

ROYALTY PHARMA

# Full Year and Q4 2025 Financial Results

February 11, 2026

# Forward Looking Statements

This presentation has been prepared by Royalty Pharma plc (the “Company”), is made for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy securities. 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 presentation unless stated otherwise, and neither the delivery of this presentation 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 presentation 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 and market growth. 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 the Company’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 the Company’s control and could cause its actual results to differ materially from those it thought would occur. The forward-looking statements included in this presentation are made only as of the date hereof. The Company 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. Certain information contained in this presentation relates to or is based on studies, publications, surveys and other data obtained from third-party sources and the Company’s own internal estimates and research. While the Company believes these third-party sources to be reliable as of the date of this presentation, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources. In addition, all of the market data included in this presentation involves a number of assumptions and limitations, and there can be no guarantee as to the accuracy or reliability of such assumptions. Finally, while the Company believes its own internal research is reliable, such research has not been verified by any independent source. For further information, please see the Company’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](http://www.sec.gov).

# Non-GAAP Financial Information

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 financial measures can be found on slide 28 in the Appendix. 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.

# Agenda

Key Highlights



Pablo Legorreta

Chief Executive Officer, Chairman of the Board

Transaction Pipeline



Chris Hite

EVP, Vice Chairman

Portfolio Update



Marshall Urist

EVP, Head of Research & Investments

Financial Results



Terrance Coyne

EVP, Chief Financial Officer

Conclusion



Pablo Legorreta

Chief Executive Officer, Chairman of the Board

Q&A Session

Pablo Legorreta  
Terrance Coyne  
Chris Hite  
Marshall Urist

Chief Executive Officer, Chairman of the Board  
EVP, Chief Financial Officer  
EVP, Vice Chairman  
EVP, Head of Research & Investments

# Key Highlights

Pablo Legorreta

Chief Executive Officer, Chairman of the Board

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# Key achievements position business for sustained momentum



## Financial



- Double-digit growth in 2025 Royalty Receipts (+13%) and Portfolio Receipts (+16%)<sup>(1)</sup>
- Return on Invested Capital of 15.8% and Return on Invested Equity of 22.8% in 2025
- 2026 Portfolio Receipts guidance of \$3,275m to \$3,425m <sup>(1,2)</sup> (3% to 8% Royalty Receipts growth)



## Internalization



- Simplified structure by integrating intellectual capital with royalty portfolio
- Strengthens alignment and governance; realizing significant cost savings



## Capital Allocation



- \$4.7bn of announced transactions on 9 therapies in 2025 (\$2.6bn of Capital Deployment)
- Repurchased 37m shares for \$1.2bn in 2025 and increased dividend by 7% in Q1 2026



## Portfolio



- Positive clinical, regulatory updates (Myqorzo, Tremfya, TEV-‘749, deucricitibant, Trodelvy)
- Groundbreaking partnership with Revolution Medicines for daraxonrasib

See slide 28 for definition and additional information.

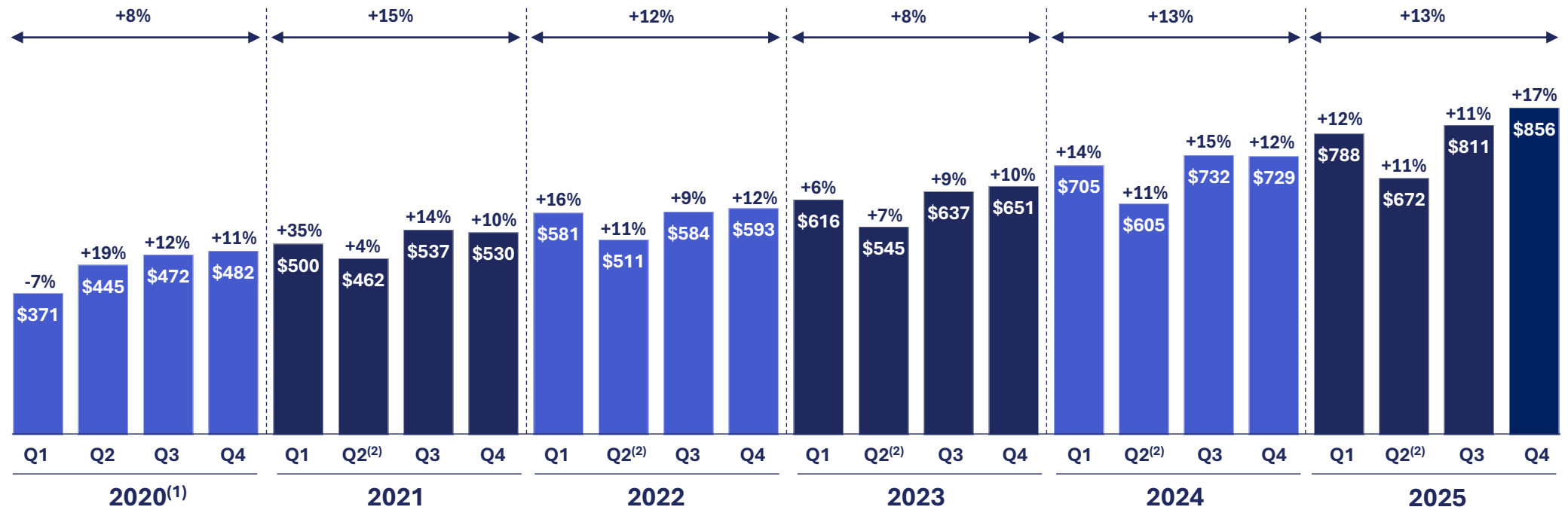
1. Royalty Receipts represent recurring cash inflows. Portfolio Receipts include Royalty Receipts and Milestones and other contractual receipts which are more variable.

2. Excludes contribution from transactions announced subsequent to the date of this presentation.

# Delivering double-digit growth on average since IPO

## Royalty Receipts

(year/year growth; \$ in millions)



Portfolio Receipts	\$382	\$462	\$472	\$484	\$524	\$475	\$587	\$543	\$605	\$524	\$597	\$606 <sup>(3)</sup>	\$656 <sup>(3)</sup>	\$545	\$637	\$686 <sup>(3)</sup>	\$717	\$608	\$735	\$742	\$839	\$727	\$814	\$874
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1. Growth rates are presented on a pro forma basis. See slide 28 for definition and additional information.

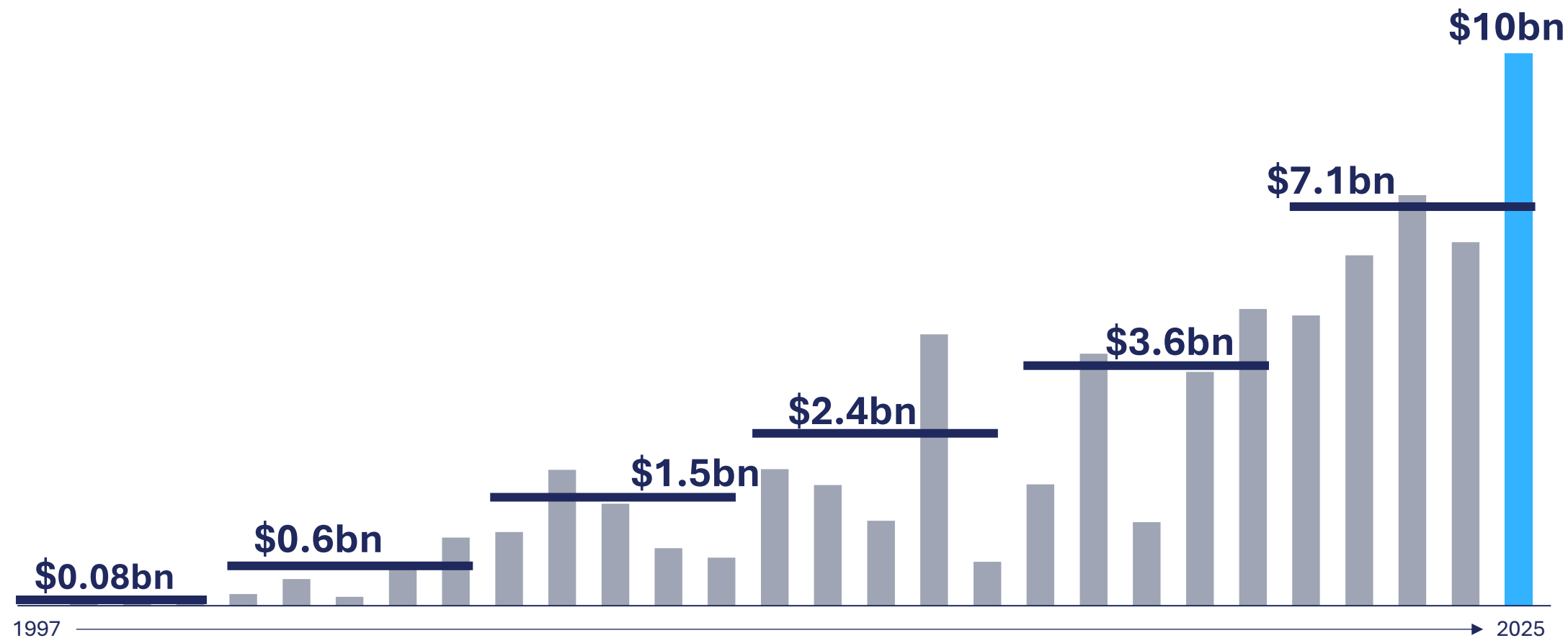
2. Royalty Receipts in the second quarter are typically lower than the first quarter as royalties for certain products or franchises are tiered and typically reset at the beginning of the year. Thus, second quarter Royalty Receipts (reflecting first quarter sales) often include royalties on sales at the lowest royalty tier.

3. The 2022 and 2023 results are calculated on a pro forma basis to exclude Accelerated Receipts (as defined in the Credit Agreement) as if Amendment No. 5 of the Credit Agreement had taken effect on January 1, 2019.

# Record year for royalty funding in 2025

Driven by growing capital needs, industry fragmentation, scientific innovation and increased awareness of royalties

