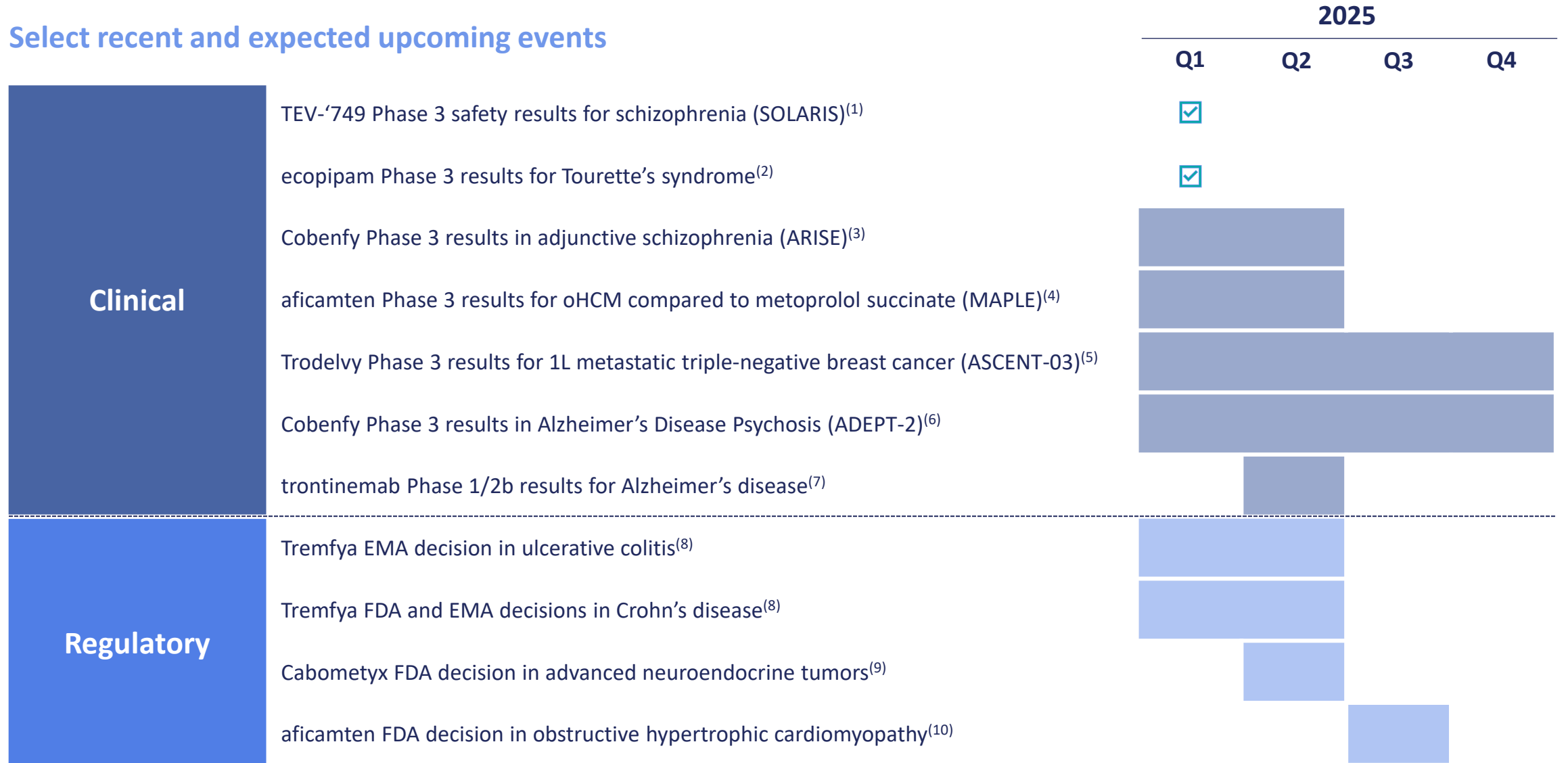
Unique and powerful approach to development-stage investing

	Product selection	Deal structure		
Approach	<p>Post proof of concept with strong evidence of clinical efficacy and safety</p> <p>Partnering directly with innovators provides unique insights into clinical program and sales potential</p>	<p>Risk mitigation strategies through clinical & regulatory milestones, royalty tiering, option periods, etc.</p> <p>Strong alignment with partner through co-funding on top R&D programs</p>		
Examples	<p>Cobenfy</p> <p>Investment after third positive registrational trial minimizes regulatory risk</p>	<p>aficamten</p> <p>Unique insights into clinical program through direct partnership with Cytokinetics</p>	<p>frexalimab</p> <p>Nearly half of purchase price potentially returned in higher probability milestones mitigates risk</p>	<p>TEV-'749</p> <p>Will receive entire amount funded over 5 years on FDA approval, in addition to a royalty on sales⁽¹⁾</p>

Unique approach to development-stage investing drives attractive returns while mitigating risk

Important events expected in 2025

Select recent and expected upcoming events



oHCM: obstructive hypertrophic cardiomyopathy; FDA: Food & Drug Administration; EMA: European Medicines Agency

1. Teva Q4 earnings release, January 29, 2025. 2. Royalty Pharma estimate based on December 2024 trial completion per clinicaltrials.gov. 3. Clinicaltrials.gov. 4. Cytokinetics press release, January 13, 2025. 5. Gilead Q3 earnings call, November 6, 2024. 6. Bristol Myers Squibb presentation, January 13, 2025. 7. Roche Q4 earnings presentation, January 30, 2025. 8. Royalty Pharma estimate based on the J&J May 2024 filing date with EMA for Tremfya in ulcerative colitis and Crohn's disease and June 2024 filing date with FDA for Tremfya in Crohn's disease. 9. Exelixis press release, January 9, 2025. Cabometyx PDUFA date is April 3, 2025. 10. Cytokinetics press release, December 2, 2024. Aficamten PDUFA date is September 26, 2025.

Big products with world class marketers and large royalties

Therapy	Lead indication	Marketer	Potential first- or best-in-class	Potential peak sales (non risk adjusted) ⁽¹⁾	Potential peak royalties	Expected launch year ⁽²⁾
frexalimab	multiple sclerosis	Sanofi	✓	>\$5bn	>\$400m	2028
olpasiran	cardiovascular disease	Amgen	✓	~\$3bn	>\$250m	2027
aficamten	hypertrophic cardiomyopathy	Cytokinetics	✓	~\$4bn	>\$175m	2025
pelacarsen	cardiovascular disease	Novartis	✓	>\$3bn	~\$150m	2027
seltorexant	depression	Johnson & Johnson	✓	>\$3bn	>\$150m	NA
litifilimab	lupus	Biogen	✓	>\$2bn	>\$150m	2028
deucrictibant	hereditary angioedema	Pharvaris	✓	>\$1bn	>\$55m	2027
TEV-'749	schizophrenia	Teva	✓	~\$1bn	~\$35m	2026
pelabresib	myelofibrosis	Novartis	✓	~\$1bn	~\$30m	NA

Total (select late-stage development):

