Royalty Pharma plc

Company Registered Number 12446913

Annual Report and Financial Statements for the year ended December 31, 2024

INTRODUCTION AND CONTENTS

Royalty Pharma plc (the "Company" or the "Parent Company") is a public limited company incorporated under the laws of England and Wales and is listed on The Nasdaq Global Select Market. The term "Group" refers to Royalty Pharma plc and its subsidiaries on a consolidated basis. RP Management, LLC (the "Manager") is an external advisor which provides the Company with all advisory and day-to-day management services. This section therefore covers the requirements for being a quoted company within the meaning of the Companies Act 2006, as follows:

This UK Annual Report and Accounts has been prepared to satisfy the Companies Act 2006 and will be included in the 2025 Annual Meeting materials made available to shareholders.

COMPANY INFORMATION

Registered Office	The Pavilions, Bridgwater Road, Bristol, England, BS13 8AE
Company Registered Number	12446913
Directors	Pablo Legorreta Bonnie Bassler Errol De Souza Catherine Engelbert Henry Fernandez M. Germano Giuliani - served through June 6, 2024 David Hodgson Ted Love Gregory Norden Rory Riggs - served through June 6, 2024
Company Secretary	Computershare Company Secretarial Services Limited The Pavilions, Bridgwater Road, Bristol, England, BS13 8AE
Independent Auditors	Ernst & Young Chartered Accountants EY Building, Harcourt Centre, Harcourt Street, Dublin 2 Ireland

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROYALTY PHARMA PLC

Opinion

In our opinion:

- Royalty Pharma plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Royalty Pharma plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise:

Group	Parent company
Consolidated balance sheet as at 31 December 2024	Balance sheet as at 31 December 2024
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 12 to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 18 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"] (United Kingdom Generally Accepted Accounting Practice). The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included

- obtaining management's assessment of the going concern status of the group and parent company;
- evaluating management's method of assessing going concern in light of market volatility and the present uncertainties;
- challenging management's assumptions and judgments;
- calculating financial ratios to ascertain the financial health of the group;
- obtaining copies of the debt agreements to identify the covenants in place and assess the likelihood of these being breached based on management forecasts and our sensitivity analysis; and
- reviewing the group and parent company's going concern disclosures included in the financial statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• All audit work performed for the purposes of the audit was undertaken by the Group audit team. • We performed an audit of the complete financial information of the subsidiaries. • We performed an audit of the complete financial information of the standalone parent company.
Key audit matters	• Group: Fair Valuation of financial assets and liabilities using the Monte Carlo Simulation method • Parent: Recoverability of the investment in subsidiary undertaking
Materiality	• Overall group materiality of $233 million which represents 1.5% of consolidated net assets.

An overview of the scope of the parent and group audits

Tailoring the scope
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group wide controls and changes in the business environment when assessing the level of work to be performed at each company.

All audit work performed for the purposes of the audit was undertaken by the Group audit team

Climate change

Stakeholders are increasingly interested in how climate change will impact Royalty Pharma plc. The Group has determined that the most significant future impacts from climate change on their operations could be the potential increased operating costs due to additional regulatory requirements and the risk of disruptions to the business. These are explained on page 21 in the UK Statutory Strategic Report, which form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the Governmental Regulation and Environmental Matters note on page 21 how they have reflected the impact of climate change in their financial statements. This disclosure also explains where governmental and societal responses to climate change risks are still developing, these changes means that they cannot be taken into account when determining asset and liability valuations under the requirements of United Kingdom Generally Accepted Accounting Practice