5-year average annual announced value (1997-2025)<sup>(1)</sup>

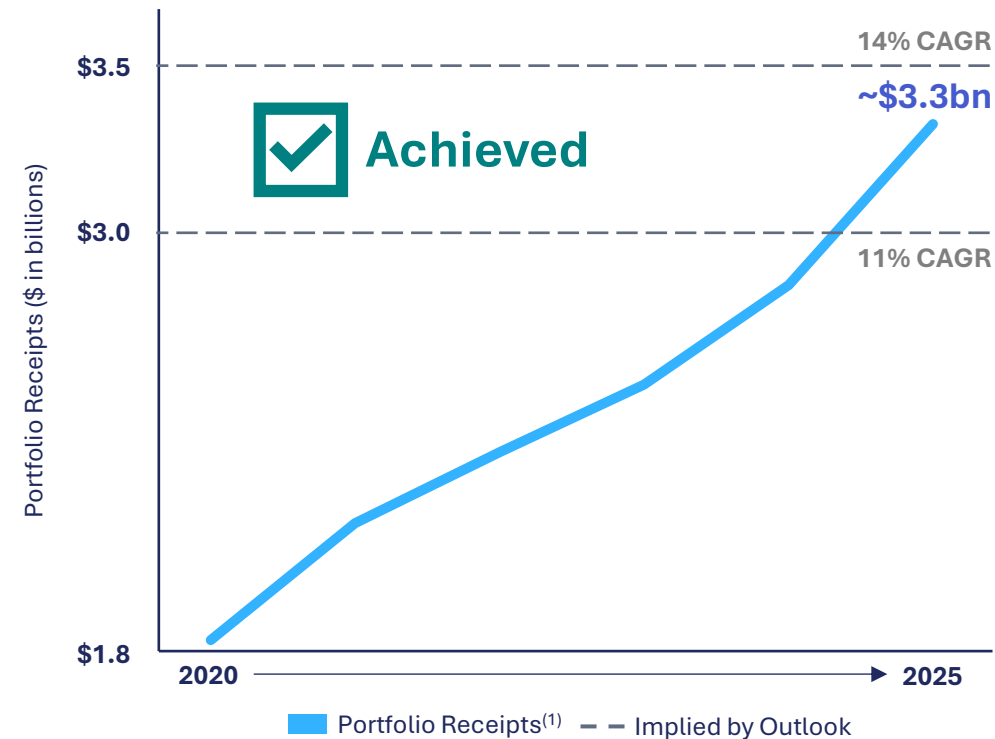


1. Royalty Pharma internal data, commencing in 1997.

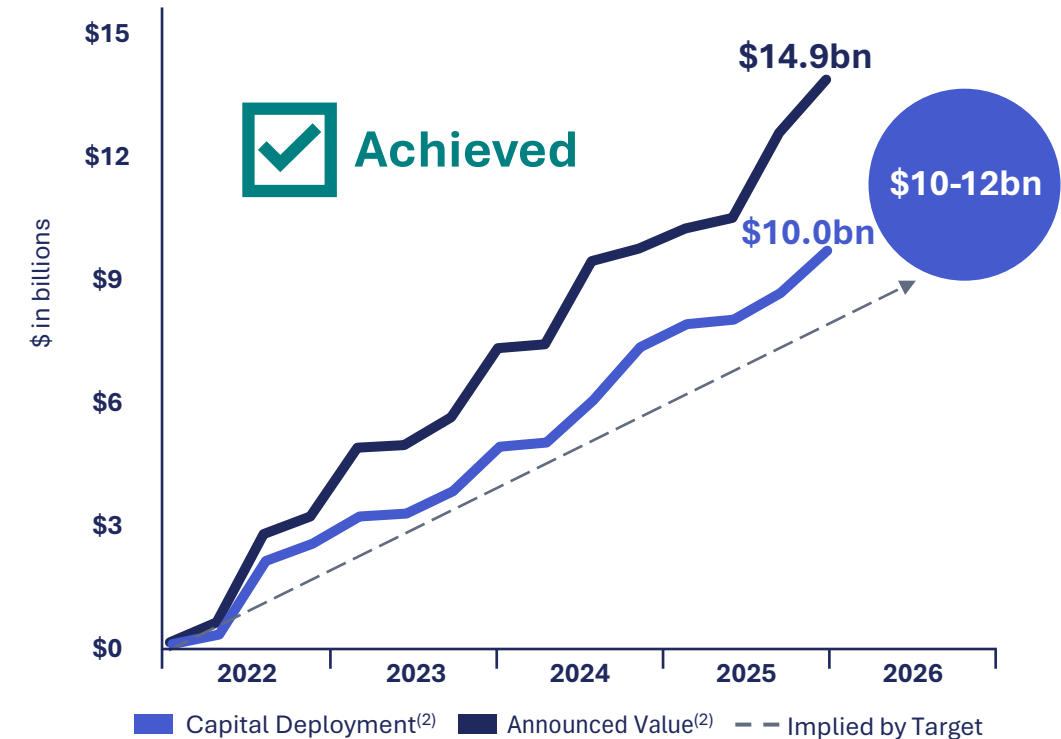
# Successfully executing against our financial targets

Portfolio Receipts guidance and Capital Deployment target provided at Investor Day in May 2022

## Portfolio Receipts guidance: 11% to 14% CAGR (\$3.0-\$3.5bn) (2020-2025)



## Capital Deployment target: \$10-12 billion over 5-years (2022-2026)



CAGR: compound annual growth rate

See slide 28 for definitions and factors that may impact the achievement of our growth outlook.

1. Excludes Biohaven-related accelerated milestone payments of \$458 million in 2022 and \$525 million in 2023 and \$511 million of proceeds from sale of MorphoSys Development Funding Bonds in 2025.

2. Capital Deployment reflects cash payments during the period for new and previously announced transactions. Announced value of transactions represents the entire amount of potential capital committed for new transactions during the year, including potential future milestones.



# Transaction pipeline

Chris Hite

Executive Vice President  
Vice Chairman

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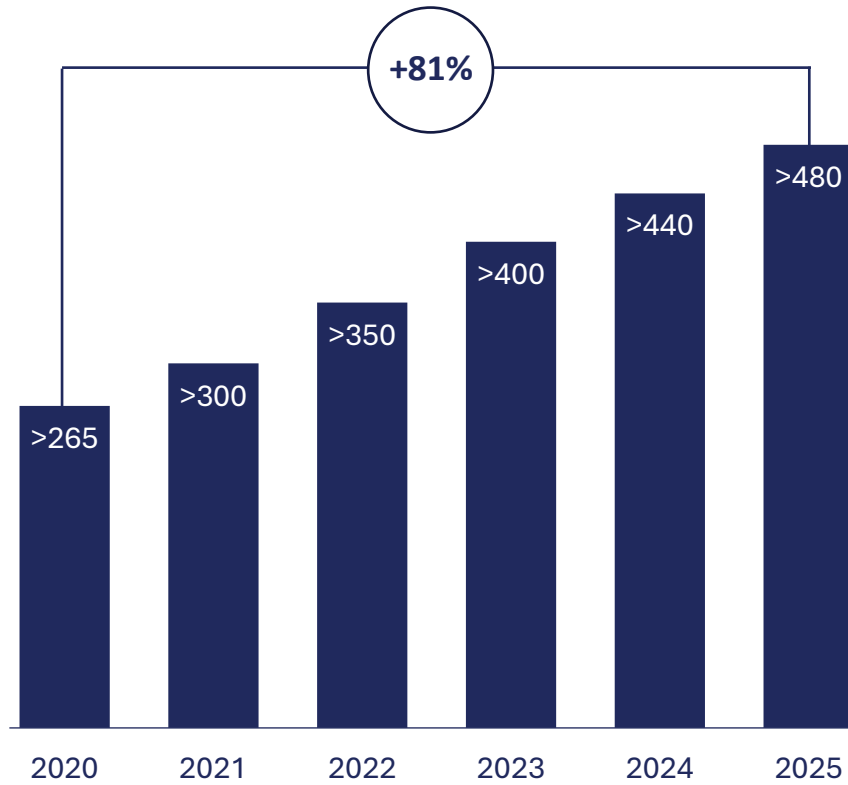
# Announced \$4.7 billion of royalty transactions in 2025