>\$23bn

>\$1.4bn

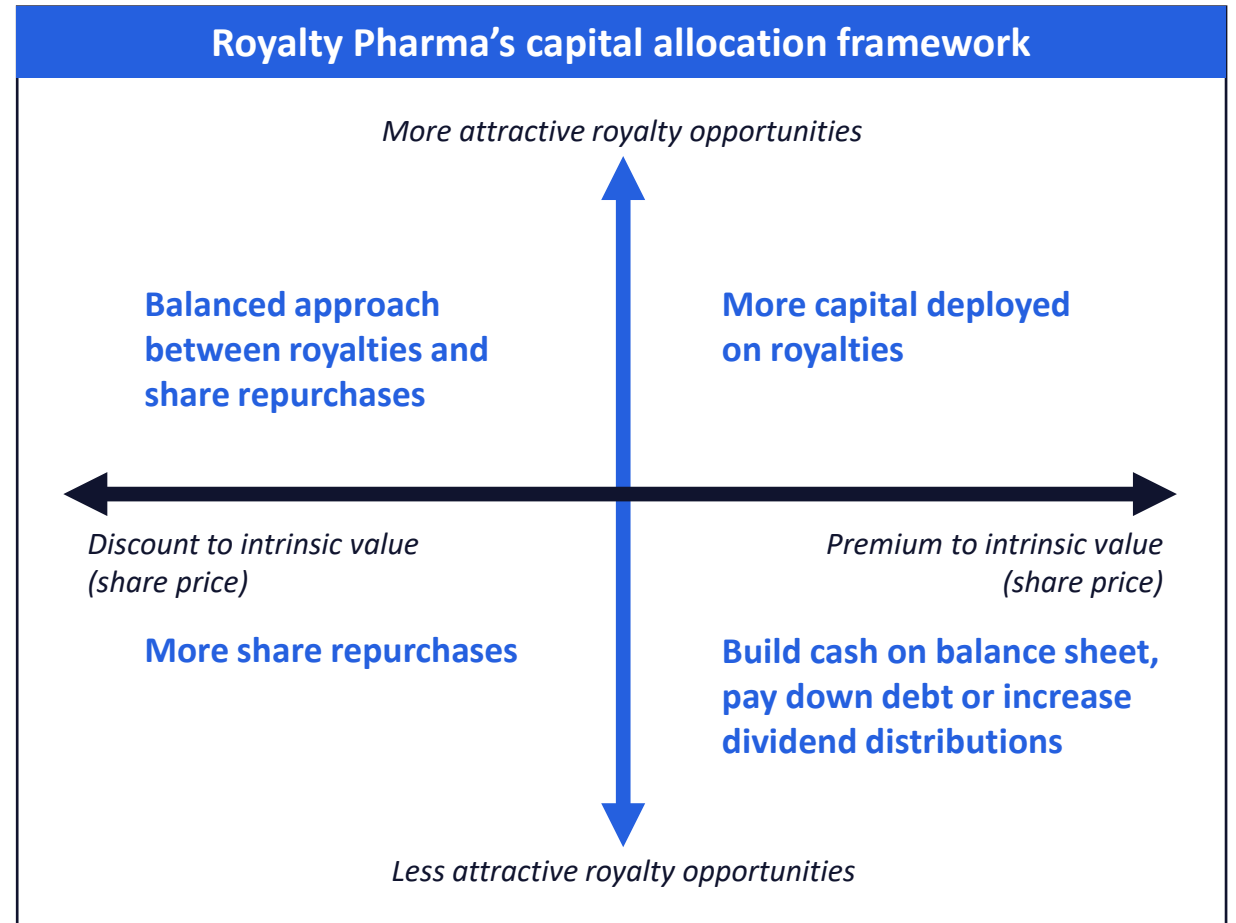
Excludes trontinemab (Alzheimer's)

Note: the midpoint is used where ranges are shown.

1. Potential peak sales for frexalimab, pelacarsen, and seltorexant based on marketer guidance; potential peak sales for olpasiran, aficamten, litifilimab, deucrictibant, TEV-'749 and pelabresib based on analyst research estimates. 2. Expected launch year for frexalimab, aficamten, pelacarsen and TEV-'749 based on marketer guidance; expected launch year for olpasiran, litifilimab and deucrictibant based on analyst research estimates. Seltorexant launch year not available; pending additional disclosure from Johnson & Johnson. Pelabresib launch year not available; pending additional disclosure from Novartis.

Authorized new \$3 billion share repurchase program

- Rigorous framework for capital allocation, weighing the attractiveness of each option
- Board authorized \$3.0bn share repurchase program as part of evolving approach to return of capital⁽¹⁾
- Intend to repurchase \$2.0bn of shares in 2025 subject to market conditions; value repurchased will depend on discount to intrinsic value
- Royalty Pharma retains significant financial capacity for royalty transactions



Balancing acquiring royalties and increasing return of capital



Capital Deployment

- Capital Deployment guidance of \$2.0-\$2.5bn per year
- Target returns maintained⁽¹⁾; returns have trended higher in recent years
- Strong commitment to investment grade credit rating



Share repurchases

- Board authorized new \$3bn share repurchase program
- Reflects confidence in Royalty Pharma's strong fundamental outlook
- Intend to repurchase \$2.0bn of shares in 2025 subject to market conditions; total value repurchased will depend on discount to intrinsic value