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk and the significant judgements and estimates disclosed in the Governmental Regulation and Environmental Matters note and whether these have been appropriately reflected. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Fair Value of financial assets and liabilities, specifically the Financial Royalty Assets, Legacy SLP interests and Class C Special Interests, using the Monte Carlo Simulation method As disclosed in Note 4 to the consolidated financial statements, the group's total financial royalty assets were carried at $22,922,408 thousand (2023: $22,872,935 thousand), the groups Legacy SLP interests were carried at $253,000 thousand (2023: $272,000 thousand) and the Class C Special Interest was carried at $884,000 thousand (2023: $819,000 thousand) as of 31 December 2024. Auditing the fair valuation of the financial assets and liabilities and the related income statement accounts is complex due to the high subjectivity and estimation uncertainty of the assumptions used by management to estimate the fair value using the Monte Carlo Simulation model. The key assumptions in the determination of the expected cash flows used in the model, are estimates of product growth rates in the royalty life and royalty duration. The other key unobservable inputs used in the Mote Carlo Simulation model include the WACC, volatility, operating leverage and market price of risk. This area requires the most significant level of audit effort in terms of involvement from the audit team executives and specialists and the overall numbers of hours allocated to the testing of the valuation of the financial assets and liabilities.	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls related to the valuation of financial assets and liabilities and the related income statement accounts. This included testing controls over management's review of the significant assumptions and other inputs used in estimating the royalty duration and product growth rates. To test the valuation of the financial assets and liabilities and the related income statement accounts, our audit procedures included, among others, evaluating the methodology and completeness and accuracy of the data used to develop the key assumptions identified. For example, with the support of statistical modelling specialists, we evaluated management's statistical methodology for sales growth forecasts and performed sensitivity analysis over the resulting forecasted product sales. We tested the inputs to the cashflows included in the model, principally comprising historic product sales and third-party analyst estimates of nearer-term sales amounts, by comparing to analyst reports or published sales information. For royalty duration, among other procedures, we compared management's assessment of the likely date of expiry of the group's cash flows against original purchase agreements, as well as independently assessing the royalty duration against available published information sources, such as those from regulatory bodies, counterparties, and product marketers. We assessed the historical accuracy of management's estimates by comparing expected cash flows to actual cash receipts. We engaged audit team members with specialised valuation knowledge to gain an understanding of the approach taken by Management's valuation specialist and to assess the appropriateness of the methodology used, specifically the Monte Carlo simulation method, and to develop their own point estimate for the financial assets and liabilities held at fair value. This included testing of key inputs	Our planned audit procedures were completed without material exception.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	such as the WACC, Volatility, Operating leverage and MPR. This was done by developing the input independently or through using alternative inputs. We also evaluated the related disclosures in the consolidated financial statements.	
Parent: Recoverability of the investment in subsidiary undertaking The parent company's investment in its subsidiary undertaking, Royalty Pharma Holdings Ltd., was carried at $12,573,902 thousand (2023: $12,547,565 thousand) as of 31 December 2024. Under FRS 102 the investment is recorded at cost less impairment. Refer to the summary of significant accounting policies in Note 2 and also to Note 4 of the parent company financial statements. The carrying amount of the parent company's investment in Royalty Pharma Holdings Ltd., together with the related impairment charge, represents substantially all of the parent company's net assets and total expenses as at 31 December 2024, respectively. The recoverability of this asset is not at a high risk of significant material misstatement or subject to significant judgment. However, due to its materiality in the context of the parent company's financial statements, this is considered to be the area that had the greatest effect on our overall audit of the parent company.	We obtained management's impairment assessment and reviewed the calculations. With the support of valuation specialists, we assessed the inputs used to estimate the recoverable amount and value in use calculations. Additionally, we recomputed the impairment calculation We also audited the financial statements of Royalty Pharma Holdings Ltd., and we considered the results of our work over its financial results and net assets	Our planned audit procedures were completed without material exception.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be $233 million, which is 1.5% of consolidated net assets. We considered Net Assets to be an appropriate basis for determining materiality in the current year as the majority of assets and liabilities are measured at fair value through profit or loss. The basis of materiality is in line with the expectation of users of these financial statements and the overall business environment.

We determined materiality for the Parent Company to be $190 million (2023: $125 million), which is 1.5% (2023: 1%) of net assets. The % used to measure materiality was changed to be consistent with group.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely $116.5 million. We have set performance materiality at this percentage to ensure that the risk of errors exceeding performance materiality was appropriately managed.

With respect to the parent company, on the basis of our risk assessments, together with our assessment of the parent company's overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely $95 million (2023: $62.5 million). We have set performance materiality at this percentage to ensure that the risk of errors exceeding performance materiality was appropriately managed.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $11.7 million, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report as set out on pages 14-47 other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company; or
- the parent company financial statements are not in agreement with the accounting records; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, the directors' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are
    - Securities Exchange Act of 1934
    - Companies Act 2006
    - Accounting principles generally accepted in the United Kingdom, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)
    - Certain material subsidiaries are established in Ireland as regulated entities. These entities must individually comply with Irish legislation and with the rules of the Central Bank of Ireland applicable to such entities.
- We understood how Royalty Pharma plc is complying with those frameworks by making inquiries of management including with the Chief Compliance Officer, to understand how the group maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation such as the compliance manual, correspondence with relevant authorities and minutes of meetings of the Board of Directors and of the audit committee and other relevant committees. We also attended meetings of the audit committee during the period.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROYALTY PHARMA PLC (continued)

- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by discussing with management to understand where they considered there was a susceptibility to fraud; and assessing any whistleblowing incidences for those with a potential financial reporting impact. We considered the internal control environment of the group to address material misstatements, or that otherwise prevent, deter and detect fraud and how management monitors these controls including the risk of management override of controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management, internal and external legal counsel, Chief Compliance Officer and those charged with governance. We also tested journals identified by specific risk criteria, analysed the correlation between accounts and tested transactions relating to the purchase of financial royalty assets and other financial instruments back to source documentation, ensuring appropriate authorisation of the transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dean Phillips (Senior statutory auditor)
for and on behalf of Ernst & Young Chartered Accountants, Statutory Auditor
Dublin
11 April 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Group and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland," and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Group and Parent Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed for the Group and Parent Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and the Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STRATEGIC REPORT

Introduction

The directors of Royalty Pharma plc (the "Company", "we", "us", or "our") present their Strategic Report on the Group and the audited consolidated financial statements for the year ended December 31, 2024.