## 2025 Royalty Pharma investment activity

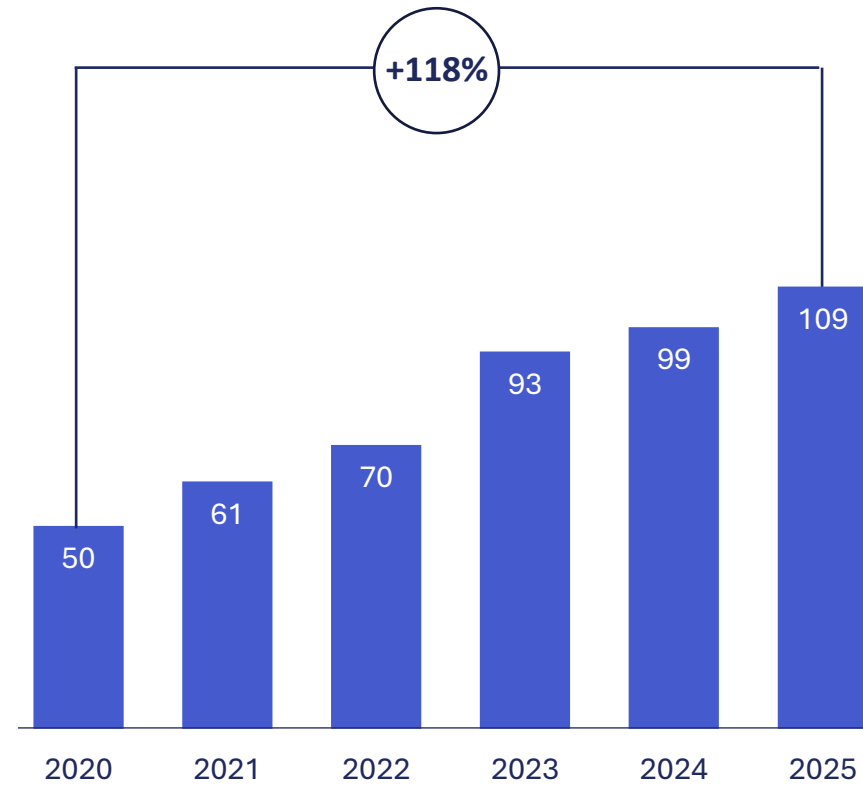


# Investment activity reflects strong momentum for royalty funding

## Initial reviews consistently growing

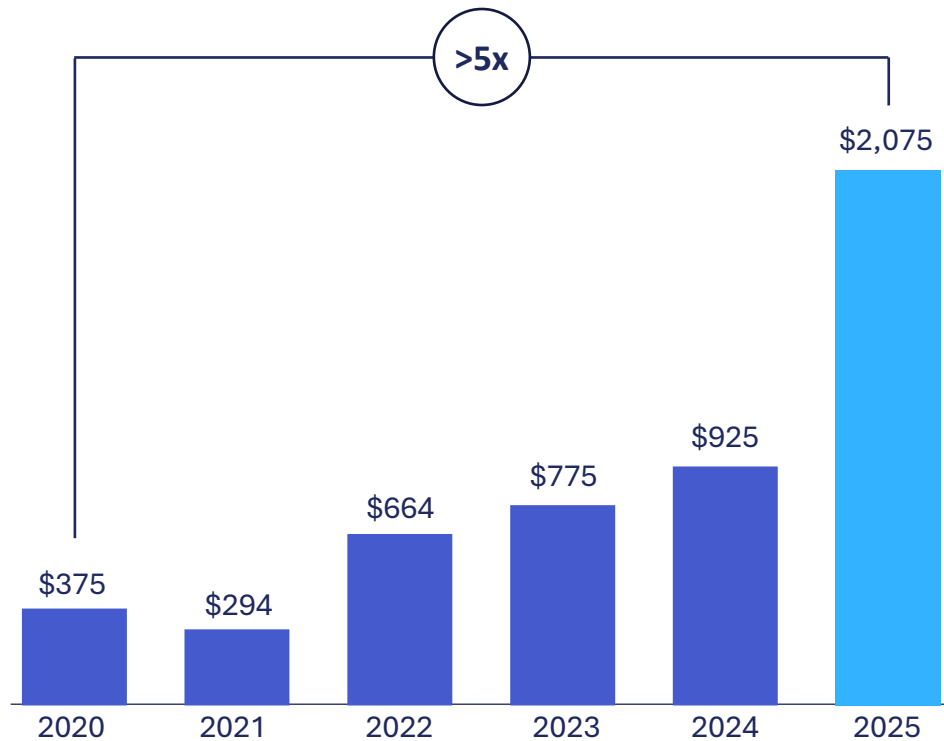


## In-depth reviews more than doubled

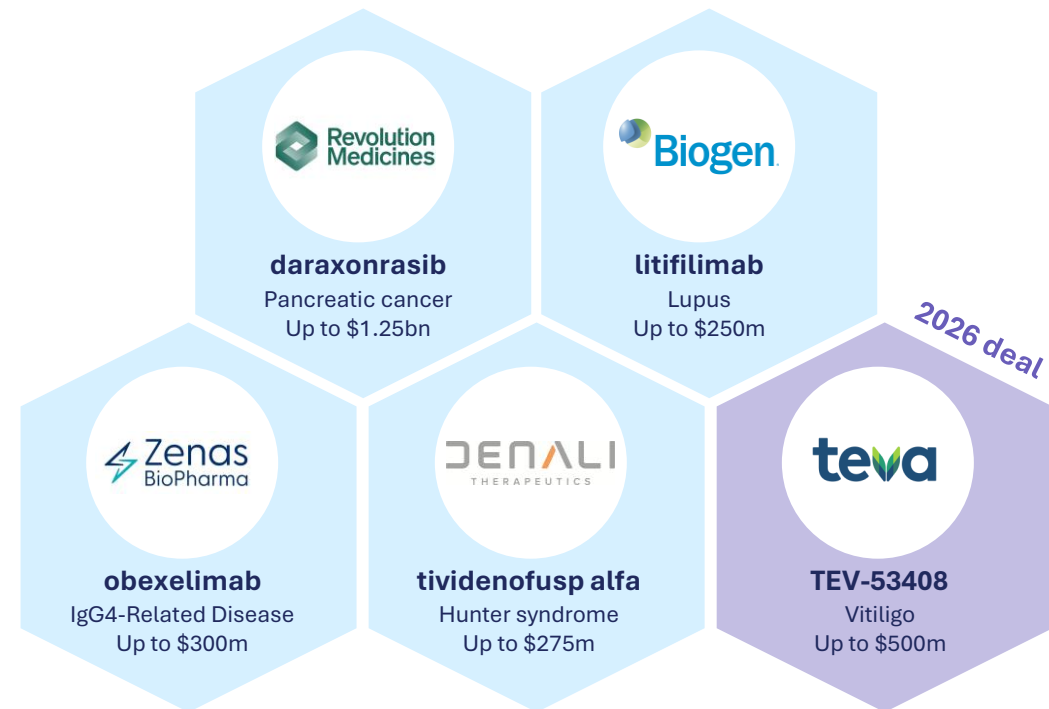


# Strongest year ever for Royalty Pharma synthetic royalty transactions

## Announced value of RP synthetic royalty transactions<sup>(1)</sup> (\$ in millions)



## RP announced four synthetic transactions in 2025



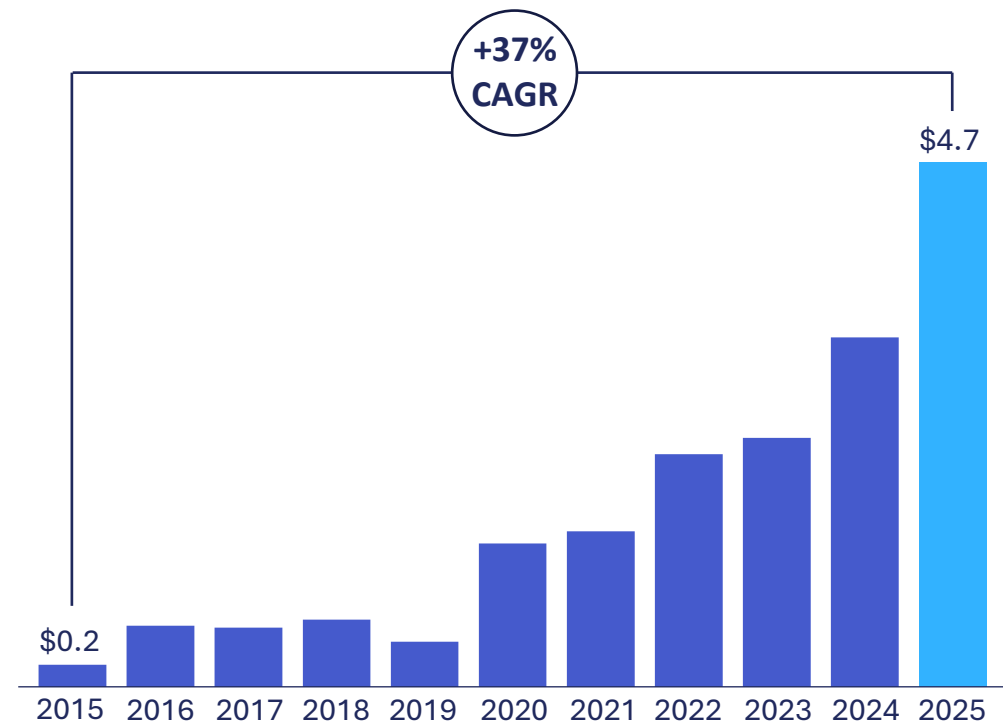
Source: Dealogic, Biomedtracker, internal estimates, Evaluate.

1. Royalty Pharma internal analysis. Data reflects announced value of transactions, including milestones and contingent payments.

# Synthetic royalties are expected to be an important growth driver

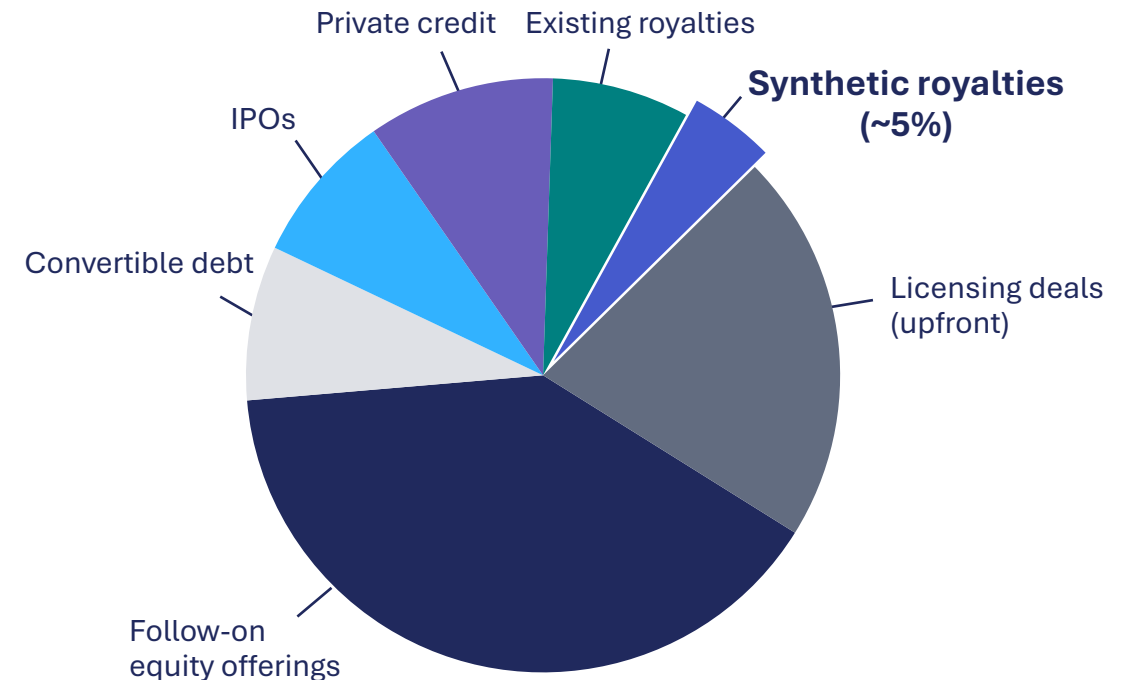
## Synthetic royalty market growth has been robust<sup>(1)</sup>

(Announced value; \$ in billions)



## Synthetics are underpenetrated in biopharma funding<sup>(2,3)</sup>

(>\$290 billion in biopharma funding, 2021-2025)



CAGR: compound annual growth rate

Source: Dealogic, Biomedtracker, internal estimates, Evaluate.

1. Royalty Pharma internal analysis. Data reflects announced value of transactions, including milestones and contingent payments.

2. Includes capital raised through initial public offerings (IPOs), follow-on offerings, equity linked issuances, upfronts from licensing deals, existing and synthetic royalties and private credit.

3. Royalty funding reflects announced value of transactions and includes associated equity investments.

# Portfolio Update

Marshall Urist, MD, PhD

Executive Vice President  
Head of Research & Investments

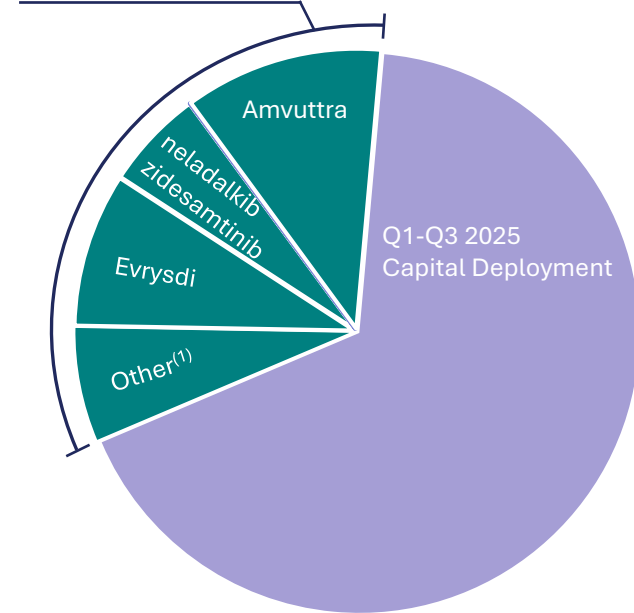
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# Strong execution in 2025 against Capital Deployment strategy

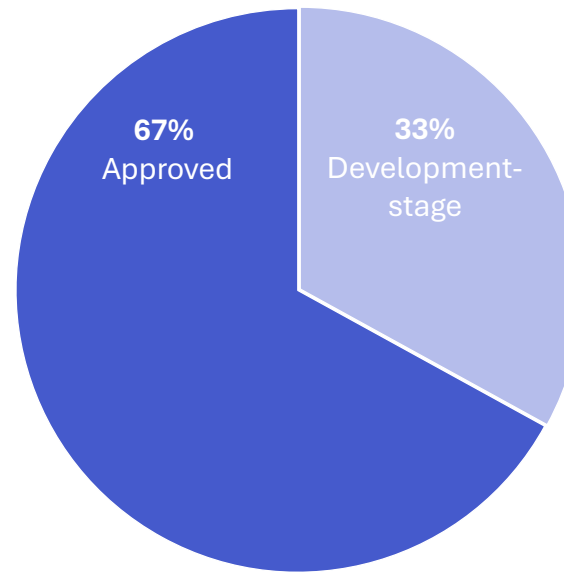
## \$2.6 billion of Capital Deployment in 2025

\$887m in Q4 2025



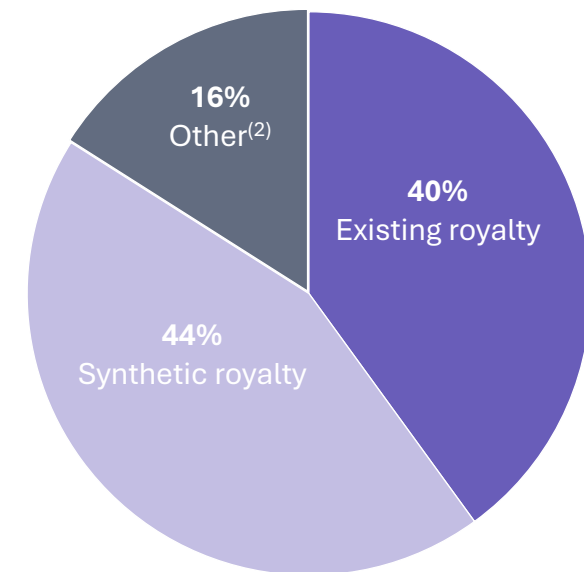
## Capital Deployment mix in 2025

(Approved vs. development-stage)



## \$4.7 billion of announced value in 2025

(Type of royalty investment)






Capital Deployment reflects cash payments during the period for new and previously announced transactions.

1. Consists of capital deployed for Imdelltra and pre-2025 transactions.

2. Consists of Revolution Medicines secured debt.

# Deploying capital on attractive therapies over the last 3 months

	Development-stage			Approved
	2026 deal 			
Transaction size	Up to \$500m <sup>(1)</sup>	Up to \$315m <sup>(2)</sup>		Up to \$300m <sup>(4)</sup>
Transaction type	Synthetic	Existing		Existing
Seller	Teva	Undisclosed		PTC Therapeutics
Therapy	TEV-‘408	neladalkib	zidesamtinib	tividenofusp alfa
Indication	Vitiligo	ALK+ NSCLC	ROS1+ NSCLC	Hunter syndrome
Status	Phase 1b (ongoing)	FDA filing (H1 2026)	PDUFA date (Sept. 18, 2026)	PDUFA date (April 5, 2026)
				Approved

ALK+: anaplastic lymphoma kinase-positive; ROS1+: ROS proto-oncogene 1 positive; NSCLC: non-small cell lung cancer; SMA: spinal muscular atrophy; PDUFA: Prescription Drug User Fee Act; FDA: U.S. Food and Drug Administration

1. Consists of \$75 million in R&D co-funding to conduct a Phase 2b study targeted to start in 2026. Based on the future results from Phase 2b in vitiligo, Royalty Pharma will have an option to provide an additional \$425 million to co-fund the Phase 3 program.

2. Consists of \$155 million upfront and \$160 million in potential milestones.

3. Consists of a \$200 million payment contingent on FDA accelerated approval of tividenofusp alfa and \$75 million upon EMA approval if achieved by December 31, 2029.

4. Consists of \$240 million upfront and up to \$60 million in sales-based milestones.



# Positive developments across royalty portfolio in 2025

## Key clinical events in 2025

Therapy	Indication	Event	
TEV-‘749	schizophrenia	Phase 3 safety <sup>(1)</sup>	✓
Trodely	1L mTNBC	Phase 3 results <sup>(2)</sup>	✓
ecopipam	Tourette’s syndrome	Phase 3 results <sup>(3)</sup>	✓
trontinemab	Alzheimer’s disease	Phase 3 initiation <sup>(4)</sup>	✓
deucricitibant IR	HAE attacks	Phase 3 results <sup>(5)</sup>	✓
Cobenfy	Adjunct schizophrenia	Phase 3 results <sup>(6)</sup>	✗

## Key regulatory events in 2025

Therapy	Indication	Event	
Tremfya	Crohn’s disease	FDA approval <sup>(7)</sup>	✓
Tremfya	Crohn’s disease	EC approval <sup>(7)</sup>	✓
Tremfya	ulcerative colitis	EC approval <sup>(7)</sup>	✓
TEV-‘749	schizophrenia	FDA filing <sup>(8)</sup>	✓
Trodely	1L mTNBC	FDA filing <sup>(2,9)</sup>	✓
Myqorzo	oHCM	FDA approval <sup>(10)</sup>	✓
ecopipam	Tourette’s syndrome	FDA filing <sup>(3)</sup>	

1L: first-line; mTNBC: metastatic triple negative breast cancer; oHCM: obstructive hypertrophic cardiomyopathy; IR: immediate release; HAE: hereditary angioedema; FDA: U.S. Food and Drug Administration; EC: European Commission

1. Teva Q4 earnings release, January 29, 2025. 2. Refers to Phase 3 ASCENT-04/KEYNOTE-D19 study (Gilead press release, April 21, 2025) and Phase 3 ASCENT-03 study (Gilead press release, May 23, 2025). 3. Emalex press release, October 8, 2025. 4. Roche Q3 earnings presentation, October 23, 2025. 5. Pharvaris press release, December 3, 2025. 6. Bristol Myers Squibb press release, April 22, 2025. 7. Johnson & Johnson Q3 earnings presentation, October 14, 2025. 8. Teva press release, December 9, 2025. 9. Gilead Q3 presentation, October 30, 2025. 10. Cytokinetics press release, December 19, 2025.