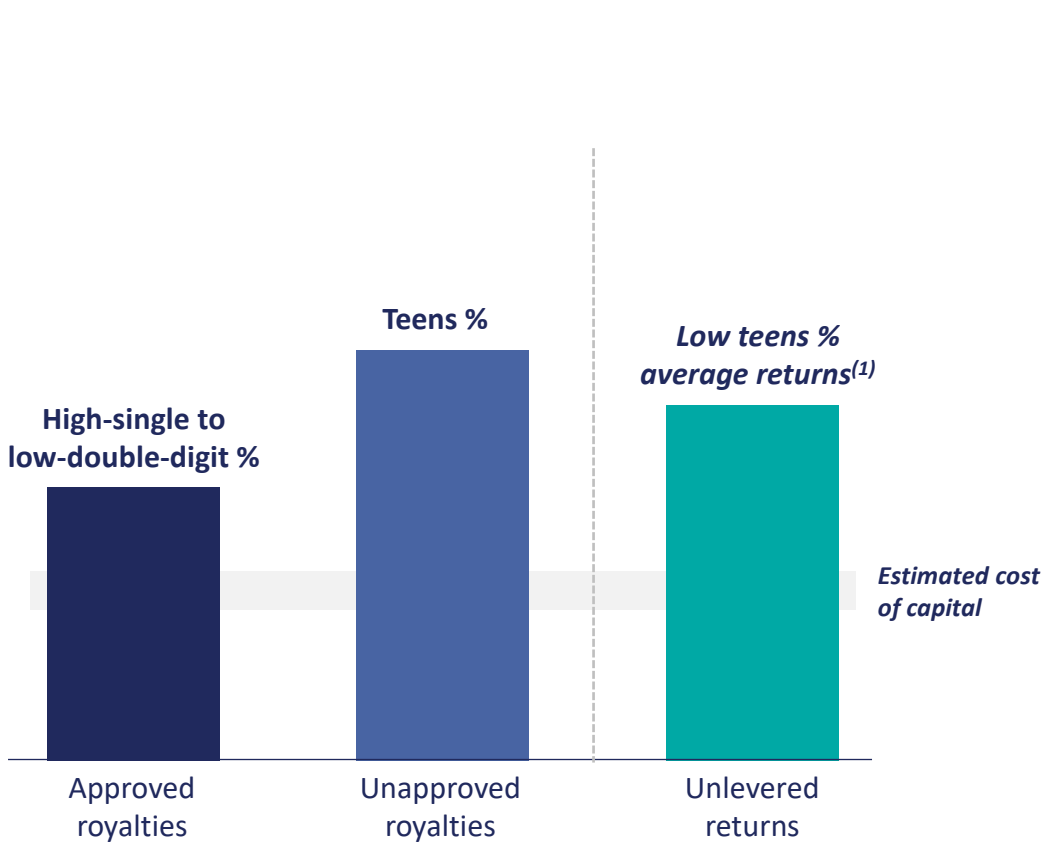


Dividend

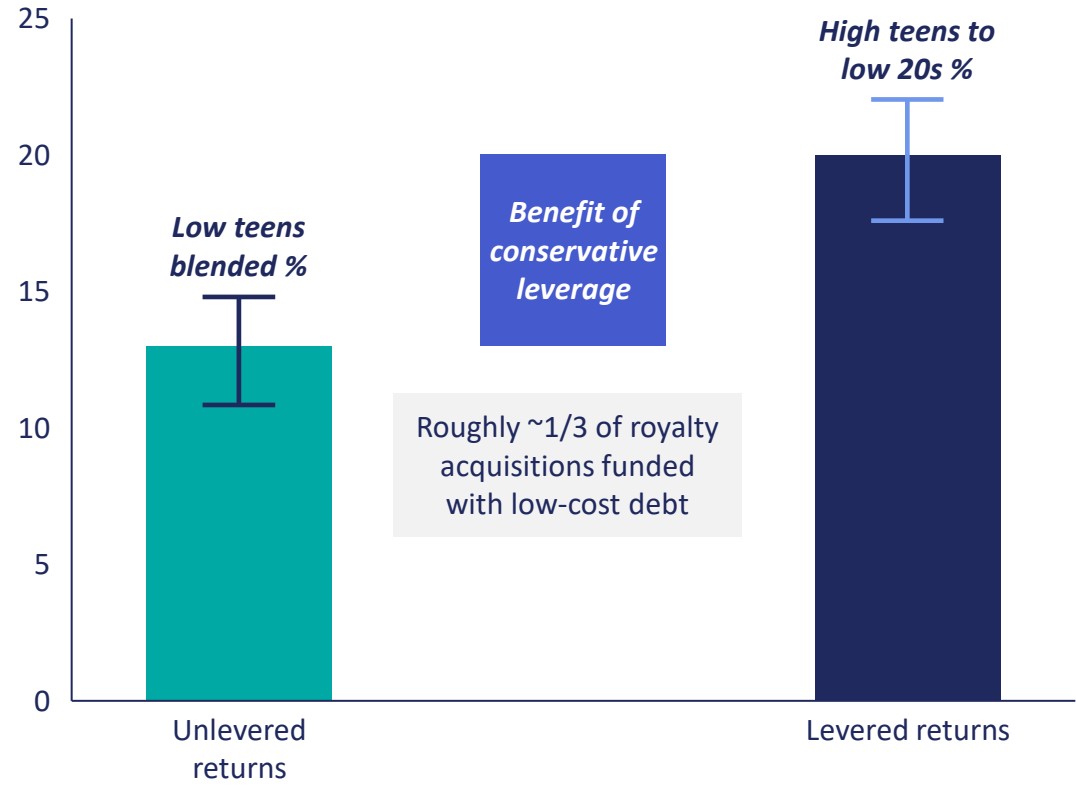
- Current dividend of \$0.88 annually, ~2.8% dividend yield
- Commitment to grow dividend mid-single digits percentage annually
- Track-record of consistent annual dividend growth

Consistently attractive returns amplified by conservative leverage

Royalty Pharma target returns



Leverage benefit to target returns

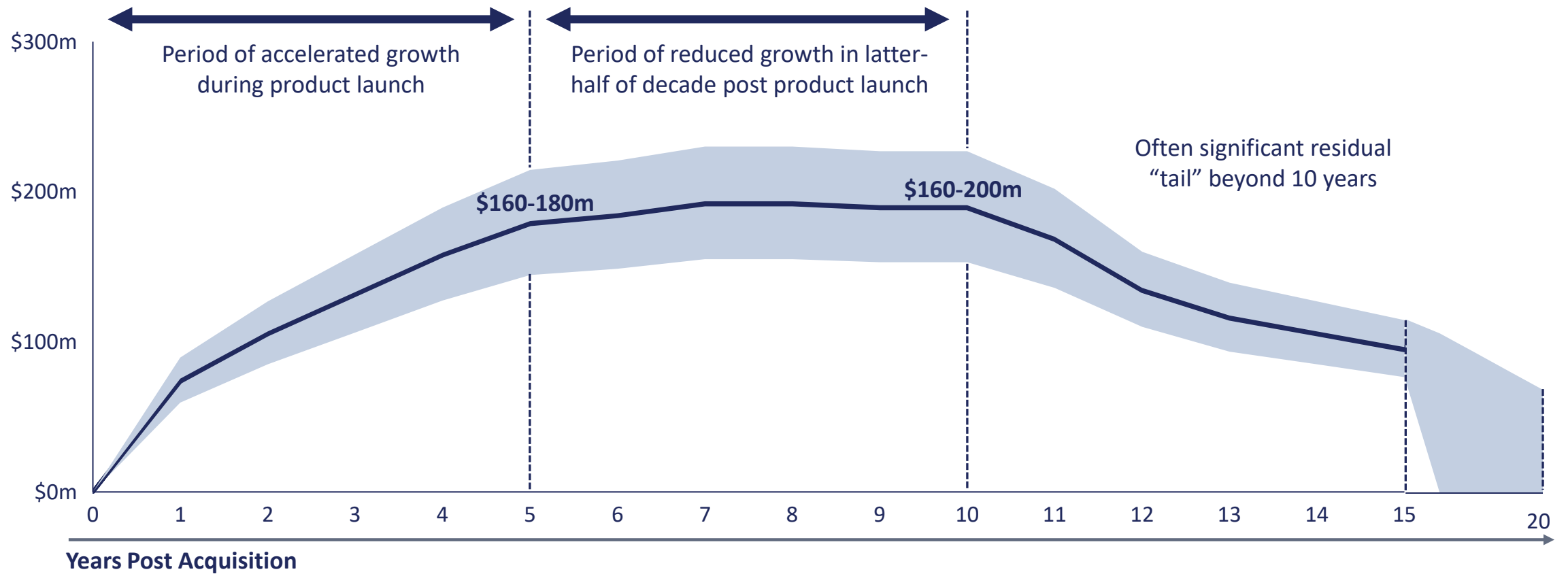


Expect to consistently deliver attractive returns above cost of capital regardless of interest rate environment

1. Illustrative returns reflect a combination of actual results and estimated projected returns for investments from 2012 – 2024 based on analyst consensus sales projections (where applicable). IRR (or returns) are calculated using total cash outflows and total cash inflows, in each case including royalties, milestones and other cash flows.