Business Overview

We are the largest buyer of biopharmaceutical royalties and a leading funder of innovation across the biopharmaceutical industry. Since our founding in 1996, we have been pioneers in the royalty market, collaborating with innovators from academic institutions, research hospitals and not-for-profits through small and mid-cap biotechnology companies to leading global pharmaceutical companies. We have assembled a portfolio of royalties which entitles us to payments based directly on the top-line sales of many of the industry's leading therapies, which 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, Gilead's Trodelvy, among others, and 14 development-stage product candidates. We fund innovation in the biopharmaceutical industry both directly and indirectly - directly when we partner with companies to co-fund late-stage clinical trials and new product launches in exchange for future royalties, and indirectly when we acquire existing royalties from the original innovators.

Our industry leading royalty portfolio and capital-efficient business model drives our compounding growth. We have a focused strategy of actively identifying and tracking the development and commercialization of important new therapies, which allows us to move quickly to make acquisitions when opportunities arise. With a deep and experienced team of investment professionals, an exhaustive due diligence process and a focus on high-quality therapies that address significant unmet patient need, we sustain attractive returns above our cost of capital, which in turn propels our compounding growth.

Our unique business model enables us to benefit from many of the most attractive characteristics of the biopharmaceutical industry, including long product life cycles, significant barriers to entry and noncyclical revenues, but with substantially reduced exposure to many common industry challenges such as early-stage development risk, therapeutic area constraints, high research and development ("R&D") costs, and high fixed manufacturing and marketing costs. We have a highly flexible approach that is agnostic to both therapeutic area and treatment modality, allowing us to acquire royalties on the most attractive therapies across the biopharmaceutical industry. Additionally, our focus on acquiring royalties on approved products, often in the early stages of their commercial launches, and on development-stage product candidates with strong proof of concept data, mitigates development risk and expands our opportunity set.

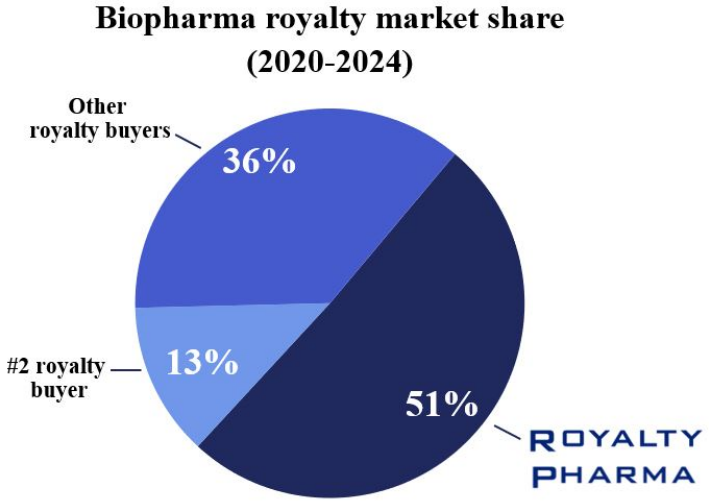
Biopharmaceutical Industry and the Role of Royalties

Our business is supported by significant growth and unprecedented innovation within the biopharmaceutical industry. Global prescription pharmaceutical sales are projected to grow from $1.1 trillion in 2024 to $1.7 trillion in 2030, representing a compound annual growth rate of 8% according to EvaluatePharma despite more than $400 billion in cumulative sales being lost to expected patent expiries during the same period. This growth is being driven by global secular trends, including population growth, increased life expectancy and growth of the middle classes in emerging markets. In addition, an acceleration of medical research in recent years has led to a better understanding of the molecular origins of disease and identification of potential targets for therapeutic intervention, which has increased R&D investments in new therapies.

The pace of innovation coupled with the proliferation of new biotechnology companies and the increasing cost of drug development has created a significant capital need over recent years that we believe will provide a sustainable tailwind for our business. We estimate that over the next decade academia and other non-profit institutions will spend over $1 trillion in R&D, unprofitable biopharmaceutical companies will spend over $1 trillion in R&D and selling, general and administrative expenses, and profitable biopharmaceutical companies will spend over $2 trillion in R&D.

Royalties play a fundamental and growing role in the biopharmaceutical industry. As a result of the increasing cost and complexity of drug development, the creation of a new drug today typically involves a number of industry participants and can lead to multiple royalties. Academia and other research institutions conduct basic research and license new technologies to industry for further development. Biotechnology companies typically in-license these new technologies, add value through applied research and early-stage clinical development, and then either out-license the resulting product candidates to large biopharmaceutical companies, or commercialize the products themselves. As new drugs are transferred along this value chain, royalties are created as compensation for the licensing or selling institutions. Biotechnology companies are also increasingly creating royalties on existing products within their portfolios, known as synthetic royalties, in order to provide a source of non-dilutive capital to fund their businesses. Given our leadership position within the biopharmaceutical royalty market, we are able to capitalize on the growing volumes of royalties created as new therapies are developed to address unmet medical needs.