# Multiple pivotal readouts over next 24 months

Important Phase 3 results to potentially unlock value for development-stage pipeline

2026 events



**daraxonrasib**

2L PDAC, 2L NSCLC

Phase 3 results (2026 / 2027)<sup>(1,2)</sup>

~\$180m-\$340m peak royalties<sup>(3)</sup>



**pelacarsen**

Cardiovascular disease

Phase 3 results (2026)<sup>(1)</sup>

>\$150m peak royalties<sup>(3)</sup>



**litifilimab**

Lupus (SLE / CLE)

Phase 3 results (2026 / 2027)<sup>(1)</sup>

~\$125m peak royalties<sup>(3)</sup>

2027 events



**olpasiran**

Cardiovascular disease

Phase 3 results (2027)<sup>(2)</sup>

>\$375m peak royalties<sup>(3)</sup>



**frexalimab**

Multiple sclerosis

Phase 3 results (2027)<sup>(1)</sup>

>\$400m peak royalties<sup>(3)</sup>



**seltorexant**

Major depressive disorder

Phase 3 results (2027)<sup>(2)</sup>

>\$150m peak royalties<sup>(3)</sup>

2L: second-line; PDAC: pancreatic ductal adenocarcinoma; NSCLC: non-small cell lung cancer; SLE: systemic lupus erythematosus; CLE: cutaneous lupus erythematosus;

1. Phase 3 results timing for daraxonrasib (2L PDAC), pelacarsen, litifilimab (SLE, CLE) and frexalimab are based on marketer guidance. 2. Phase 3 results timing for olpasiran, daraxonrasib (2L NSCLC) and seltorexant are based on clinicaltrials.gov. 3. Peak royalties are calculated using peak sales based on the marketer guidance (the midpoint is used when ranges are provided) for frexalimab, pelacarsen, and seltorexant. Peak royalties for olpasiran, litifilimab, and daraxonrasib are based on peak sales from analyst research estimates. For daraxonrasib, peak royalties are calculated assuming royalty rates under required Revolution Medicines draw (Tranche 1 and Tranche 2) and maximum draw scenarios (Tranches 1 through 5). Tranche 1 was funded in June 2025 and the Tranche 2 draw is required by Revolution Medicines on positive Phase 3 data (RASolute 302). Revolution Medicines has the option to cancel Tranche 2 if it enters into an agreement to be acquired before a positive readout of the Phase 3 PDAC clinical trial. The midpoint of that range is used for the purpose of this presentation.

# Financial Results

Terrance Coyne

Executive Vice President  
Chief Financial Officer

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# Efficient model generates substantial cash flow to reinvest

in millions	Q4 2025		% Portfolio Receipts	FY 2025		% Portfolio Receipts
<b>Royalty Receipts<sup>(1,2)</sup></b>	<b>\$856</b>	+17% YoY		<b>\$3,127</b>	+13% YoY	
Milestones & other contractual receipts <sup>(1)</sup>	<b>\$18</b>	+42% YoY		<b>\$128</b>	nm	
<b>Portfolio Receipts<sup>(2)</sup></b>	<b>\$874</b>	<b>+18% YoY</b>		<b>\$3,254</b>	<b>+16% YoY</b>	
Payments for operating and professional costs <sup>(3)</sup>	<b>(\$58)</b>		6.7%	<b>(\$288)</b>		8.9%
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$816</b>		<b>93.3%</b>	<b>\$2,966</b>		<b>91.1%</b>
Interest paid, net	<b>(\$0)</b>			<b>(\$242)</b>		
<b>Portfolio Cash Flow (non-GAAP)</b>	<b>\$815</b>		<b>93.3%</b>	<b>\$2,724</b>		<b>83.7%</b>
Capital Deployment	<b>(\$887)</b>			<b>(\$2,596)</b>		
Share count <sup>(4)</sup>	<b>556</b>			<b>564</b>		

YoY: year over year; nm: not meaningful

Amounts may not add due to rounding.

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

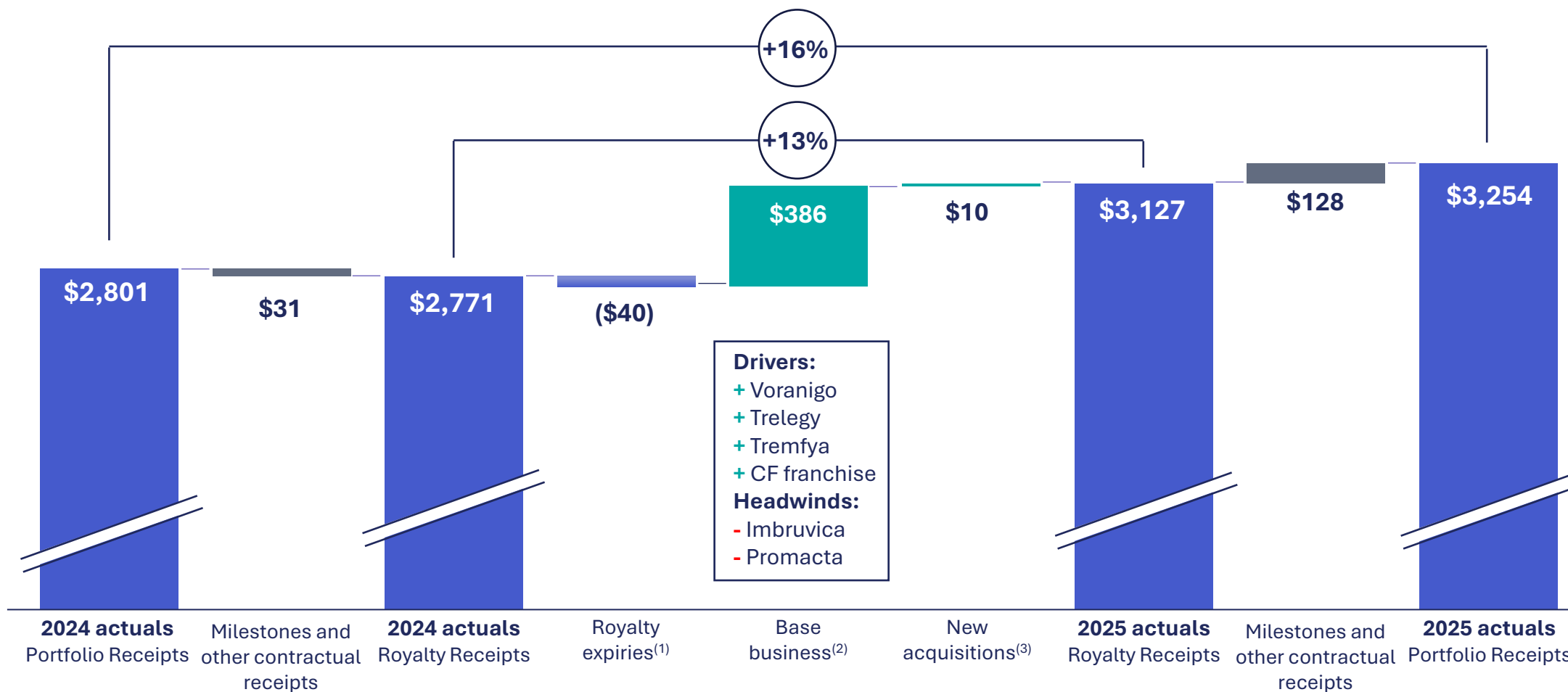
2. Royalty Receipts and Portfolio Receipts in 2025 do not include the \$511 million of proceeds from the Q1 2025 sale of the MorphoSys Development Funding Bonds.

3. Payments for operating and professional costs in 2025 include one-time payments amounting to approximately \$70 million (>2% of 2025 Portfolio Receipts), comprised of transaction costs for the Internalization and other one-time items.

4. Reflects weighted-average diluted Class A ordinary shares outstanding.

# Portfolio Receipts growth reflects strength of portfolio

2025 Portfolio Receipts growth (\$ in millions)



Amounts may not add due to rounding.

1. Primarily includes Entyvio and DPP-IVs.

2. Base business is defined as royalties in Royalty Pharma's portfolio as of December 31, 2024.

3. Includes Imdelltra.

# Portfolio continues to generate attractive returns

Remarkably stable returns since IPO with conservative leverage enhancing returns to shareholders

	2019-2025 (Average)	FY 2025	Comments
<b>Return on Invested Capital<sup>(1)</sup></b>	<b>14.9%</b>	<b>15.8%</b>	<ul style="list-style-type: none"> <li>• Reflects cash generated by the business relative to active capital invested</li> <li>• Aggregate business measures that complement individual deal returns</li> </ul>
<b>Return on Invested Equity<sup>(2)</sup></b>	<b>21.5%</b>	<b>22.8%</b>	<ul style="list-style-type: none"> <li>• ROIC and ROIE in 2025 benefited from the sale of the MorphoSys Development Funding Bonds</li> <li>• Remarkably stable returns: estimated standard deviation of +/- 1.2% (ROIC) and +/- 1.8% (ROIE)</li> </ul>

1. Return on Invested Capital ("ROIC") is calculated as Adjusted EBITDA plus accelerated receipts, less nominal equity performance awards (EPAs) earned ("ROIC Adjusted EBITDA") divided by the average of Invested Capital at Work at the beginning and end of the year. Invested Capital at Work is calculated as total cumulative Capital Deployment less cumulative Capital Deployment on expired products. Invested Capital at Work represents capital deployed for all active investments. Refer to slide 41 for the detailed buildup of Invested Capital at Work. 2. Return on Invested Equity ("ROIE") is calculated as Portfolio Cash Flow plus accelerated receipts, less nominal equity performance awards earned ("ROIE Portfolio Cash Flow") divided by the average of Invested Equity at Work at year-end and prior year-end. Invested Equity at Work is calculated as Invested Capital at Work less net debt. Refer to slide 41 for the detailed buildup of Invested Equity at Work. Refer to the Appendix for GAAP to non-GAAP reconciliations.

# Maintaining financial flexibility while returning capital

## Significant financial capacity to execute strategy

### Cash & cash equivalents

\$619m as of December 31, 2025

### Investment grade debt

\$9.2bn outstanding with weighted average duration of ~13 years; total leverage of 3.0x<sup>(1)</sup> and net leverage of 2.8x<sup>(2)</sup>

### Financial capacity

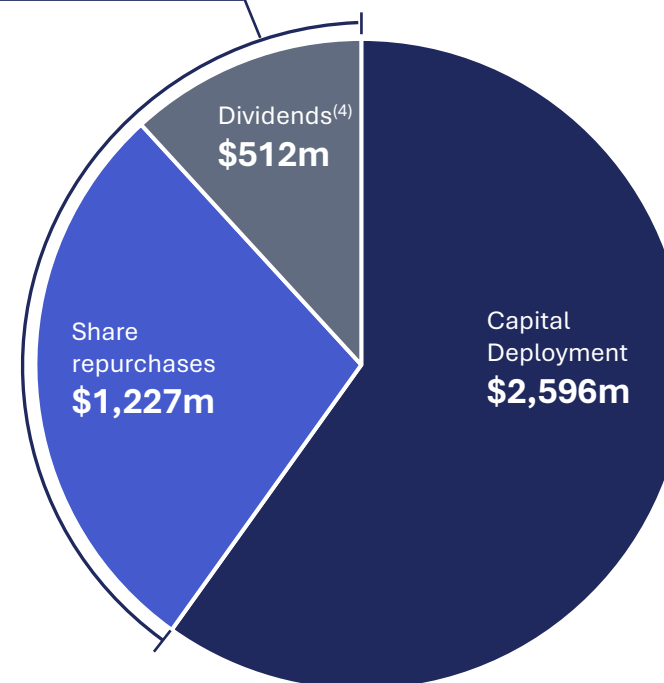
>\$3.5bn with cash on hand and additional leverage<sup>(3)</sup>; \$1.8bn revolving credit facility

### Return of capital

Repurchased \$1.2 billion (~37m shares) in 2025 with \$75m (~2m shares) in Q4 2025; increased dividend by 7% in Q1 2026

## Balanced capital allocation (2025)

Return of capital: ~\$1.7bn



1. Total leverage is calculated as Total debt divided by Adjusted EBITDA.

2. Net leverage is calculated as Total debt less cash and cash equivalents divided by Adjusted EBITDA.

3. Calculated based on total leverage ratio of ~4.0x. Total leverage is calculated as Total debt divided by Adjusted EBITDA (as defined in credit agreement filed with the SEC).