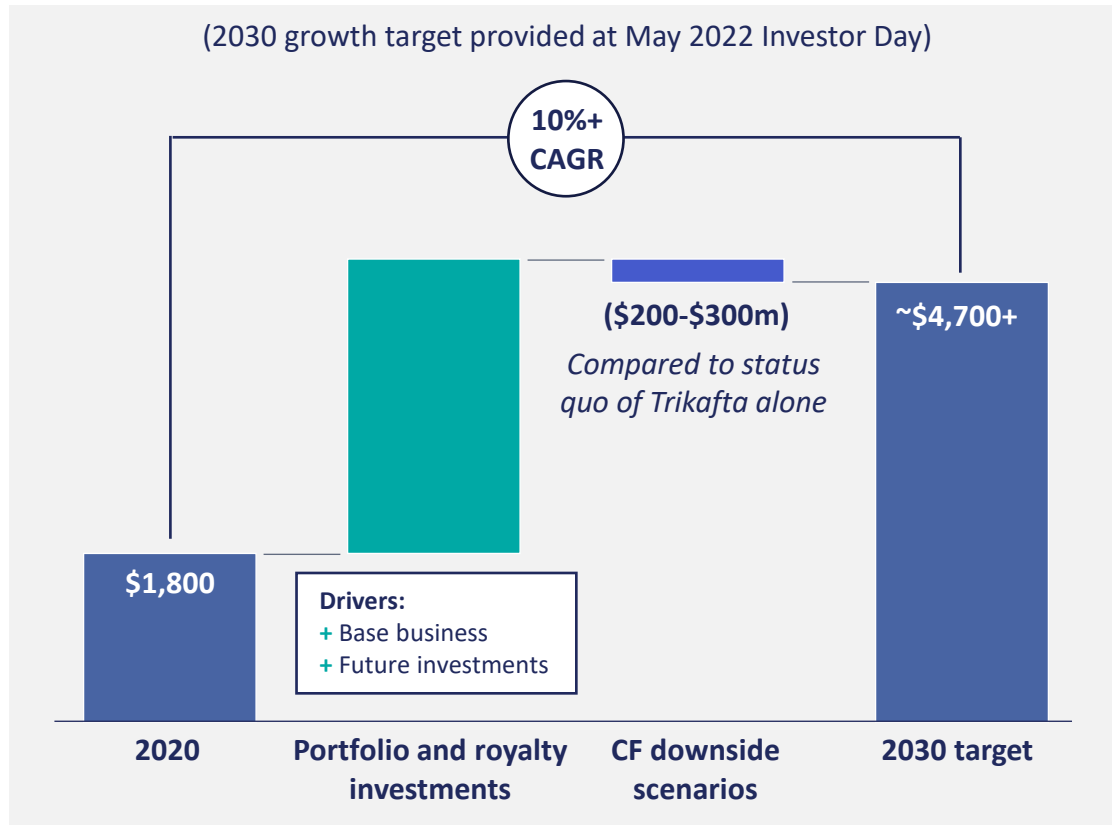
What does \$1bn of investment mean for future top-line?

Representative annual Portfolio Receipts^(1,2) (“top-line”) from \$1bn of investment - based on blend of historical acquisitions
 (As of May 2022 Investor Day)



Base business and deal activity expected to power growth

Portfolio Receipts evolution through 2030⁽¹⁾



Confident in sustaining double-digit growth CAGR⁽¹⁾

- 2030 Portfolio Receipts target of >\$4.7bn (2020-2030 CAGR >10%) driven by base business and royalty investments
- Power of business model added >\$1.2bn in potential Portfolio Receipts in 2025+ from royalty acquisitions since 2020
- Expect to achieve 2030 growth target even under Alyftrek downside scenario, which implies:
 - \$200-\$300m impact to Portfolio Receipts (≤ 4-6%)
 - <1% reduction to 2020-2030 CAGR
 - ~\$1-2 impact to intrinsic value

Expect to deliver 10%+ top-line CAGR over the decade under downside CF scenarios

Well positioned in evolving interest rate environment

Existing capital structure

Long duration, low-cost debt an underappreciated asset

- Fixed weighted-average coupon of ~3.1% on \$7.8bn of investment grade bonds
- ~70% of existing bonds due 2030 or later
- Committed to investment grade rating
- Revolving credit facility of up to \$1.8bn

Future investments

Higher risk-adjusted returns

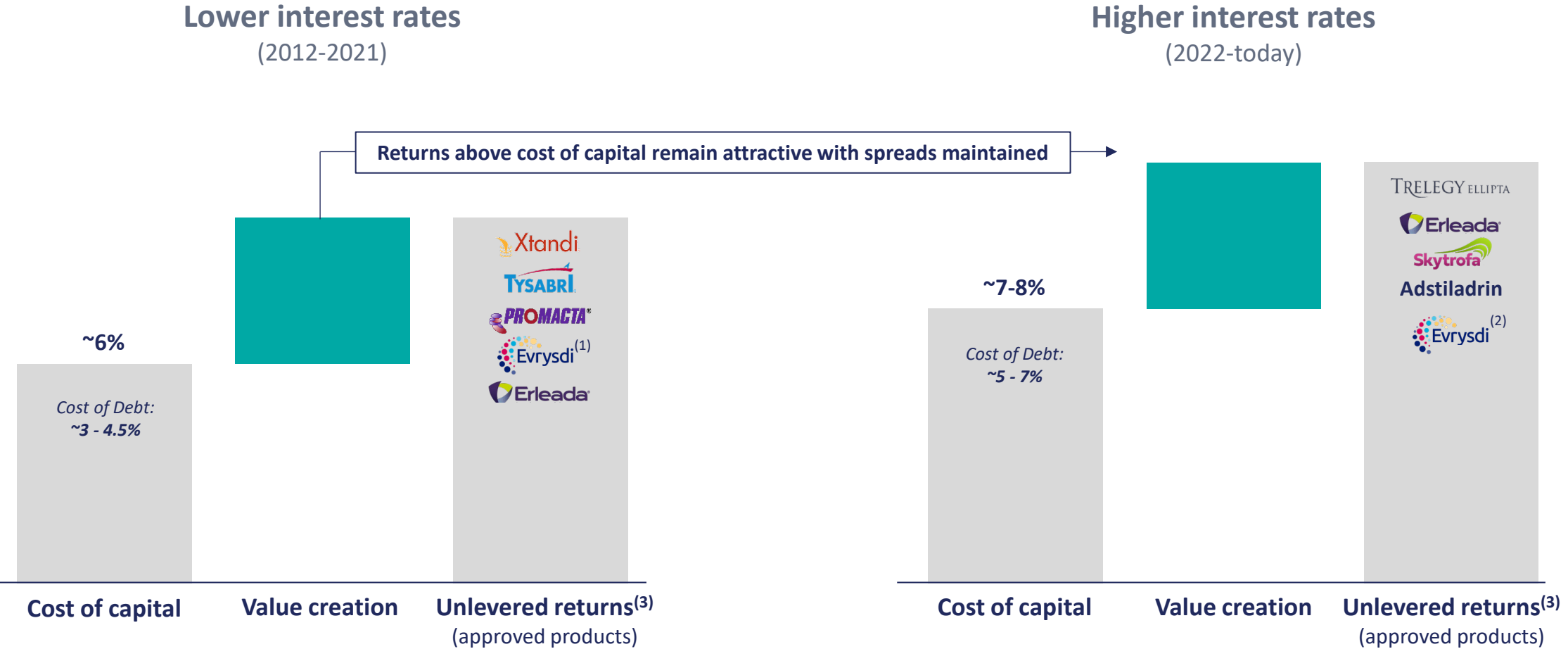
- Higher royalty return expectations in response to higher rate environment
- Maintaining attractive returns above cost of capital with consistent spreads

Expanding opportunity set

- Higher partner cost of capital accelerates momentum in royalty funding

Interest rates

Continuing to create value in changing market environment



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. IRR (or returns) are calculated using total cash outflows and total cash inflows, in each case including royalties, milestones and other cash flows.