We estimate the market for biopharmaceutical royalties reached $6.2 billion in transaction value in 2024. We have executed transactions with an aggregate announced value of $15.5 billion from 2020 through 2024, which represents an estimated market share of approximately 51% of all royalty transactions during this period. In comparison, we believe our nearest competitor has executed $3.9 billion of transactions, representing an estimated market share of 13%. Given the scale of our business relative to our competitors, we have a particularly strong market share of large transactions within the growing biopharmaceutical royalty market. Since 2020, there have been 16 large royalty transactions each with an aggregate value of $500 million or more. We have executed 11 of these 16 large transactions, for a total transaction value of approximately $10.5 billion of cash and an estimated market share of 75% based on the transaction value.



Our Business Model

We believe that the following elements of our business and product portfolio provide a unique and compelling proposition to investors seeking exposure to the biopharmaceutical sector.

Our business model captures many of the most attractive aspects of the biopharmaceutical industry, but with reduced exposure to many common industry challenges. The biopharmaceutical industry benefits from many attractive characteristics, including long product life cycles, significant barriers to entry and non-cyclical revenues. We have a highly flexible approach that is agnostic to both therapeutic area and treatment modality, allowing us to acquire royalties on the most attractive therapies from across the biopharmaceutical industry. We focus on the acquisition of royalties on approved products or development-stage product candidates that have generated strong proof of concept data, avoiding the risks associated with early-stage R&D. By acquiring royalties, we are able to realize payments based directly on the top-line sales of leading biopharmaceutical therapies, without the costs associated with fixed R&D, manufacturing and commercial infrastructure.

Our unique role in the biopharmaceutical ecosystem positions us to benefit from multiple compounding growth drivers. As a result of our significant scale and highly flexible business model, we believe that we are uniquely positioned to capitalize on multiple compounding growth drivers: an accelerating understanding of the molecular origins of disease, technological innovation leading to the creation of new treatment modalities, an increasing number of biopharmaceutical industry participants with significant capital needs, competitive industry dynamics which reward companies that can rapidly execute broad clinical development programs, increasing US Food and Drug Administration ("FDA") drug approvals, and the potential for multiple royalties to be created from each new drug that reaches the market.

Our portfolio provides direct exposure to a broad array of blockbuster therapies. As of December 31, 2024, our portfolio included royalties on 15 therapies that each generated end-market sales of more than $1 billion in 2024, including seven therapies that each generated end-market sales of $3 billion or more. The therapies within our portfolio are marketed by leading global biopharmaceutical companies for whom these products are important sources of revenue. Given the marketers' significant focus on and investment in these products, they are motivated to invest substantial resources in driving continued sales growth.

Our portfolio is highly diversified across products, therapeutic areas and marketers. As of December 31, 2024, our portfolio consists of royalties on more than 35 marketed biopharmaceutical therapies which address a wide range of therapeutic areas, including rare diseases, neuroscience, cancer, hematology, immunology, respiratory and diabetes. In 2024, no individual product accounted for more than 28% of our Portfolio Receipts. The royalties in our portfolio entitle us to payments based directly on the top-line sales of the associated therapies, rather than the profits of these therapies. As such, the diversification of our cash generation directly reflects the diversification of our royalties, rather than varying levels of product-level profitability, as would typically be expected within a biopharmaceutical company.

The key growth-driving royalties in our portfolio are protected by long patent lives. The estimated weighted average duration of our portfolio is approximately 13 years based on projected cumulative cash royalty receipts. Our largest marketed royalty in 2024 was on Vertex's cystic fibrosis franchise. Existing patent applications covering Trikafta, the most significant product in that franchise, are expected to provide exclusivity through 2037. Several of our marketed royalties have unlimited durations and could provide cash flows for many years after key patents have expired.

Our simple and efficient operating model generates substantial cash flow for reinvestment in new biopharmaceutical royalties. Our capital-efficient operating model requires limited operating expenses and no material capital investment in fixed assets or infrastructure in order to support the ongoing growth of our business. Our high cash flow conversion provides us with significant capital that we can redeploy for new royalty acquisitions and return to shareholders through dividends or share repurchases. In 2024, we generated Portfolio Receipts of $2.8 billion. We deployed $2.8 billion of cash in 2024 to acquire royalties, milestones and other contractual receipts, paid dividends of $376.5 million and repurchased shares for $229.9 million.

We have a talented, long-tenured team with extensive experience and deep industry relationships. Our team has significant experience identifying, evaluating and acquiring royalties on biopharmaceutical therapies. Together they have been responsible for $29.2 billion in announced transactions of biopharmaceutical royalties, milestones and other contractual receipts from 2012 through 2024. Our acquisitions have included many of the industry's leading therapies such as Trikafta, Tremfya, Imbruvica and Xtandi. Our long history of collaboration has resulted in deep relationships with a broad range of participants across the biopharmaceutical industry.

Our Strategy

We intend to grow our business by continuing to partner with constituents across the biopharmaceutical value chain to fund innovation. Our growth strategy is tailored to the needs of our partners through a variety of structures:

- ***Third-party Royalties –*** Existing royalties on approved or late-stage development therapies with high commercial potential. A royalty is the contractual right to a percentage of top-line sales from a licensee's use of a product, technology or intellectual property. The majority of our current portfolio consists of third-party royalties.

