ROYALTY PHARMA PRESS RELEASE

ROYALTY PHARMA ANNOUNCES SHAREHOLDER APPROVAL OF ITS EXTERNAL MANAGER ACQUISITION

- **Received overwhelming shareholder approval with 99.9% of votes cast in favor**
- **Simplified structure benefits shareholders through strengthened shareholder alignment, enhanced governance, significant cash savings and increased economic return on investments**
- **Significant annual cash savings of greater than $100 million in 2026 growing to over $175 million in 2030, with cumulative savings of more than $1.6 billion over ten years**
- **Royalty Pharma's diversified royalty portfolio to be combined with intellectual capital and investment platform of the Manager to advance shareholder value creation**

NEW YORK, NY, May 12, 2025 – Royalty Pharma plc (Nasdaq: RPRX) today announced that shareholders overwhelmingly approved its previously announced external manager acquisition, with 99.9% voting in favor at Royalty Pharma's 2025 Annual General Meeting and Special Meeting of Shareholders (the "Meeting"), marking a key milestone for the company.

"We are pleased to announce shareholder approval of our manager internalization, an important step that strengthens our corporate governance, enhances transparency, and further aligns our leadership team with shareholder interests," said Pablo Legorreta, founder and Chief Executive Officer of Royalty Pharma. "We are grateful for the strong support from our shareholders, and remain focused on delivering long-term value through our differentiated, innovation-focused business model."

With shareholder approval, Royalty Pharma will proceed with its transition from an external manager model to an integrated corporate structure, with the Royalty Pharma executive team and employees becoming direct employees of the company.

Key Benefits to Shareholders

The transaction is expected to result in multiple benefits for shareholders. On a financial basis, the acquisition is expected to reduce costs and enhance economic returns on investments. Specifically, the acquisition will generate cash savings of greater than $100 million in 2026 and greater than $175 million in 2030, and drive cumulative savings of greater than $1.6 billion over ten years. The acquisition also increases shareholder alignment, enhances corporate governance, ensures management continuity, maximizes employee retention as a result of the 5 to 9 year vesting of the shares received by management and simplifies Royalty Pharma's corporate structure. Lastly, internalizing the Manager has the potential to expand Royalty Pharma's shareholder base and further enhance the company's valuation over time.

Meeting Results

At the Meeting held on May 12, 2025, 99.9% of votes cast were in favor of the internalization proposal.

RP Management Internalization Transaction Terms

Royalty Pharma will acquire the Manager for approximately 24.5 million shares of Royalty Pharma equity that will vest over 5 to 9 years, approximately $100 million in cash[1], and the assumption of $380 million of existing Manager debt. The total transaction value of approximately $1.1 billion (based on the closing price of Royalty Pharma's Class A ordinary shares of $26.20 on January 8, 2025), with the majority paid in long-term deferred equity, is expected to be more than offset by cumulative cash savings of greater than $1.6 billion over the next ten years. The equity component will represent approximately 4% of shares outstanding, assuming all shares vest.

The closing of the internalization transaction will be subject to customary closing conditions, including required regulatory approvals. Royalty Pharma anticipates the transaction will close in May 2025.

Background on the Manager

Since its founding in 1996, Royalty Pharma had operated under an external management model, relying on a separate Manager, owned by Pablo Legorreta and other members of senior management, for all operations and personnel. The company paid quarterly fees to the Manager equal to 6.5% of Portfolio Receipts and 0.25% of the value of security investments. Following the internalization transaction, Royalty Pharma will no longer be externally managed, and all employees of the Manager will become employees of Royalty Pharma. Prior to 2024, Pablo Legorreta was the sole owner of the Manager. In early 2024, equity interests in the Manager were granted to 35 team members to support long-term succession planning and enhance alignment; these shares will vest over 10 years. Management (excluding Pablo Legorreta) will receive approximately 50% of the equity issued in the transaction, which will continue to vest through 2033. Pablo Legorreta agreed to have his equity vest over five years, despite no prior vesting requirement.

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 15 development-stage product candidates. For more information, visit www.royaltypharma.com.

[1] The cash component of the consideration consists of $200 million in cash less the amount of the management fees 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 fee paid through the closing is expected to be approximately $100 million.

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, plus the benefits of the internalization transaction, including cash savings, enhanced alignment with shareholders, increased investment returns, expectations regarding management continuity, transparency and governance, and the benefits of simplification to its structure. 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, including because the internalization transaction is subject to shareholder approval. 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.

Use of Non-GAAP Measures

Adjusted EBITDA and Portfolio Cash Flow are non-GAAP liquidity measures that exclude the impact of certain items and therefore have not been calculated in accordance with GAAP.

Management believes that Adjusted EBITDA and Portfolio Cash Flow are important non-GAAP measures used to analyze liquidity because they are key components of certain material covenants contained within Royalty Pharma's credit agreement. Royalty Pharma cautions readers that amounts presented in accordance with the definitions of Adjusted EBITDA and Portfolio Cash Flow may not be the same as similar measures used by other companies or analysts. These non-GAAP liquidity measures have limitations as analytical tools, and you should not consider them in isolation or as a substitute for the analysis of Royalty Pharma's results as reported under GAAP.

The definitions of Adjusted EBITDA and Portfolio Cash Flow used by Royalty Pharma are the same as the definitions in the credit agreement. Noncompliance with the interest coverage ratio, leverage ratio and Portfolio Cash Flow ratio covenants under the credit agreement could result in lenders requiring the company to immediately repay all amounts borrowed. If Royalty Pharma cannot satisfy these covenants, it would be prohibited under the credit agreement from engaging in certain activities, such as incurring additional indebtedness, paying dividends, making certain payments, and acquiring and disposing of assets. Consequently, Adjusted EBITDA and Portfolio Cash Flow are critical to the assessment of Royalty Pharma's liquidity.

Adjusted EBITDA and Portfolio Cash Flow are used by management as key liquidity measures in the evaluation of the company's ability to generate cash from operations. Management uses Adjusted EBITDA and Portfolio Cash Flow when considering available cash, including for decision-making purposes related to funding of acquisitions, debt repayments, dividends and other discretionary investments. Further, these non-GAAP liquidity measures help management, the audit committee and investors evaluate the company's ability to generate liquidity from operating activities.

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