4. Reflects dividends and distributions.

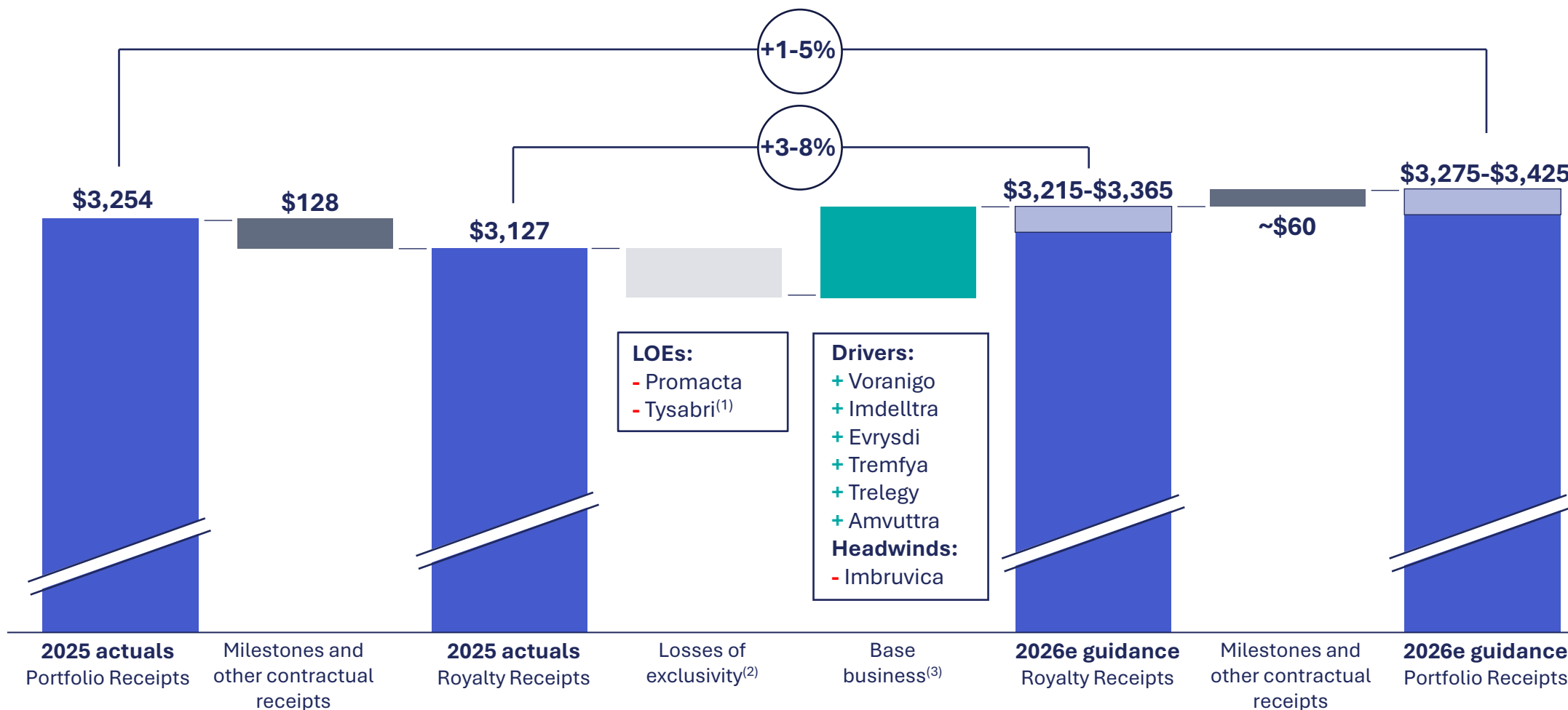
# Full year 2026 guidance<sup>(1,2)</sup>

	February 11, 2026	Comments
<b>Portfolio Receipts</b> excluding transactions announced subsequent to February 11, 2026 <sup>(1,2)</sup>	<b>\$3,275m - \$3,425m</b> (Royalty Receipts expected growth of 3%-8% yr/yr)	<ul style="list-style-type: none"> <li>• Strong portfolio performance</li> <li>• Milestones and other contractual receipts expected to decrease from \$128m in 2025 to ~\$60m in 2026</li> <li>• Reflects loss of exclusivity for Promacta, launch of biosimilar Tysabri in the United States and range of scenarios for IRA impact</li> </ul>
<b>Operating &amp; professional costs</b>	<b>~5.5% - 6.5%</b> of Portfolio Receipts	<ul style="list-style-type: none"> <li>• Reflects cost savings from the internalization</li> </ul>
<b>Interest paid</b>	<b>\$350m - \$360m</b>	<ul style="list-style-type: none"> <li>• Assumes no issuance of additional debt</li> <li>• Interest paid of ~\$175m in Q1 and Q3, with <i>de minimis</i> interest paid expected in Q2 and Q4</li> <li>• Excludes interest received (\$34m in 2025)</li> </ul>

1. See slide 28 for definitions and for additional information regarding Royalty Pharma's 2026 full-year financial guidance. 2. This guidance is as of February 11, 2026 and assumes no major unforeseen adverse events and excludes any potential contribution from transactions announced subsequent to that date. Furthermore, Royalty Pharma may amend its guidance in the event it engages in new royalty transactions which have a material near-term financial impact on the Company. See the information on slide 2, "Forward Looking Statements & Non-GAAP Measures," for factors that may impact the achievement of this guidance.



# Strong expected growth in 2026 despite losses of exclusivity



Amounts shown in millions. Amounts may not add due to rounding.

1. The Tysabri royalty is perpetual. Loss of exclusivity reflects the Sandoz U.S. launch of Tyruko, the first and only FDA-approved biosimilar to Biogen's Tysabri, in November 2025 and follows the launch of a biosimilar in Europe in 2023.

2. Includes primarily Promacta, Tysabri and Farxiga/Onglyza.

3. Base business is defined as royalties in Royalty Pharma's portfolio as of December 31, 2025.

# Conclusion

Pablo Legorreta

Chief Executive Officer, Chairman of the Board

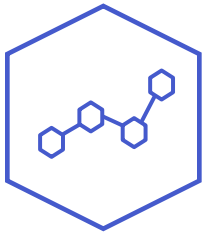
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# Powerful business positioned to drive strong value creation

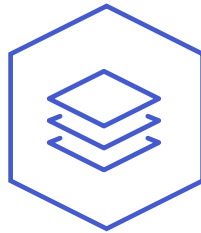
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Leader in biopharma royalty funding



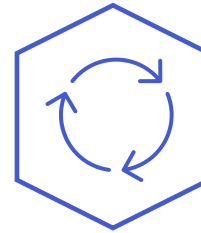
### Expanding market

Strong secular trend of growing needs for alternative forms of financing to fund biopharma innovation



### Unique platform

Best-in-class platform for investing in innovative products marketed by premier biopharma companies



### Attractive returns

Consistent unlevered mid-teens IRR and ROIC, >20% return on invested equity



### Robust growth

Strong, low volatility top- and bottom-line growth expected through 2030

IRR: internal rate of return; ROIC: return on invested capital

See slide 28 for definitions and factors that may impact the achievement of our growth outlook.

Top-line refers to Royalty Pharma's Portfolio Receipts and bottom-line refers to Portfolio Cash Flow.

# 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 non-controlling interest attributable to legacy investors that resulted from the Reorganization Transactions.
- 2) Portfolio Receipts is a key performance metric that represents Royalty Pharma's ability to generate cash from its portfolio investments, the primary source of capital available to 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 are attributed to Royalty Pharma ("Royalty Receipts"). 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 are attributed to Royalty Pharma. Portfolio Receipts does not include royalty receipts and milestones and other contractual receipts that were received on an accelerated basis under the terms of the agreement governing the receipt or payment. Portfolio Receipts also does not include proceeds from equity securities or marketable securities, both of which are not central to Royalty Pharma's fundamental business strategy, and excludes the \$511 million in 2025 proceeds from the sale of the MorphoSys Development Funding Bonds.

Portfolio Receipts is calculated as the sum of the following line items from Royalty Pharma's GAAP condensed 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.

- 3) Adjusted EBITDA is defined under the revolving credit agreement as Portfolio Receipts minus payments for operating and professional costs. Operating and professional costs reflect *Payments for operating and professional costs* from the statements of cash flows. Refer to the Appendix for a GAAP to non-GAAP reconciliation. See the Company's Annual Report on Form 10-K filed with SEC on February 12, 2025 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. Refer to the Appendix for a GAAP to non-GAAP reconciliation. See the Company's Annual Report on Form 10-K filed with SEC on February 12, 2025 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 Royalty Pharma's GAAP condensed 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*, less *Contributions from legacy non-controlling interests - R&D*.

- 6) Return on Invested Capital ("ROIC") is calculated as Adjusted EBITDA plus accelerated receipts, less nominal equity performance awards earned ("ROIC Adjusted EBITDA") divided by the average of Invested Capital at Work at the beginning and end of the year. Invested Capital at Work is calculated as total cumulative Capital Deployment less cumulative Capital Deployment on expired products. Invested Capital at Work represents capital deployed for all active investments. Using net cash provided by operating activities, the closest GAAP measure to ROIC Adjusted EBITDA, the ratios are 15.0% and 11.5% for ROIC, based on the 2019 to 2025 average and 2025, respectively. Refer to the Appendix for a GAAP to non-GAAP reconciliation.
- 7) Return on Invested Equity ("ROIE") is calculated as Portfolio Cash Flow plus accelerated receipts, less nominal equity performance awards earned ("ROIE Portfolio Cash Flow") divided by the average of Invested Equity at Work at year-end and prior year-end. Invested Equity at Work is calculated as Invested Capital at Work less net debt. Net debt is calculated as principal value of debt, less the sum of cash and cash equivalents and marketable securities as of each period end. Using net cash provided by operating activities, the closest GAAP measure to ROIE Portfolio Cash Flow, the ratios are 23.4% and 18.0% for ROIE, based on the 2019 to 2025 average and 2025, respectively. Refer to the Appendix for a GAAP to non-GAAP reconciliation.
- 8) Illustrative 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.

## Financial Targets and Long-Term Outlook

Royalty Pharma has not reconciled certain non-GAAP targets to the most directly comparable GAAP measure, net cash provided by operating activities, at this time due to the inherent difficulty in accurately forecasting and quantifying certain amounts that are necessary for such reconciliation, including, primarily, payments for operating and professional costs, distributions from equity method investees, and interest received. The Company is not able to forecast on a GAAP basis with reasonable certainty all adjustments needed in order to project net cash provided by operating activities on a GAAP basis at this time. Royalty Pharma's long-term outlook is based on its most up-to-date view on its prospects as of September 11, 2025. 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 2 "Forward Looking Statements & Non-GAAP Financial Information," for factors that may impact the long-term outlook.