- ***Synthetic Royalties –*** Newly-created royalties on approved or late-stage development therapies with strong proof of concept and high commercial potential. A synthetic royalty is the contractual right to a percentage of top-line sales by the developer or marketer of a therapy in exchange for funding. A synthetic royalty may also include contingent milestone payments. We also fund ongoing R&D for biopharmaceutical companies in exchange for future royalties and milestones if the product or indication we are funding is approved.

- ***Launch and Development Capital –*** Tailored supplemental funding solutions, generally included as a component within a transaction, increase the scale of our capital. Launch and development capital is generally provided in exchange for a long-term stream of fixed payments with a predetermined schedule around the launch of a drug. Launch and development capital may also include a direct investment in the public equity of a company.

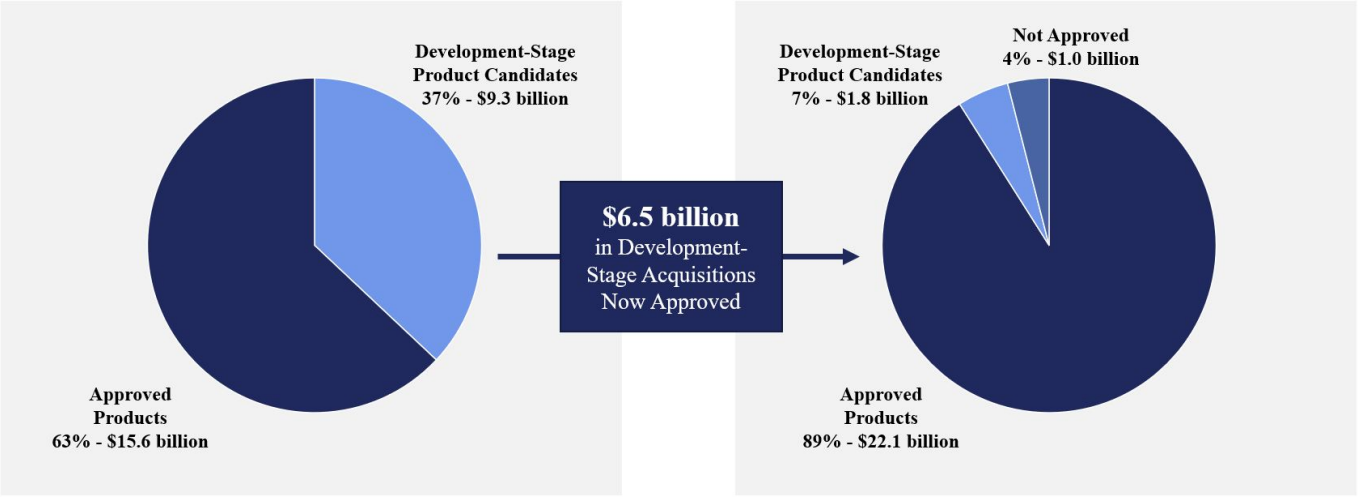
- ***Mergers and Acquisitions ("M&A") Related –*** We acquire royalties in connection with M&A transactions, often from the buyers of biopharmaceutical companies when they dispose of the non-strategic assets of the target company following the closing of the acquisition. We also seek to partner with companies to acquire other biopharmaceutical companies that own significant royalties. We may also seek to acquire biopharmaceutical companies that have significant royalties or where we can create royalties in subsequent transactions.

Additionally, we may identify additional opportunities, platforms or technologies that leverage our capabilities.

From 2012 through 2024, we deployed $9.3 billion of cash to acquire royalties, milestones and other contractual receipts on development-stage product candidates. As of December 31, 2024, products underlying $6.5 billion of these acquisitions have already been approved, representing a success rate to date of 70%, while products underlying $1.0 billion were not approved and products underlying $1.8 billion are still in development.

Approval Status of Total Capital Deployment 2012 – 2024 (At Acquisition)

Approval Status of Total Capital Deployment 2012 – 2024 (Current)



Our approach is to first assess innovative science in areas of significant unmet medical need and then evaluate how to acquire royalties on therapies that we believe are attractive. We have a strong base of institutional knowledge of important therapeutic areas and key industry trends. Our team of scientific experts actively monitors the evolving treatment landscape across many therapeutic areas and treatment modalities in order to identify new opportunities. We analyze a wide range of scientific data and stay in constant communication with leading physicians, scientists, biopharmaceutical executives and venture capital firms. This allows us to quickly assess and gain conviction in the value of assets when acquisition opportunities arise.

We take a disciplined approach in assessing opportunities and seek to acquire exposure to therapies based on our framework of 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; and
- Compelling value proposition for government and commercial payors.

Our focus is to create significant long-term value for our shareholders by acquiring both approved and development-stage product candidates through a variety of structures. In evaluating these acquisition opportunities, we focus on the following financial characteristics:

- **Attractive risk-adjusted returns:** we focus on generating attractive returns on our investments on a risk-adjusted basis. We evaluate opportunities across approved products as well as development-stage product candidates, primarily post proof of concept, and target returns based on the risk spectrum.

- **Long duration cash flows:** we prioritize long-duration assets over short-duration assets that may boost near-term financial performance. The durability of our cash flows also allows us to add leverage to our portfolio, enhancing returns and providing capital that we can use to acquire additional assets.