Maximizing industry strengths and minimizing challenges

↑ Maximizing

- Exposure to transformative therapies
- Revenue and profit diversification
- Therapeutic area breadth
- Long weighted average portfolio duration
- Consistent and sustainable growth
- Management team continuity
- Shareholder alignment
- Opportunity - entire R&D ecosystem is our pipeline

ROYALTY
PHARMA

↓ Minimizing

- Early-stage development risk
- R&D and SG&A cost base
- Therapeutic area bias
- Highly competitive business development
- Late-stage clinical binary risk

A unique way to invest in biopharma

		ROYALTY PHARMA	Large biopharma⁽¹⁾
Growth	2020-2030 top-line⁽²⁾ CAGR	10% or more⁽²⁾	5.5%⁽³⁾
Scale	Number of blockbusters⁽⁴⁾	15	9
Cost of capital	Estimated WACC	~7-8%	~7-8%
Risk	Stage of development	Post proof-of-concept to approved	Pre-clinical to approved
Return	Historical return on investments⁽⁵⁾	Consistent low teens IRR	?
Income	Dividend yield	~2.8%	~2.7%
Ownership	Management % ownership of FDSO	17%⁽⁶⁾	<1%⁽⁶⁾

CAGR: compound annual growth rate; WACC: weighted average cost of capital; IRR: internal rate of return; FDSO: fully diluted shares outstanding

1. Consists of the average of Eli Lilly, Johnson & Johnson, Merck, Pfizer, AbbVie, Bristol Myers Squibb, Gilead, Amgen, Biogen, Vertex, Regeneron, Roche, Novartis, GSK, Sanofi, Novo Nordisk and AstraZeneca; number of blockbusters for large biopharma peers based on year-end 2024 sales.

2. Top-line refers to Royalty Pharma's Portfolio Receipts and includes future investments. Royalty Pharma growth target provided at May 2022 Investor Day. See slide 72 for definitions.

3. Source: Visible Alpha.

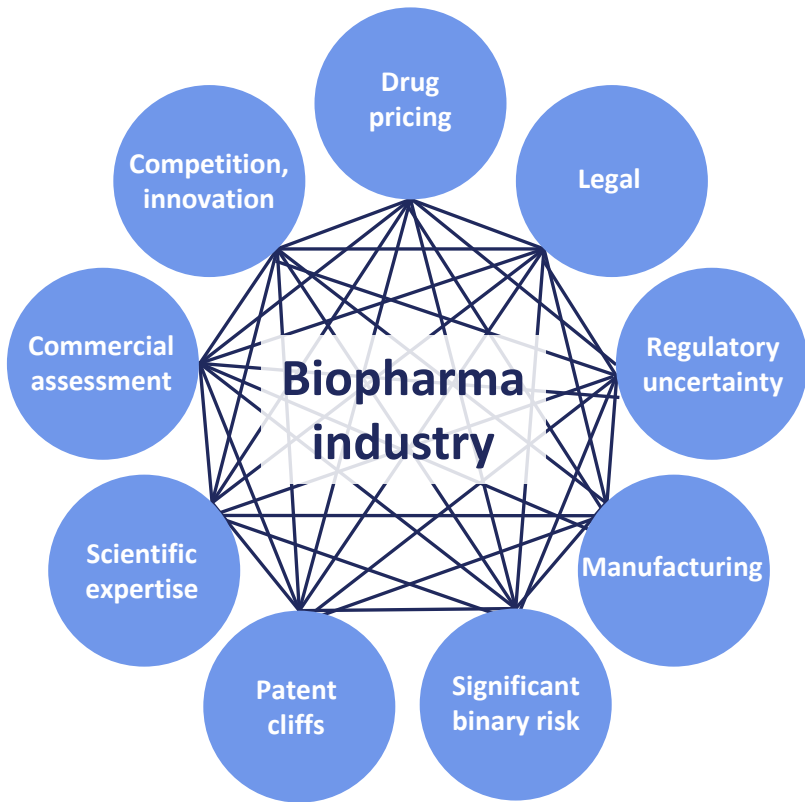
4. Calculated based 2024 sales and excludes products tied to recently expired royalties.

5. Historical return on investments for Royalty Pharma is from 2012 to 2023; IRR (or returns) are calculated using total cash outflows and total cash inflows, in each case including royalties, milestones and other cash flows. Biopharma returns on investments in business development, M&A and R&D.

6. Represents Named Executive Officer (NEO) ownership reported by CapIQ for Large biopharma; Royalty Pharma NEO ownership as disclosed in 2025 proxy filing.

A simple investment proposition in a highly complex industry

Successful biopharma investing is extremely complex




ROYALTY PHARMA offers a simple solution

- ✓ Efficient business of collecting share of top-line revenues on leading products
- ✓ Strong track record of product selection
- ✓ Rigorous diligence processes
- ✓ Highly diversified portfolio
- ✓ Minimal binary clinical risk
- ✓ Proven ability to replenish portfolio

Appendix

ROYALTY PHARMA

CF to remain important contributor regardless of triple scenario


Scenarios	Components	Triple combination blended royalty ⁽¹⁾	2030 franchise sales (As of August 8, 2023)	2030 PR from CF ⁽³⁾	Duration ⁽⁴⁾
Status quo 	<div style="display: flex; gap: 10px;"> <div style="background-color: #003366; color: white; padding: 5px;">elexacaftor</div> <div style="background-color: #003366; color: white; padding: 5px;">ivacaftor</div> <div style="background-color: #003366; color: white; padding: 5px;">tezacaftor</div> </div>	~9%	~\$11.5bn Vertex consensus ⁽²⁾	~\$900m from ~\$750m in 2023	2037
RP position New CF Triple (deuterated ivacaftor <u>is</u> royalty bearing)	<div style="display: flex; gap: 10px;"> <div style="background-color: #cccccc; padding: 5px;">vanzacaftor</div> <div style="background-color: #003366; color: white; padding: 5px;">deuterated ivacaftor</div> <div style="background-color: #003366; color: white; padding: 5px;">tezacaftor</div> </div>	~8%	\$13bn+ RP view with new CF triple <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> Upside drivers: ~6,000 discontinued patients, geographic & age expansion, patient growth </div>	~\$900-950m +\$0-\$50m vs status quo	2039-2041
Alyftrek (deuterated ivacaftor <u>not</u> royalty bearing)	<div style="display: flex; gap: 10px;"> <div style="background-color: #cccccc; padding: 5px;">vanzacaftor</div> <div style="background-color: #cccccc; padding: 5px;">deuterated ivacaftor</div> <div style="background-color: #003366; color: white; padding: 5px;">tezacaftor</div> </div>	~4%		~\$600-700m -\$200-\$300m vs status quo	