# Appendix



# 2026 and 2027 clinical and regulatory events

## Clinical

### 2026

<b>obexelimab</b> Phase 3 results <sup>(1)</sup> (IgG4-RD)	<b>pelacarsen</b> Phase 3 results <sup>(4)</sup> (cardiovascular disease)	<b>daraxonrasib</b> Phase 3 results <sup>(7)</sup> (2L metastatic PDAC)
<b>litifilimab</b> Phase 3 results <sup>(2)</sup> (SLE)	<b>deucrictibant (XR)</b> Phase 3 results <sup>(5)</sup> (HAE attacks prophylaxis)	<b>Cobenfy</b> Phase 3 results <sup>(8)</sup> (ADP)
<b>Myqorzo</b> Phase 3 results <sup>(3)</sup> (nHCM)	<b>Trodelvy</b> Phase 3 results <sup>(6)</sup> (1L mNSCLC)	<b>Niktimvo</b> Phase 2 results <sup>(9)</sup> (IPF)
<b>obexelimab</b> Phase 2 results <sup>(1)</sup> (SLE)	<b>litifilimab</b> Phase 2 results <sup>(2)</sup> (CLE)	

### 2027

<b>olpasiran</b> Phase 3 results <sup>(10)</sup> (cardiovascular disease)	<b>frexalimab</b> Phase 3 results <sup>(11)</sup> (multiple sclerosis)	<b>seltorexant</b> Phase 3 results <sup>(10)</sup> (MDD)
<b>litifilimab</b> Phase 3 results <sup>(2)</sup> (CLE)	<b>daraxonrasib</b> Phase 3 results <sup>(10)</sup> (2L NSCLC)	<b>Imdelltra</b> Phase 3 results <sup>(10)</sup> (1L SCLC)

## Regulatory

### 2026

<b>TEV-‘749</b> FDA approval <sup>(12)</sup> (schizophrenia)	<b>zidesamtinib</b> FDA approval <sup>(14)</sup> (ROS1+ NSCLC)	<b>Trodelvy</b> FDA approval <sup>(15)</sup> (1L mTNBC)
<b>tividenofusp alfa</b> FDA approval <sup>(13)</sup> (Hunter syndrome)	<b>neladalkib</b> FDA filing <sup>(14)</sup> (ALK+ NSCLC)	<b>pelabresib</b> EMA filing <sup>(4)</sup> (myelofibrosis)
<b>deucrictibant (IR)</b> FDA filing <sup>(5)</sup> (HAE attacks)	<b>obexelimab</b> FDA filing <sup>(1)</sup> (IgG4-RD)	

### 2027

<b>deucrictibant (IR)</b> FDA approval (HAE attacks)	<b>pelacarsen</b> FDA approval (cardiovascular disease)	<b>litifilimab</b> FDA filing (SLE)
<b>obexelimab</b> FDA approval (IgG4-RD)	<b>pelabresib</b> EMA approval (myelofibrosis)	<b>neladalkib</b> FDA approval (ALK+ NSCLC)

Regulatory events in 2027 are estimated based on the timing of Phase 3 results and expected filing timelines.

1L: first-line; 2L: second-line; IgG4-RD: immunoglobulin G4 related disease; SLE: systemic lupus erythematosus; nHCM: non-obstructive hypertrophic cardiomyopathy; CLE: cutaneous lupus erythematosus; HAE: hereditary angioedema; mNSCLC: metastatic non small cell lung cancer; PDAC: pancreatic ductal adenocarcinoma; ADP: Alzheimer’s Disease Psychosis; IPF: idiopathic pulmonary fibrosis; MDD: major depressive disorder; SCLC: small cell lung cancer; ROS1: ROS proto-oncogene 1; NSCLC: non small cell lung cancer; ALK+: anaplastic lymphoma kinase-positive; mTNBC: metastatic triple negative breast cancer; FDA: Food and Drug Administration; EMA: European Medicines Agency

1. Zenas BioPharma press release, January 5, 2026. 2. Biogen Q4 earnings presentation, February 6, 2026. 3. Cytokinetics Q3 press release, November 5, 2025. 4. Novartis Q4 presentation, February 4, 2026. 5. Pharvaris press release, January 12, 2026. 6. Gilead presentation, January 12, 2026. Refers to Phase 3 EVOKE-03 study. 7. Revolution Medicines Q3 press release, November 5, 2025. 8. Bristol Myers Squibb Q4 presentation, February 5, 2026. 9. Syndax presentation, January 12, 2026. 10. clinicaltrials.gov. 11. Sanofi Q4 presentation, January 29, 2026. 12. Teva Q4 presentation, January 28, 2026. 13. Denali Therapeutics press release, January 6, 2026. 14. Nuvalent press release, January 12, 2026. The FDA has assigned a PDUFA date of September 18, 2026 for zidesamtinib. 15. Gilead presentation, January 12, 2026. Refers to Phase 3 ASCENT-04/KEYNOTE-D19 study and Phase 3 ASCENT-03 study.

# Development-stage pipeline: 20 potential therapies

Initial and additional indications for development-stage therapies

	Phase 2		Phase 3			Registration
Initial indication	<b>CK-586</b> Heart failure	<b>tulmimetostat</b> (CPI-0209) Blood cancer, solid tumors	<b>omecamtiv mecarbil</b> Heart failure	<b>pelacarsen</b> CV disease (secondary prevention)	<b>olpasiran</b> CV disease (secondary prevention)	<b>TEV-‘749</b> Schizophrenia
	<b>TEV-‘408<sup>(1)</sup></b> Vitiligo	<b>neladalkib<sup>(2)</sup></b> 2L+ ALK-positive NSCLC	<b>trontinemab</b> Early symptomatic AD	<b>ampreloxtine</b> Symptomatic nOH in MSA	<b>seltorexant</b> MDD w/insomnia symptoms	<b>tividenofusp alfa</b> MPS II (Hunter syndrome)
			<b>daraxonrasib</b> 2L metastatic pancreatic cancer	<b>pelabresib</b> Myelofibrosis	<b>ecopipam</b> Tourette syndrome	<b>zidesamtinib</b> 2L+ ROS1-positive NSCLC
				<b>litifilimab</b> Systemic lupus erythematosus	<b>frexalimab</b> Relapsing multiple sclerosis	
				<b>obexelimab</b> IgG4-related disease	<b>deucricitibant</b> (IR) Hereditary angioedema	
Additional indication	<b>obexelimab</b> Relapsing multiple sclerosis	<b>frexalimab</b> FSGS or MCD	<b>trontinemab<sup>(4)</sup></b> Preclinical AD	<b>daraxonrasib</b> 2L/3L metastatic NSCLC	<b>olpasiran</b> CV disease (primary prevention)	
	<b>obexelimab</b> Systemic lupus erythematosus	<b>frexalimab</b> Type 1 diabetes	<b>deucricitibant</b> (XR) Hereditary angioedema	<b>daraxonrasib</b> 1L metastatic pancreatic cancer	<b>litifilimab</b> Cutaneous lupus erythematosus	
	<b>TEV-‘408</b> Celiac disease	<b>zidesamtinib<sup>(3)</sup></b> 1L ROS1-positive NSCLC	<b>deucricitibant</b> AAE-C1INH	<b>daraxonrasib</b> Resectable pancreatic cancer	<b>frexalimab</b> Secondary progressive multiple sclerosis	
				<b>daraxonrasib</b> (+ pembrolizumab) 1L NSCLC		
				<b>neladalkib</b> 1L ALK-positive NSCLC		

■ Rare disease
■ Neuroscience
■ Oncology
■ Immunology
■ Cardio-Metabolic

1L: first-line; 2L: second-line; 3L: third-line; FSGS: focal segmental glomerulosclerosis; MCD: minimal change disease; AD: Alzheimer's disease; ALK: Anaplastic Lymphoma Kinase; NSCLC: non small cell lung cancer; XR: extended release; AAE-C1INH: acquired angioedema due to C1-inhibitor deficiency; ROS1: ROS proto-oncogene 1; CV: cardiovascular; nOH: neurogenic orthostatic hypotension; MSA: multiple system atrophy; IgG4-RD: immunoglobulin G4-related disease; MDD: major depressive disorder; IR: immediate release

1. Teva is targeting to start a Phase 2b study in vitiligo in 2026. 2. ALKOVE-1 Phase 1/2 clinical trial is designed with registrational intent. 3. ARROS-1 Phase 1/2 Clinical Trial is designed with registrational intent. 4. Roche plans to initiate a Phase 3 in pre-clinical Alzheimer's disease.

# Approved royalty portfolio: significant label expansion opportunities

Additional indications for approved products

Additional indication	Phase 2		Phase 3			Registration
	<b>Trodelvy</b> (+ combinations) 1L mUC	<b>Niktimvo</b> (+ Jakafi) 1L cGvHD	<b>Trodelvy</b> (+pembrolizumab) <sup>(3)</sup> 1L mNSCLC	<b>Trodelvy</b> (+ pembrolizumab) High risk adjuvant TNBC	<b>Cobenfy</b> Psychosis in Alzheimer's disease	<b>Spinraza</b> (higher dose) Spinal Muscular Atrophy
	<b>Trodelvy</b> (+ pembrolizumab) <sup>(1)</sup> 1L mNSCLC	<b>Tremfya + golimumab</b> Ulcerative colitis, Crohn's disease	<b>Trodelvy</b> 1L HR+/HER2- mBC post endocrine	<b>Trodelvy</b> 2L+ mEC	<b>Cobenfy</b> Agitation in Alzheimer's disease	<b>Tremfya</b> PsA Structural Damage
	<b>Trodelvy</b> Lung, HNSCC and endometrial	<b>Niktimvo</b> Idiopathic pulmonary fibrosis	<b>Trodelvy</b> Extensive-stage SCLC	<b>Adstiladrin</b> (+ chemo, pembrolizumab) High risk NMIBC	<b>Cobenfy</b> Bipolar I Disorder	<b>Trodelvy</b> (+ pembrolizumab) 1L mTNBC (PD-L1+)
	<b>Adstiladrin</b> Low-grade UTUC		<b>Erleada</b> High risk prostate cancer <sup>(4)</sup>	<b>Adstiladrin</b> Intermediate risk NMIBC	<b>Cobenfy</b> Alzheimer's disease cognition	<b>Trodelvy</b> 1L TNBC (PD-L1-)
			<b>Erleada</b> Localized prostate cancer <sup>(5)</sup>	<b>Tazverik</b> (+ Revlimid, Rituxan) 2L Follicular lymphoma	<b>Cobenfy</b> Adjunctive bipolar mania	
			<b>Rytelo</b> R/R myelofibrosis	<b>Niktimvo</b> (+ steroids) 1L cGvHD	<b>Imdelltra</b> 1L Limited-Stage SCLC	
			<b>salanersen</b> (once-yearly) Spinal Muscular Atrophy	<b>Skytrofa</b> Growth hormone indications <sup>(2)</sup>	<b>Imdelltra</b> (+ Imfinzi) 1L Induction ES SCLC	
				<b>Myqorzo</b> nHCM	<b>Imdelltra</b> (+ Imfinzi) 1L Maintenance ES SCLC	
					<b>Imdelltra</b> Advanced NECs	

■ Rare disease   
 ■ Neuroscience   
 ■ Oncology  
■ Immunology   
 ■ Cardio-Metabolic

1L: first-line; 2L: second-line; mUC: metastatic urothelial carcinoma; mNSCLC: metastatic non-small-cell lung carcinoma; HNSCC: head and neck squamous cell carcinoma; UTUC: upper tract urothelial carcinoma; cGvHD: chronic graft versus host disease; TNBC: triple negative breast cancer; HR+/HER2-: hormone receptor-positive, human epidermal growth factor receptor 2-negative; mBC: metastatic breast cancer; SCLC: small cell lung cancer; R/R: relapsed/refractory; mTNBC: metastatic triple negative breast cancer; mEC: metastatic endometrial cancer; NMIBC: non-muscle invasive bladder cancer; nHCM: non-obstructive hypertrophic cardiomyopathy; ES: extensive-stage; NECs: neuroendocrine carcinomas; PsA: psoriatic arthritis

1. EVOKE-02. 2. Ascendis plans to initiate a basket trial in the fourth quarter of 2025 for several established growth-hormone indications including: Idiopathic Short Stature (ISS), short stature homeobox-containing gene deficiency (SHOX deficiency), Turner syndrome, and Small for Gestational Age (SGA). 3. EVOKE-03. 4. High risk localized advanced prostate cancer prior to radical prostatectomy. 5. High risk localized advanced prostate cancer receiving primary radiation therapy.