- **Growth and scale:** we seek assets that drive value creation and are accretive to our long-term growth profile.

We conduct extensive due diligence when evaluating potential new opportunities. We have end-to-end capabilities that span clinical and commercial analysis, valuation and transaction structuring. We have a highly focused and experienced team that conducts proprietary primary market research, forms its own views on the clinical and commercial outlook for the product, and builds its own financial models, allowing us to generate direct insights and to take significant accountability and ownership for our investments. We invest significant time and resources across all levels of the organization, including senior leadership, in the evaluation of potential opportunities.

Key Performance Indicators ("KPI's")

In 2024, we generated $2.8 billion of Portfolio Receipts (as defined below) and announced transactions with a total potential value of $2.8 billion. 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 (as defined below) and milestones and other contractual receipts. Royalty receipts is defined as variable payments based on sales of products, net of contractual payments to the legacy non-controlling interests, that are attributed to Royalty Pharma. We deployed $2.8 billion of cash to acquire royalties, milestones and other contractual receipts ("Capital Deployment") in 2024, which also includes payments made during the year for transactions from prior years. Capital Deployment represents the total outflows that will drive future Portfolio Receipts.

Corporate Responsibility

Our mission is to accelerate innovation in life sciences and thereby positively impact patient lives globally. To accomplish this, we partner with innovators such as academic institutions, research hospitals, nonprofits and companies at the forefront of discovering lifesaving therapies to improve human health through solutions tailored to the needs of our partners. We believe that our corporate responsibility strategy, policies and practices will create sustainable long-term value for our company, our employees, our shareholders and other stakeholders, while also helping us reduce risk and identify new opportunities.

We maintain robust governance policies and practices that adhere to high standards of regulatory compliance, ethics, transparency and integrity. Our Board believes that its independence from and oversight of management are maintained effectively through its leadership structure, composition and sound corporate governance policies and practices.

We support expanding patient access to health care and medicine by providing funding to organizations addressing unmet patient needs through innovation and engaging in philanthropic activities. We incorporate material corporate responsibility, regulatory, geopolitical and reputational considerations, including access to health and medicine, research and development, ethical clinical trials, therapeutic area profile, ethical conduct and product quality and safety into our investment decision-making and management practices. This includes considering key risks and opportunities during the due diligence process and, where we believe we can have a material impact, engaging on these matters with our partners.

We are committed to implementing key sustainability practices across our operations and taking steps to measure, manage and minimize our environmental impact where possible. We believe that sustainability is critical to addressing related risks and opportunities for our business. We are focused on tracking our carbon footprint, mitigating our impact through energy efficiency and identifying ways to reduce our environmental impact.

Employees

Our directors and executive officers manage our operations and activities. However, we do not currently have any employees or any officers other than our executive officers. Pursuant to the management agreements entered into in connection with our initial public offering (collectively, the "Management Agreement") with the Manager, the Manager performs corporate and administration services for us.

As of December 31, 2024, the Manager had 99 employees. None of these employees are represented by labor unions or covered by any collective bargaining agreement. We believe that the Manager's relations with its employees are satisfactory.

Human Capital

Because we are "externally managed," we do not employ our own personnel, but instead depend upon the Manager and its executive officers and employees for all of the services we require. Under the Management Agreement, the Manager manages the assets of our business and sources and evaluates royalty acquisitions. Accordingly, our success is dependent upon the expertise and services of the executive officers and other personnel provided to us through the Manager. The Manager is responsible for the selection of these executive officers and other personnel, and our Board of Directors reviews personnel with the Manager with the objective of evaluating the Manager's internal capabilities. The Management Development and Compensation Committee of our Board of Directors in consultation with the Manager also plans for the succession of senior management of the Manager. The Management Agreement requires the Manager's executives to devote substantially all of their time to managing us, Royalty Pharma Investments 2019 ICAV ("RPI 2019 ICAV") and any legacy vehicles related to Royalty Pharma Investments, an Irish unit trust ("Old RPI") unless otherwise approved by our Board of Directors.

The Manager is focused on creating a supportive and values-based culture that elevates health, well-being and growth. The Manager values diverse teams and backgrounds: as of December 31, 2024, 48% of the workforce of our Manager are women and approximately 33% of the workforce of our Manager are ethnically diverse.

In January 2025, we agreed to acquire the Manager for approximately $1.1 billion in total consideration (the "Internalization"). The Internalization is expected to close in the second quarter of 2025 subject to shareholder approval. Following the Internalization, we would cease to be externally managed and would operate as an integrated company with all employees of the Manager becoming employees of the Company. We expect the Internalization would enhance corporate governance and employee retention with a significant equity component of the consideration.

Governmental Regulation and Environmental Matters

Our business has been and will continue to be subject to numerous laws and regulations. Failure to comply with these laws and regulations could subject us to administrative and legal proceedings and actions by various governmental bodies. See "Risk Factors" in Item 1A, Risk Factors for further information. Our compliance with these laws and regulations has not had a material impact on our capital expenditures, earnings, financial condition or competitive position in excess of those affecting others in our industry.