Royalty bearing components

Reflects 50-75% conversion from Trikafta to new CF triple

NPV impact of potential downside scenarios are estimated to be \$1-\$2 per share

Detailed calculation assumptions for CF triple scenarios

Scenarios	Product	Blended royalty ⁽¹⁾	Sales split	2030 franchise sales		NCI %	2030 PR from CF ⁽³⁾
				(As of August 8, 2023)	Royalty Receipts		
Status quo (Trikafta only)		~9%	100%	~\$11.5bn ⁽²⁾	~\$1,050m	(13%)	~\$900m
RP position: New CF Triple (deuterated ivacaftor <u>is</u> royalty bearing)	Trikafta	~9%	50%	\$13bn+	~\$1,100m	(13%)	~\$950m
	Alyftrek	~8%	50%				
	Total blended	~9%	100%				
	<hr/>						
New CF Triple (deuterated ivacaftor <u>is</u> royalty bearing)	Trikafta	~9%	25%	\$13bn+	~\$1,050m	(14%)	~\$900m
	Alyftrek	~8%	75%				
	Total blended	~8%	100%				
	<hr/>						
New CF Triple (deuterated ivacaftor <u>not</u> royalty bearing)	Trikafta	~9%	50%	\$13bn+	~\$850m	(15%)	~\$700m
	New CF Triple	~4%	50%				
	Total blended	~7%	100%				
	<hr/>						
New CF Triple (deuterated ivacaftor <u>not</u> royalty bearing)	Trikafta	~9%	25%	\$13bn+	~\$700m	(17%)	~\$600m
	New CF Triple	~4%	75%				
	Total blended	~5%	100%				

Reflects 50-75% conversion from Trikafta to new triple

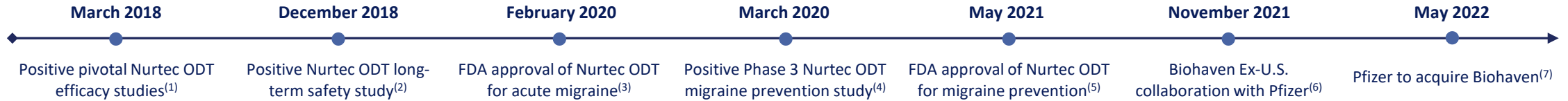
Calculations may not tie due to rounding

Biohaven partnership blossoms with additional transactions

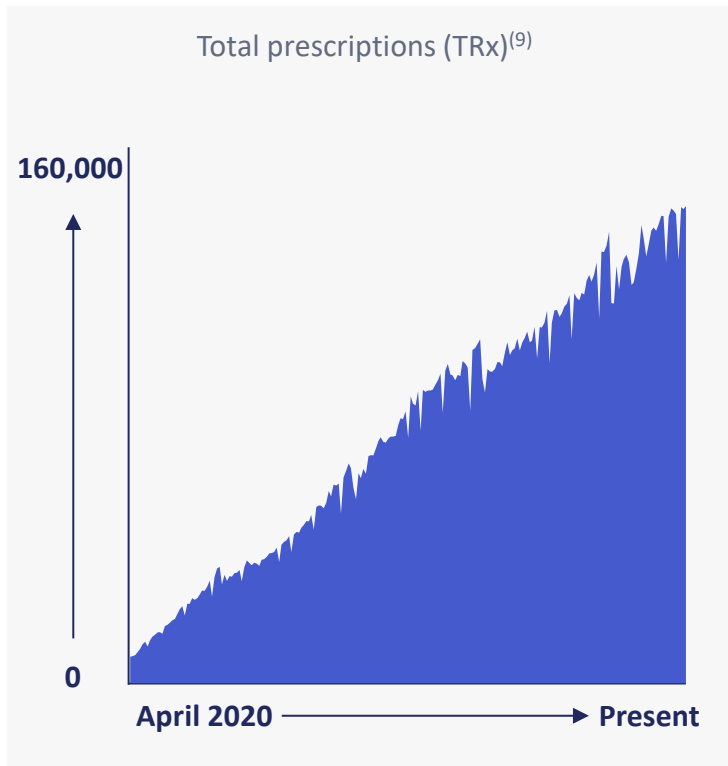
Date	June 2018 ⁽¹⁾	December 2018	March 2019 ⁽²⁾	August 2020 ⁽³⁾
Funding type	Royalty and common equity	Common equity	Preferred equity	Royalty and Launch capital
Purpose	Support Nurtec ODT Phase 3 development	Support Nurtec ODT development and FDA filing	Priority review voucher to accelerate Nurtec ODT launch	Pipeline funding and commercialization support
Details	<p>\$100m royalty (2.1% royalty on Nurtec ODT and zavegepant sales up to \$1.5bn and 1.5% for sales >\$1.5bn)</p> <p>\$50m equity investment (at \$45 per share)</p>	<p>\$37m equity investment (at \$37 per share)</p>	<p>\$125m preferred equity (upfront)</p> <p>Up to \$75m preferred equity (on Nurtec ODT FDA approval – optional, not drawn)</p>	<p>\$250m royalty R&D funding (0.4% royalty on Nurtec ODT, up to 3% zavegepant royalty, and potential zavegepant milestones)</p> <p>\$200m launch capital</p>
Total investment	\$150m	\$37m	Up to \$200m	Up to \$450m

Up to ~\$835m in total funding across multiple deals to accelerate Biohaven's innovative migraine therapies to patients

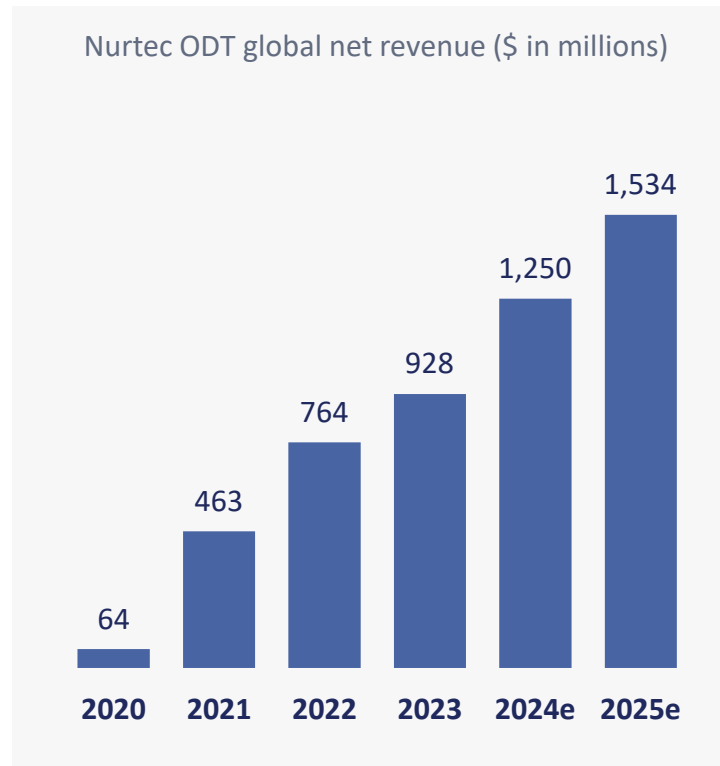
Nurtec ODT – one of the strongest recent launches in biopharma