# Expanding Teva partnership with R&D funding on TEV-‘408

## Deal structure drives attractive risk/reward

### Transaction terms

Risk-mitigated partnership structure; RP provides \$75m to co-fund Phase 2b study with additional funding available at RP option after study results<sup>(1)</sup>

### TEV-‘408: potential BIC anti-IL-15 mAB for autoimmune diseases<sup>(2)</sup>

Emerging Phase 1b vitiligo data support potential best-in-class efficacy; attractive subcutaneous profile with potential for quarterly dosing

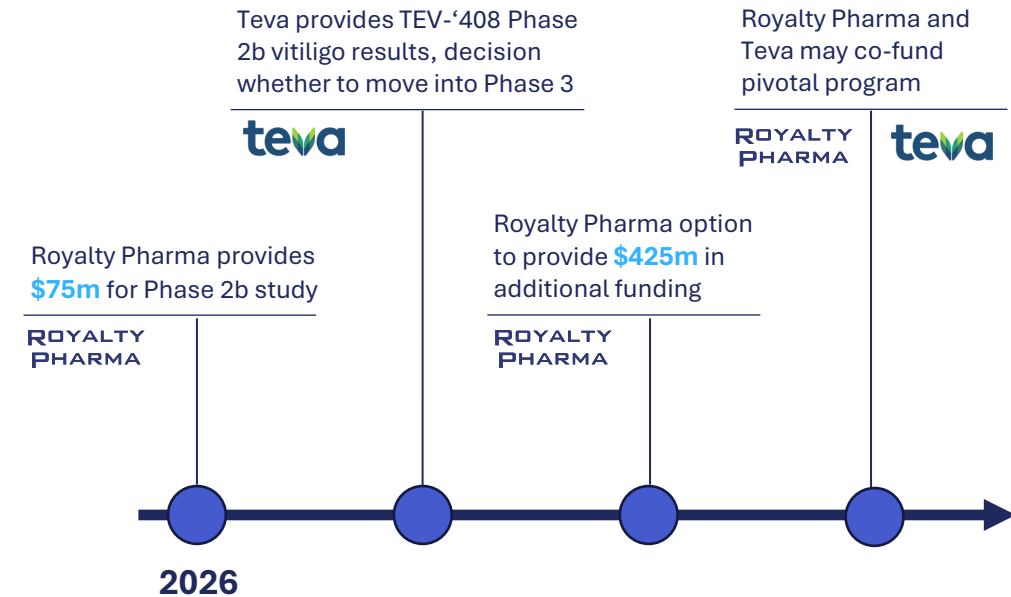
### High unmet patient need in lead indication vitiligo

Opzelura the only FDA approved therapy but use restricted to 10% of body's surface; standard of care therapies have limited efficacy and durability<sup>(3)</sup>

### Attractive returns and large market opportunity

Expect unlevered IRR in the teens; RP sees blockbuster potential for TEV-‘408 in vitiligo with ~3m U.S. prevalence<sup>(4)</sup> and >1m patients diagnosed<sup>(5)</sup>

## RP option to scale investment following Phase 2b results



BIC: best-in-class; mAB: monoclonal antibody

1. Royalty Pharma and Teva transaction announced on January 11, 2026.

2. Autoimmune diseases include vitiligo, celiac disease, eosinophilic esophagitis, alopecia areata, atopic dermatitis, Sjogren's syndrome, systemic lupus erythematosus and rheumatoid arthritis, among others.

3. Standard of care therapies include topicals (Incyte's Opzelura, corticosteroids, calcineurin inhibitors) and phototherapy.

4. Gandhi et al. JAMA Dermatol 2021.

5. Royalty Pharma claims analysis.

# Acquired remaining royalty on Roche's Evrysdi from PTC Therapeutics

 **Evrysdi** – leading product in the ~\$5 billion SMA market<sup>(1)</sup>

## Transaction terms

December 2025: \$240m upfront, up to \$60m in sales-based milestones<sup>(2)</sup>; RP now owns 100% of the tiered 8% to 16% royalty on worldwide sales<sup>(3)</sup>

## Preferred therapy in blockbuster SMA market

Key growth driver for Roche; treated >21,000 patients globally<sup>(4)</sup> driven by strong clinical benefit and compelling convenience advantage as an oral therapy

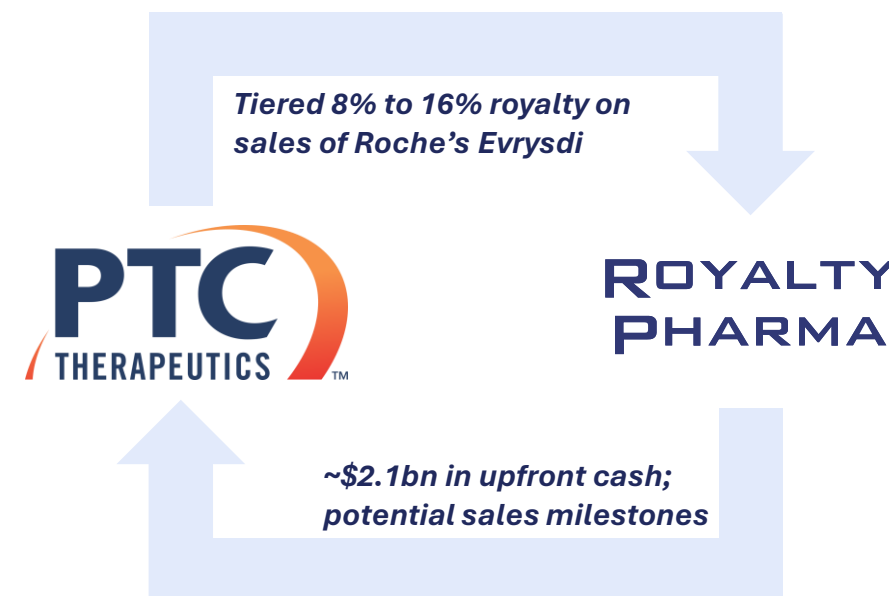
## RP diligence supports continued growth

Extensive diligence across 3 transactions with PTC Therapeutics underpins RP's conviction of future growth; consensus sales of ~\$3bn by 2031

## Attractive returns

Expected unlevered IRR in high single to low double digits under a range of scenarios, consistent with our return target for approved therapies

## Acquired entire Evrysdi royalty across 3 transactions



SMA: spinal muscular atrophy; IRR: internal rate of return

1. SMA market is the sum of 2025 sales of Roche's Evrysdi, Novartis' Zolgensma and Biogen's Spinraza.

2. Royalty Pharma and PTC therapeutics transaction announced on December 29, 2025.

3. Royalty Pharma is entitled to royalties of 8% on annual sales up to \$500 million, 11% on annual sales between \$500 million and \$1 billion, 14% on annual sales between \$1 billion and \$2 billion, and 16% on annual sales over \$2 billion.

4. Roche 2025 results presentation, January 29, 2026.

5. Visible Alpha consensus sales as of February 5, 2026.

# Acquired royalties on Nuvalent's neladalkib and zidesamtinib for NSCLC

## Two premier oncology therapies

### Transaction terms

Up to \$315m to acquire a 1.5% royalty on each therapy<sup>(2)</sup>; expected to generate IRR in the teens

### High unmet patient need in ALK+/ROS1 NSCLC

Existing TKIs offer efficacy and safety tradeoffs (such as CNS side effects), impacting time on therapy

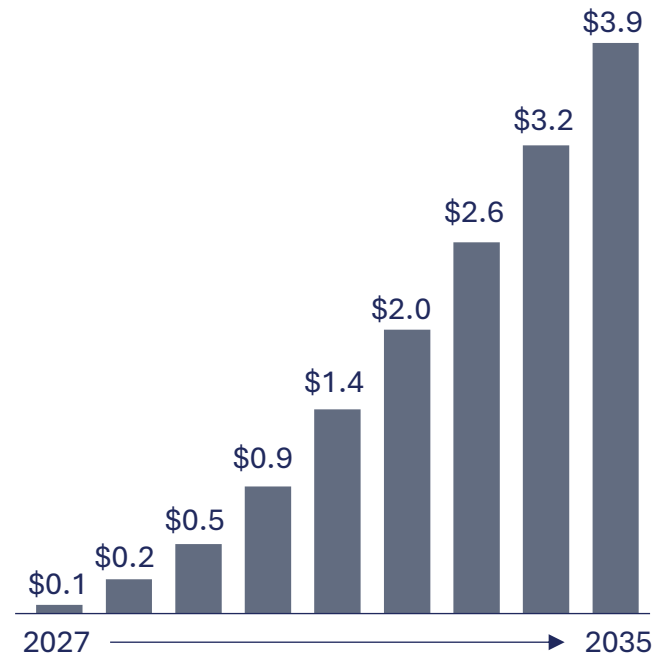
### Strong clinical results for both therapies

Deep and durable responses in TKI-pre-treated patients; best-in-class tolerability profile

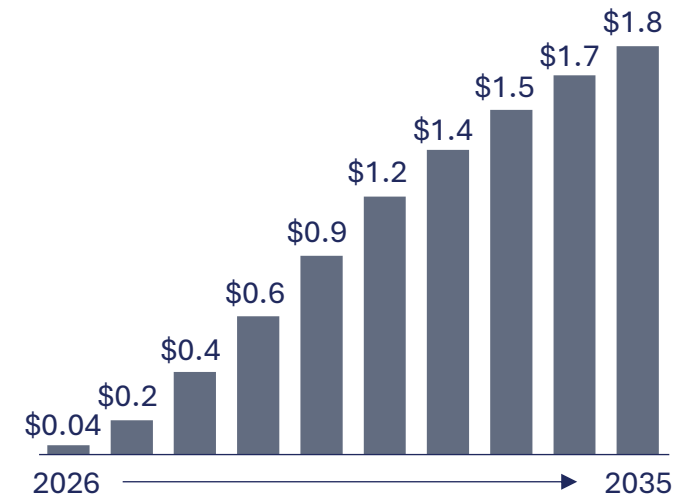
### Large market with growth potential

ALK+ NSCLC market ~\$3bn in 2024 sales<sup>(3)</sup>; Xalkori (ROS1 market leader) generates sales of ~\$400m+<sup>(4)</sup>

## Neladalkib (ALK+) consensus sales<sup>(1)</sup> (\$ in billions)



## Zidesamtinib (ROS1) consensus sales<sup>(1)</sup> (\$ in billions)



NSCLC: non-small cell lung cancer; ALK+: Anaplastic Lymphoma Kinase Positive; ROS1: ROS proto-oncogene 1; IRR: internal rate of return; TKI: tyrosine kinase inhibitor; TRK: tropomyosin receptor kinase; CNS: central nervous system

1. Visible Alpha unadjusted consensus sales as of December 2025.

2. Royalty Pharma transaction to acquire neladalkib and zidesamtinib royalties announced on December 16, 2025.

3. Represents global sales of Xalkori (crizotinib) and Lorbrena (lorlatinib) which are marketed by Pfizer, Alecensa (alectinib) which is marketed by Roche and Alunbrig (brifatinib) which is marketed by Takeda.

4. Nuvalent at the Cowen Oncology Innovation Summit, May 25, 2025.

# Tividenofusp alfa synthetic royalty funding

## Tividenofusp alfa for Hunter syndrome

### Transaction terms

\$200m payment to Denali on FDA accelerated approval (PDUFA date of April 5, 2026) and \$75m on EMA approval<sup>(1,2)</sup>; entitled to 9.25% royalty on worldwide net sales<sup>(3)</sup>

### Compelling patient benefit

Denali’s TransportVehicle platform optimizes brain delivery; tividenofusp alfa Phase 1/2 results normalized key biomarkers of neurological and peripheral disease

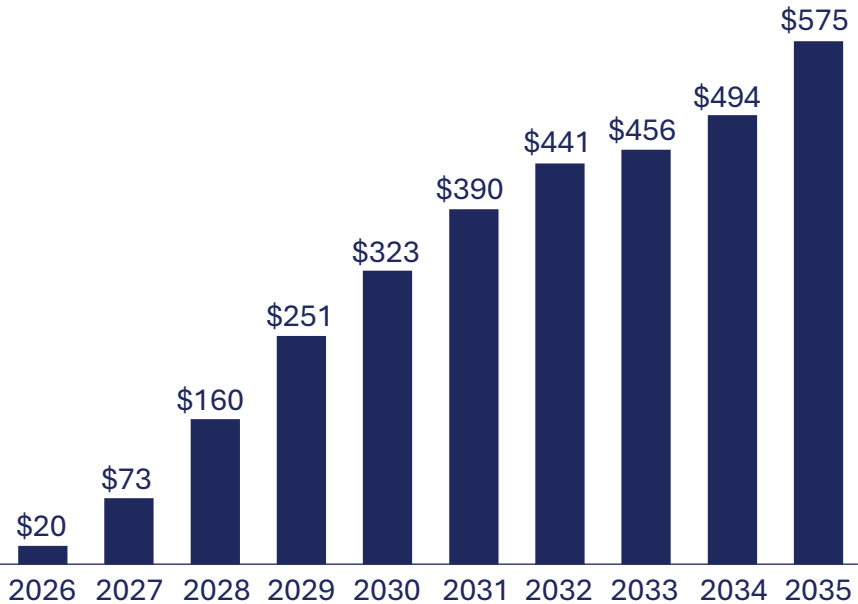
### Addressing significant unmet patient need in rare orphan condition

>2,000 patients globally with Hunter syndrome and >2/3 have neurological disease; Current standard of care (Elaprase) does not address neurological symptoms

### Attractive returns

Transaction expected to deliver unlevered IRR in the low double digits to low teens under a range of scenarios