We believe that there are no compliance issues with laws and regulations that have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, that have adversely affected, or are reasonably expected to adversely affect, our business, financial condition or results of operations, and we do not currently anticipate material capital expenditures arising from environmental regulation. We believe that climate change could present risks to our business. Some of the potential impacts of climate change to our business include increased operating costs due to additional regulatory requirements and the risk of disruptions to our business. We do not believe these risks are material to our business at this time.

Summary of Risk Factors

Our business is subject to a number of risks, including risks that may adversely affect our business, financial condition or results of operations. These risks are discussed more fully below and include, but are not limited to, risks related to:

Risks Relating to Our Business

- risks related to sales of biopharmaceutical products on which we receive royalties;
- the growth of the royalty market;
- the ability of the Manager to identify suitable assets for us to acquire;
- uncertainties related to the acquisition of interests in development-stage biopharmaceutical product candidates and our strategy to add interests in development-stage product candidates to our product portfolio;
- potential strategic acquisitions of biopharmaceutical companies;
- our use of leverage in connection with our capital deployment;
- our ability to leverage our competitive strengths;
- marketers of products that generate our royalties are outside of our control and are responsible for development, pursuit of ongoing regulatory approval, commercialization, manufacturing and marketing;
- disputes with our partners or payors of our royalties;
- governmental regulation of the biopharmaceutical industry;
- interest rate risk, foreign exchange fluctuations and inflation;
- the assumptions underlying our business model;
- the competitive nature of the biopharmaceutical industry;

Risks Relating to Our Organization and Structure

- our reliance on the Manager for all services we require, including our reliance on key members of the Manager's senior advisory team;
- actual and potential conflicts of interest with the Manager and its affiliates;
- the ability of the Manager or its affiliates to attract and retain highly talented professionals;

Risks Relating to Our Internalization

- the Internalization may not close due to a variety of factors, including the failure or significant delay in obtaining regulatory approvals, and, even if it does close, we may not realize the anticipated benefits;
- the Share Consideration in connection with the Internalization, and future sales of our Class A ordinary shares by the Sellers may adversely affect the market price of our Class A ordinary shares;
- certain of our officers and directors have interests in the Internalization that are different from, and may potentially conflict with, the interests of us and our shareholders;
- the exposure to risks to which we have not historically been exposed, including liabilities with respect to the assets acquired from the Manager;

Risks Relating to Our Class A Ordinary Shares

- volatility of the market price of our Class A ordinary shares;
- our incorporation under English law;

Risks Relating to Taxation

- the effect of changes to tax legislation and our tax position;

General Risk Factors

- cyber-attacks or other failures in telecommunications or information technology systems; and
- the outbreak of any infectious or contagious diseases.

Social, Community and Human Rights

As an externally managed company, the Company does not have any employees or maintain any premises, nor does it undertake any manufacturing or other physical operations itself. All its operational functions are outsourced to the Manager. The Manager places considerable value on the involvement of its employees. Meetings are held with employees of the Manager to discuss the operations and progress of the business.

The Company and the Manager have several policies that promote the principles of human rights. The Manager respects the human rights of all its employees, including provision of a safe, clean environment; ensuring its employees are free from discrimination and coercion; not using child or forced labor and respecting the rights of privacy and protecting access and use of employee personal information. The Manager has policies that promote equal opportunities, including the right of every employee of the Manager to be treated with dignity and respect and not to be harassed or bullied on any grounds.

Section 172 Statement

The directors of the Company must act in accordance with a set of general duties. As a company incorporated in the UK, these duties are detailed in Section 172 of the Companies Act 2006, which is summarized as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the company.

As part of their orientation, a director of the Company is briefed on their duties and they can access professional advice from the Company or independent advisers, if they deem it necessary. Additionally, we believe that it is important to recognize that in an organization such as ours, the directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making authority to management of the Company.

Decision-Making / Governance and Performance Oversight

The Manager is our external advisor which provides us with all advisory and day-to-day management services. We entered into management agreements with the Manager pursuant to which the Company delegates discretion to

the Manager to make substantially all day-to-day decisions, subject to oversight by our Board. The Manager provides information and reports to the Board in order for the Board to exercise effective oversight of the Manager's actions, to monitor and manage risk, and to assess the Manager's performance. Directors maintain oversight of the Company's performance and ensure that the Manager is acting in accordance with the strategy and plans agreed by the Board and its delegated authorities. The culture, values and standards that underpin this delegation ensure that when decisions are made, their broader impact has been considered. The Board also reserves certain matters for its own consideration so that it can exercise judgement directly when making important decisions, and in doing so promote the success of the Company. The Board oversees the Company's financial reporting, internal control processes, risk management and governance and the Board believes these processes are operating effectively.