Encouraging oral CGRP⁽⁸⁾ volumes



Successful Nurtec ODT launch⁽¹⁰⁾



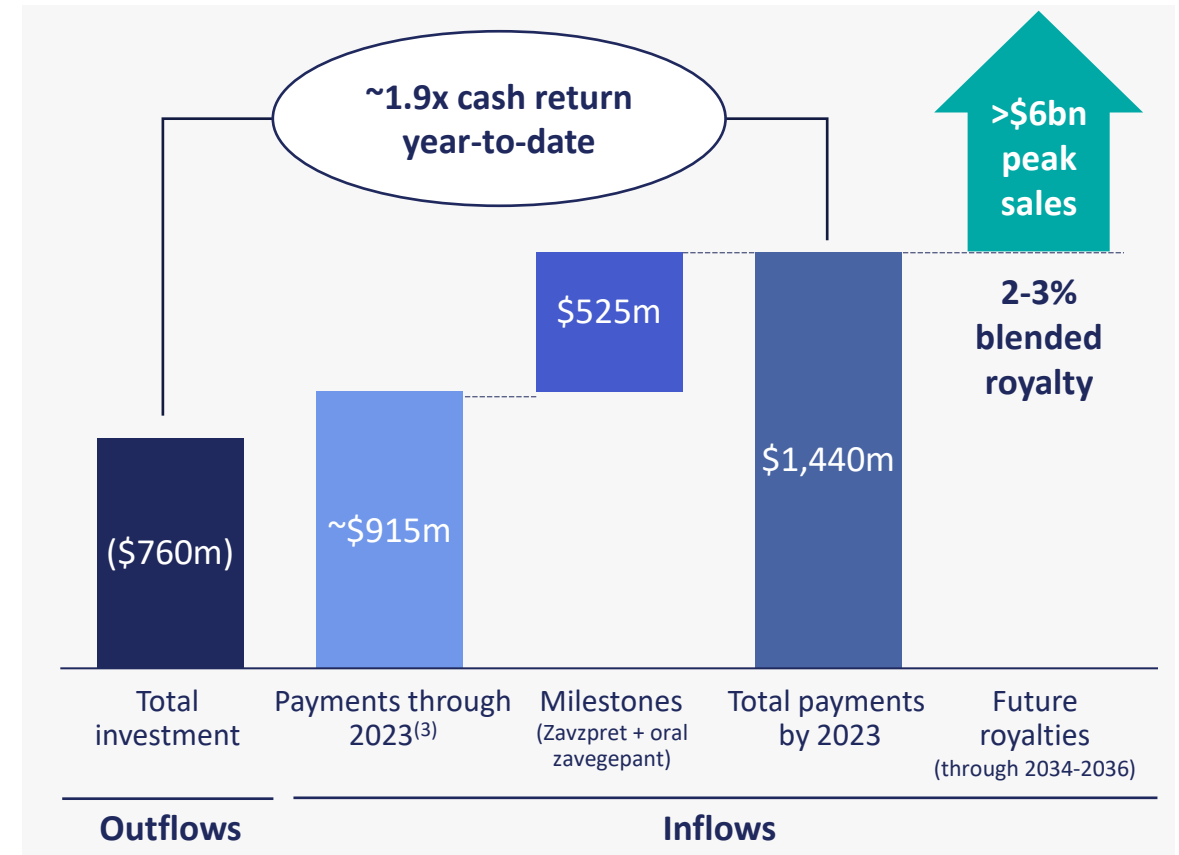
Pfizer expects significant peak sales⁽⁷⁾



Biohaven acquisition accelerates Royalty Pharma returns

- Pfizer, a strong global marketer, is positioned to maximize the potential of Nurtec ODT and Zavzpret
 - Doubling number of sales representatives detailing Nurtec
- Acquisition⁽¹⁾ accelerated Royalty Pharma's returns on common and preferred equity
- No impact on Royalty Pharma's royalty terms, which will provide long-duration cash flows
- Received \$525m of milestones in 2023 related to Zavzpret and oral zavegepant⁽²⁾

Strong returns for Royalty Pharma shareholders



~1.9x cash return through 2023 with further upside from continuing royalties

Potential royalties on >40 projects in late-stage development





	Phase 2		Phase 3			Registration
Initial indication	CK-586 Heart failure	trontinemab Alzheimer's disease	omecamtiv mecarbil Heart failure	pelacarsen Cardiovascular disease	olpasiran Cardiovascular disease	aficamten oHCM
		tulmimetostat (CPI-0209) Blood cancer, solid tumors	pelabresib Myelofibrosis	ampreloxetine Symptomatic nOH in MSA	seltorexant MDD w/insomnia symptoms	
			deucricitbant (IR) Hereditary angioedema	ecopipam Tourette Syndrome	TEV-'749 Schizophrenia	
				frexalimab Multiple sclerosis	litifilimab Lupus (SLE, CLE)	
Additional indication	Trodelvy (+ combinations) 1L mUC	frexalimab Systemic lupus erythematosus	Trodelvy 1L TNBC (PD-L1-)	Niktimvo (+ steroids) 1L cGvHD	Erleada Localized prostate cancer ⁽⁴⁾	Tremfya Crohn's disease
	Trodelvy (+ pembrolizumab) ⁽¹⁾ 1L mNSCLC	frexalimab Type 1 diabetes	Trodelvy (+ pembrolizumab) Adjuvant TNBC	Trodelvy (+ pembrolizumab) 1L mTNBC (PD-L1+)	Cobefny Schizophrenia (adjunctive)	Cabometyx Advanced NET
	Trodelvy Lung, HNSCC and endometrial	frexalimab FSGS or MCD	Trodelvy HR+/HER2- chemo-naïve mBC	Trodelvy (+ pembrolizumab) ⁽²⁾ 1L mNSCLC	Cobefny Psychosis in Alzheimer's disease	Skytrofa Adult GHD
	Niktimvo (+ Jakafi) 1L cGvHD	Tremfya + golimumab ('4804) Ulcerative colitis, Crohn's disease	Trodelvy 2L+ mEC	Cabometyx (+ Tecentriq) mCRPC	Tremfya PsA Structural Damage	Spinraza (higher dose) Spinal Muscular Atrophy
	Niktimvo Idiopathic pulmonary fibrosis	Skytrofa Turner syndrome	Tazverik (+ Revlimid, Rituxan) 2L Follicular lymphoma	Erleada High risk prostate cancer ⁽³⁾	deucricitbant (XR) Hereditary angioedema	
				aficamten nHCM		

- Rare disease
- Immunology
- Cancer
- Neuroscience
- Cardio-Metabolic

mUC: metastatic urothelial carcinoma; mNSCLC: metastatic non-small-cell lung carcinoma; HNSCC: head and neck squamous cell carcinoma; cGvHD: chronic graft versus host disease; FSGS: focal segmental glomerulosclerosis; MCD: minimal change disease; IR: immediate release; TNBC: triple negative breast cancer; mBC: metastatic breast cancer; mEC: metastatic endometrial cancer; nOH: neurogenic orthostatic hypotension; MSA: multiple system atrophy; mTNBC: metastatic triple negative breast cancer; mCRPC: metastatic castration-resistant prostate cancer; MDD: major depressive disorder; PsA: psoriatic arthritis; XR: extended release; nHCM: non-obstructive hypertrophic cardiomyopathy; SLE: systemic lupus erythematosus, SLC: cutaneous lupus erythematosus; oHCM: obstructive hypertrophic cardiomyopathy; NET: neuroendocrine tumors; GHD: growth hormone deficiency.