## Tividenofusp alfa consensus sales<sup>(4)</sup> (\$ in millions)

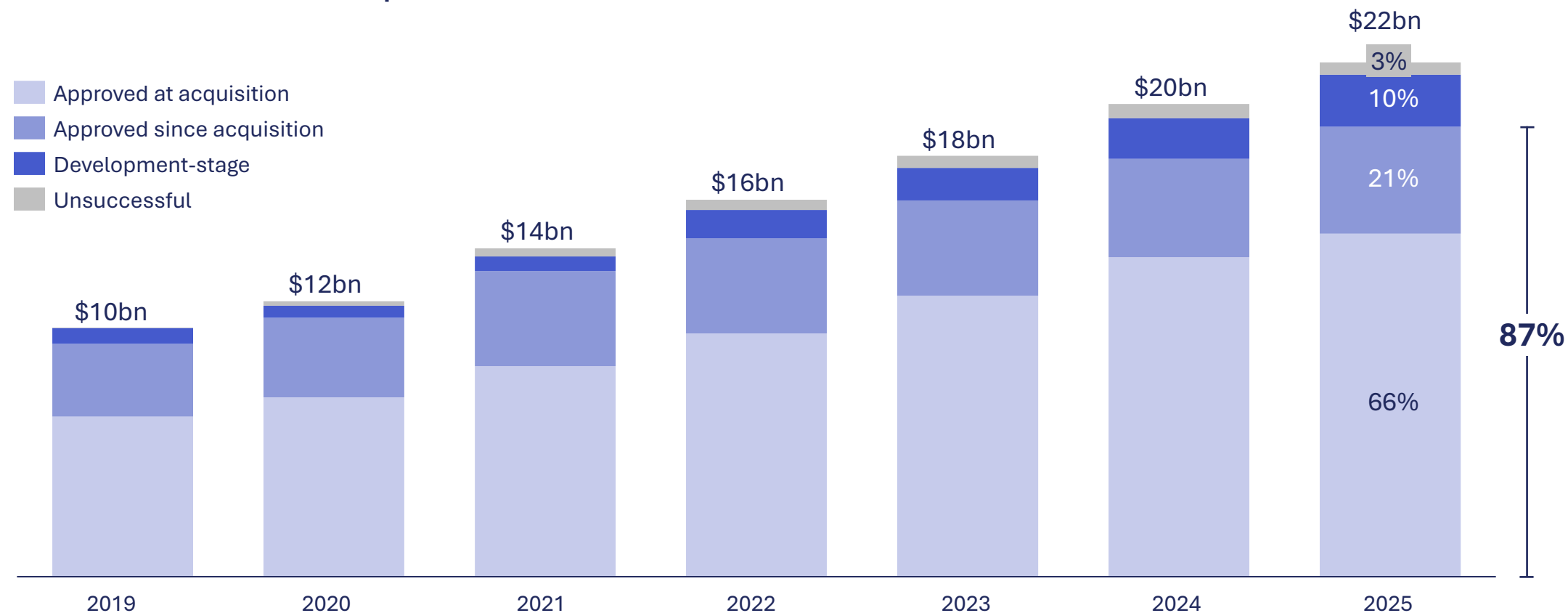


IRR: internal rate of return; FDA: Food and Drug Administration; EMA: European Medicines Agency  
1. Royalty Pharma transaction to acquire tividenofusp alfa royalty announced on December 4, 2025.  
2. Payment on EMA approval if achieved by December 31, 2029.  
3. Royalty payments to Royalty Pharma cease upon reaching multiple of 3.0x, or 2.5x if achieved by the first quarter of 2029.  
4. Visible Alpha unadjusted consensus sales, December 1, 2025.

# 87% of current invested capital in approved products

Low-risk portfolio driven by capital deployment in approved products and successful development-stage investments

## Breakdown of total Invested Capital at Work<sup>(1)</sup>



Amounts may not add due to rounding.

1. Represents average of Invested Capital at Work at the beginning and end of the year.

# GAAP to non-GAAP reconciliation

## Adjusted EBITDA and ROIC Adjusted EBITDA

\$ in millions	2019 (PF) <sup>(1)</sup>	2020	2021	2022 (PF) <sup>(2)</sup>	2023 (PF) <sup>(2)</sup>	2024	2025
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$1,742</b>	<b>\$2,035</b>	<b>\$2,018</b>	<b>\$2,144</b>	<b>\$2,988</b>	<b>\$2,769</b>	<b>\$2,490</b>
<i>Adjustments:</i>							
Proceeds from available for sale debt securities	\$150	\$3	\$63	\$542	\$1	\$20	\$21
Distributions from equity method investees	-	\$15	\$1	-	\$44	\$24	\$105
Interest paid, net	\$206	\$131	\$143	\$145	\$98	\$113	\$242
Derivative collateral received, net	-	(\$45)	-	-	-	-	-
Development-stage funding payments	\$83	\$26	\$200	\$177	\$52	\$2	\$452
Payments for Employee EPAs	-	-	-	-	-	-	\$11
Distributions to legacy NCI - Portfolio Receipts	(\$525)	(\$544)	(\$480)	(\$442)	(\$377)	(\$362)	(\$355)
Accelerated Receipts	-	-	-	(\$458)	(\$525)	-	-
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$1,656</b>	<b>\$1,621</b>	<b>\$1,944</b>	<b>\$2,109</b>	<b>\$2,281</b>	<b>\$2,565</b>	<b>\$2,996</b>
Accelerated Receipts	-	-	-	\$458	\$525	-	\$511
Equity performance awards <sup>(3)</sup>	(\$153)	-	-	-	-	-	(\$81)
<b>ROIC Adjusted EBITDA (non-GAAP)</b>	<b>\$1,503</b>	<b>\$1,621</b>	<b>\$1,944</b>	<b>\$2,566</b>	<b>\$2,806</b>	<b>\$2,565</b>	<b>\$3,396</b>

Amounts may not add due to rounding. NCI: non-controlling interests. PF: Proforma. EPAs: Equity performance awards.

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. Additionally, the 2019 results were also adjusted to exclude the legacy non-controlling interest portion of interest paid and operating expenses.

2. The 2022 and 2023 results are calculated on a pro forma basis to exclude Accelerated Receipts (as defined in the Credit Agreement) as if Amendment No. 5 of the Credit Agreement had taken effect on January 1, 2019.

3. Amount in 2019 reflects the portion of carry distributed adjusted on a pro forma basis as if our Reorganization Transaction and our initial public offering had taken place on January 1, 2019.

# GAAP to non-GAAP reconciliation

## Portfolio Cash Flow and ROIE Portfolio Cash Flow

\$ in millions	2019 (PF) <sup>(1)</sup>	2020	2021	2022 (PF) <sup>(2)</sup>	2023 (PF) <sup>(2)</sup>	2024	2025
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$1,742</b>	<b>\$2,035</b>	<b>\$2,018</b>	<b>\$2,144</b>	<b>\$2,988</b>	<b>\$2,769</b>	<b>\$2,490</b>
<i>Adjustments:</i>							
Proceeds from available for sale debt securities	\$150	\$3	\$63	\$542	\$1	\$20	\$21
Distributions from equity method investees	-	\$15	\$1	-	\$44	\$24	\$105
Interest paid, net	\$206	\$131	\$143	\$145	\$98	\$113	\$242
Derivative collateral received, net	-	(\$45)	-	-	-	-	-
Development-stage funding payments	\$83	\$26	\$200	\$177	\$52	\$2	\$452
Payments for Employee EPAs	-	-	-	-	-	-	\$11
Distributions to legacy NCI - Portfolio Receipts	(\$525)	(\$544)	(\$480)	(\$442)	(\$377)	(\$362)	(\$355)
Accelerated Receipts	-	-	-	(\$458)	(\$525)	-	-
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$1,656</b>	<b>\$1,621</b>	<b>\$1,944</b>	<b>\$2,109</b>	<b>\$2,281</b>	<b>\$2,565</b>	<b>\$2,996</b>
Interest paid, net	(\$206)	(\$131)	(\$143)	(\$145)	(\$98)	(\$113)	(\$242)
<b>Portfolio Cash Flow (non-GAAP)</b>	<b>\$1,450</b>	<b>\$1,490</b>	<b>\$1,801</b>	<b>\$1,964</b>	<b>\$2,183</b>	<b>\$2,452</b>	<b>\$2,724</b>
Accelerated Receipts	-	-	-	\$458	\$525	-	\$511
Equity performance awards <sup>(3)</sup>	(\$153)	-	-	-	-	-	(\$81)
<b>ROIE Portfolio Cash Flow (non-GAAP)</b>	<b>\$1,297</b>	<b>\$1,490</b>	<b>\$1,801</b>	<b>\$2,421</b>	<b>\$2,708</b>	<b>\$2,452</b>	<b>\$3,154</b>

Amounts may not add due to rounding. NCI: non-controlling interests. PF: Proforma. EPAs: Equity performance awards.

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. Additionally, the 2019 results were also adjusted to exclude the legacy non-controlling interest portion of interest paid and operating expenses.

2. The 2022 and 2023 results are calculated on a pro forma basis to exclude Accelerated Receipts (as defined in the Credit Agreement) as if Amendment No. 5 of the Credit Agreement had taken effect on January 1, 2019.

3. Amount in 2019 reflects the portion of carry distributed adjusted on a pro forma basis as if our Reorganization Transaction and our initial public offering had taken place on January 1, 2019.

# Capital Deployment summary

\$ in millions	2019 (PF) <sup>(1)</sup>	2020	2021	2022	2023	2024	2025
Acquisitions of financial royalty assets	(\$1,721)	(\$2,182)	(\$2,192)	(\$1,742)	(\$2,116)	(\$2,506)	(\$1,698)
Development-stage funding payments	(\$83)	(\$26)	(\$200)	(\$177)	(\$52)	(\$2)	(\$452)
Purchases of available for sale debt securities	(\$125)	-	(\$70)	(\$480)	-	(\$150)	(\$175)
Milestone payments	(\$250)	-	(\$19)	-	(\$12)	(\$75)	(\$271)
Investments in equity method investees	(\$27)	(\$40)	(\$35)	(\$10)	(\$13)	(\$11)	-
Acquisitions of other financial assets	-	-	-	(\$21)	-	(\$18)	-
Contributions from legacy NCI – R&D	\$19	\$8	\$7	\$1	\$1	\$1	\$0
<b>Capital Deployment</b>	<b>(\$2,187)</b>	<b>(\$2,240)</b>	<b>(\$2,508)</b>	<b>(\$2,428)</b>	<b>(\$2,192)</b>	<b>(\$2,761)</b>	<b>(\$2,596)</b>

Amounts may not add due to rounding. NCI: non-controlling interests. PF: Proforma.

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. Additionally, the 2019 results were also adjusted to exclude the legacy non-controlling interest portion of interest paid and operating expenses.



# Invested Capital at Work and Invested Equity at Work summary

\$ in millions	2019 (PF)	2020	2021	2022	2023	2024	2025
<b>Beginning Invested Capital at Work</b>	<b>\$10,312</b>	<b>\$10,424</b>	<b>\$12,504</b>	<b>\$14,837</b>	<b>\$16,535</b>	<b>\$18,496</b>	<b>\$20,848</b>
Capital Deployment <sup>(1)</sup>	\$1,818	\$2,240	\$2,508	\$2,428	\$2,192	\$2,761	\$2,596
Expiries <sup>(2)</sup>	(\$1,707)	(\$159)	(\$176)	(\$730)	(\$231)	(\$409)	(\$1,173)
<b>Ending Invested Capital at Work</b>	<b>\$10,424</b>	<b>\$12,504</b>	<b>\$14,837</b>	<b>\$16,535</b>	<b>\$18,496</b>	<b>\$20,848</b>	<b>\$22,271</b>
Net debt <sup>(3)</sup>	(\$4,890)	(\$4,008)	(\$5,177)	(\$5,565)	(\$5,823)	(\$6,871)	(\$8,561)
<b>Ending Invested Equity at Work</b>	<b>\$5,534</b>	<b>\$8,496</b>	<b>\$9,660</b>	<b>\$10,970</b>	<b>\$12,673</b>	<b>\$13,977</b>	<b>\$13,710</b>
<b>Average Invested Capital at Work</b>	<b>\$10,368</b>	<b>\$11,464</b>	<b>\$13,671</b>	<b>\$15,686</b>	<b>\$17,516</b>	<b>\$19,672</b>	<b>\$21,560</b>
<b>Average Invested Equity at Work</b>	<b>\$6,010</b>	<b>\$7,015</b>	<b>\$9,078</b>	<b>\$10,315</b>	<b>\$11,822</b>	<b>\$13,325</b>	<b>\$13,844</b>

Amounts may not add due to rounding. NCI: non-controlling interests. PF: Proforma.

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. Further, it was adjusted to include contributions from non-controlling interests on non-R&D assets.

2. Reflects capital deployment associated with expired or partially expired royalty investments.

3. Net debt is calculated as principal value of debt, less the sum of cash and cash equivalents and marketable securities as of each period end.