1. EVOKE-02. 2. EVOKE-03. 3. High risk localized advanced prostate cancer prior to radical prostatectomy. 4. High risk localized advanced prostate cancer receiving primary radiation therapy.

Updates to non-GAAP measures

Previous		New	Comments
Adjusted Cash Receipts (Non-GAAP)		Portfolio Receipts	<p>Calculation of Portfolio Receipts will result in the same total as under previous presentation of Adjusted Cash Receipts</p> <p>Individual royalties to be reported net of legacy non-controlling interests to facilitate increased transparency of individual royalty economics</p>
Adjusted EBITDA (Non-GAAP)		Adjusted EBITDA (Non-GAAP)	<p>No change</p> <p>Liquidity measure</p>
Adjusted Cash Flow (Non-GAAP)		Portfolio Cash Flow (Non-GAAP)	<p>Liquidity measure</p> <p>Measure of cash that can be redeployed into value-enhancing royalty acquisitions, to pay down debt and for return of capital to shareholders</p> <p>Primary difference from Adjusted Cash Flow is exclusion of Development-stage funding payments - upfront and milestone</p>
N/A		Capital Deployment	<p>Capital Deployment was previously included in various line items on the statement of cash flows</p> <p>New presentation aggregates all Capital Deployment (except purchases of equity securities and marketable securities) into one metric</p> <p>Components of Capital Deployment detailed in separate table</p>

Royalty Pharma Liquidity Summary

\$ in millions	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019 (PF) ⁽¹⁾
Portfolio Receipts	2,801	3,049	2,789	2,129	1,800	1,776
Payments for operating and professional costs	(236)	(243)	(223)	(185)	(180)	(145)
Adjusted EBITDA (non-GAAP)	2,565	2,806	2,566	1,944	1,621	1,631
Interest (paid)/received, net	(113)	(98)	(145)	(143)	(131)	(250)
Portfolio Cash Flow (non-GAAP)	2,452	2,708	2,421	1,801	1,490	1,381

Amounts may not add due to rounding.

1. The 2019 results are calculated on a pro forma basis, which adjusts certain cash flow line items as if our Reorganization Transactions (as described in our final prospectus filed with the SEC on June 17, 2020) and our initial public offering had taken place on January 1, 2019. The most significant difference between the pro forma and reported figures is the non-controlling interest attributable to legacy investors that resulted from the Reorganization Transactions.

Royalty Pharma GAAP to non-GAAP reconciliations

\$ in millions	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019 (PF) ⁽¹⁾
Net cash provided by operating activities (GAAP)	2,769	2,988	2,144	2,018	2,035	1,673
Adjustments:						
Proceeds from available for sales debt securities	20	1	542	63	3	150
Distributions from equity method investees	24	44	-	1	15	-
Interest paid/(received), net	113	98	145	143	131	250
Derivative collateral posted/(received), net	-	-	-	-	(45)	-
Development-stage funding payments – ongoing	2	2	2	7	20	83
Development-stage funding payments – upfront and milestones	-	50	175	193	6	-
Distributions to legacy non-controlling interests – Portfolio Receipts	(362)	(377)	(442)	(480)	(544)	(525)
Adjusted EBITDA (non-GAAP)	2,565	2,806	2,566	1,944	1,621	1,631
Interest (paid)/received, net	(113)	(98)	(145)	(143)	(131)	(250)
Portfolio Cash Flow (non-GAAP)	2,452	2,708	2,421	1,801	1,490	1,381

Amounts may not add due to rounding.

- The 2019 results are calculated on a pro forma basis, which adjusts certain cash flow line items as if our Reorganization Transactions (as described in our final prospectus filed with the SEC on June 17, 2020) and our initial public offering had taken place on January 1, 2019. The most significant difference between the pro forma and reported figures is the non-controlling interest attributable to legacy investors that resulted from the Reorganization Transactions.

Footnotes

- (1) To aid in comparability, 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 interests that resulted from the Reorganization Transactions. The new contractual non-controlling interests 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 Royalty Receipts 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) Portfolio Receipts is a key performance metric that represents our ability to generate cash from our portfolio investments, the primary source of capital that we can deploy to make new portfolio investments. Portfolio Receipts is defined as the sum of Royalty Receipts and milestones and other contractual receipts. Royalty Receipts include variable payments based on sales of products, net of contractual payments to the legacy non-controlling interests, that is attributed to Royalty Pharma. Milestones and other contractual receipts include sales-based or regulatory milestone payments and other fixed contractual receipts, net of contractual payments to the legacy non-controlling interests, that is attributed to Royalty Pharma. Portfolio Receipts does not include proceeds from equity securities or marketable securities, both of which are not central to our fundamental business strategy. Portfolio Receipts is calculated as the sum of the following line items from our GAAP consolidated statements of cash flows: *Cash collections from financial royalty assets*, *Cash collections from intangible royalty assets*, *Other royalty cash collections*, *Proceeds from available for sale debt securities* and *Distributions from equity method investees* less *Distributions to legacy non-controlling interests - Portfolio Receipts*, which represent contractual distributions of Royalty Receipts and milestones and other contractual receipts to the Legacy Investors Partnerships and RPSFT.
- (3) Adjusted EBITDA is important to lenders and is defined under the credit agreement as Portfolio 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 August 8, 2024. See the Company's Annual Report on Form 10-K filed with SEC on February 15, 2024 for additional discussion on defined term.
- (4) Portfolio Cash Flow is defined under the revolving credit agreement as Adjusted EBITDA minus interest paid or received, net. See GAAP to Non-GAAP reconciliation in the Company's Current Report on Form 8-K dated August 8, 2024. See the Company's Annual Report on Form 10-K filed with SEC on February 15, 2024 for additional discussion on defined term.
- (5) Capital Deployment represents the total outflows that will drive future Portfolio Receipts and reflects cash paid at the acquisition date and any subsequent associated contractual payments reflected in the period in which cash was paid. Capital Deployment is calculated as the summation of the following line items from our GAAP consolidated statements of cash flows: *Investments in equity method investees*, *Purchases of available for sale debt securities*, *Acquisitions of financial royalty assets*, *Acquisitions of other financial assets*, *Milestone payments*, *Development-stage funding payments - ongoing*, *Development-stage funding payments - upfront and milestone* less *Contributions from legacy non-controlling interests - R&D*.

Long-term Outlook footnote

- (1) 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.