Overview of How the Board Discharges its Duties and Manages Risk

The Board, as a whole, has responsibility for overseeing our risk management process, although the committees of our Board oversee and review risk areas that are particularly relevant to them. The risk oversight responsibility of our Board and its committees is supported by our management reporting processes. Our management reporting processes are designed to provide our Board and management responsible for risk assessment with visibility into the identification, assessment, and management of critical risks and management's risk mitigation strategies. These areas of focus include competitive, economic, operational, financial (accounting, credit, investment, liquidity, compensation-related risk and tax), legal, cybersecurity and reputational risks. Our Board reviews strategic and operational risk in the context of discussions, question and answer sessions, and reports from management at each regular Board meeting, receives reports on committee activities at each regular Board meeting, and evaluates the risks inherent in transactions. Our Audit Committee assists our Board in fulfilling its oversight responsibilities with respect to risk management.

Each committee of our Board meets with management and representatives of outside advisors to oversee risks associated with their respective principal areas of focus. We believe this division of responsibilities is an effective approach for addressing the risks we face and that our Board leadership structure supports this approach.

Culture, Values and Standards

Culture, values and standards underpin how a company creates and sustains value over the longer term and are key elements of how it maintains a reputation for the highest standards of integrity and trust. They also guide and assist in decision making and thereby help promote a company's long-term success and positive impact on all stakeholders. We maintain robust governance policies and practices that adhere to high standards of regulatory compliance, ethics, transparency and integrity. The Board recognizes its role in establishing appropriate values and standards that positively influence the behavior of the Company, management and other stakeholders.

Shareholders, Employees of the Manager, Suppliers and Community and Environment

The Board seeks to communicate effectively with shareholders and understand their views, and also to act fairly between different shareholders. Employees of the Manager are central to the long-term success of the Company, and as such, the Board considers their interests, and, to assist in doing so, have means of engaging with and understanding their views. Fostering business relationships with key stakeholders is also important to the Company's success. In their decision making, directors consider the impact of the Company's operations on the community and environment.

In our UK Statutory Directors' Report under "Stakeholder Engagement" we describe how we identify and communicate with our key stakeholders, and why the Board believes each stakeholder group is important to the Company. By engaging with stakeholders on a regular basis, the Board is able to understand stakeholder concerns and incorporate those concerns, where possible, into its decision making.

Shareholders

We believe in engaging with our shareholders, prospective shareholders and research analysts to address the issues that matter most to them. Dialogue with these constituencies helps us understand their perspectives on our

goals and expectations for performance, as well as identify issues that might affect our long-term strategy, corporate governance and compensation practices. As such, we offer several opportunities to provide feedback to our Board and management.

Furthermore, the Board has established a process to receive communications from shareholders and other interested parties. Shareholders and other interested parties may contact any member of the Board, including our lead independent director, any committee of the Board or any chair of any such committee by mail or our website.

Community and Environment

We collaborate with organizations seeking to address health needs, improve health outcomes, spur innovation and expand patient care opportunities. Approximately one-fifth (by value) of the royalty transactions we have completed since 2012 have been with leading academic and non-profit institutions. By partnering with these institutions, we have provided capital which has been used to further scientific research (for example, the Cystic Fibrosis Foundation). We are committed to good corporate citizenship and actively support the work of a number of patient advocacy groups and medical research foundations, including the Mount Sinai-Royalty Pharma Alliance for Health Equity Research, the Leukemia & Lymphoma Society and Life Science Cares.

In addition, we prepare and publish a summary of data and activities aligned with the Global Reporting Initiative ("GRI") and Sustainability Accounting Standards Board ("SASB") reporting standards that are available on our website. Our GRI and SASB reporting provides disclosure on a variety of economic, environmental and social sustainability indicators we deem material to us. Our Board and management believe the GRI and SASB reporting helps them better understand risk and ensures that we are taking appropriate steps to mitigate those risks. For shareholders, customers and suppliers, we believe our GRI and SASB reporting highlights our commitment to corporate responsibility.

On behalf of the Board

Pablo Legorreta
Director
April 10, 2025

STATUTORY DIRECTORS' REPORT

The directors of Royalty Pharma plc (the "Company", "we", "us", or "our") present their report together with the audited consolidated financial statements for the year ended December 31, 2024.

Corporate Governance Arrangements

The directors attach great importance to the Company having corporate governance arrangements which promote the success of the Company and take into account the interests of its various stakeholders. Company specific arrangements and the way in which they have been applied in the year are set out in the Company's proxy statement and relevant internal codes and policies can be found on the Company's website. The Company has decided not to apply any externally published corporate governance code as there is no equivalent to the UK Corporate Governance Code for NASDAQ quoted companies, and the Company is already subject to extensive corporate governance requirements under the US Securities and Exchange Commission and NASDAQ rules.

Board of Directors

The directors who held office during the year ended December 31, 2024 and up to the date of the signing of the financial statements, unless otherwise noted, were as follows:

- Pablo Legorreta
- Bonnie Bassler
- Errol De Souza
- Catherine Engelbert
- Henry Fernandez
- M. Germano Giuliani - served through June 6, 2024
- David Hodgson
- Ted Love
- Gregory Norden
- Rory Riggs - served through June 6, 2024

In line with the Company's Articles of Association, all directors will serve a one-year term to expire at the 2025 Annual Meeting.

Our Board and its committees meet regularly throughout the year and act by written consent from time to time. During the year ended December 31, 2024, our Board met thirteen times, the Audit Committee met seven times, the Management Development and Compensation Committee met three times, and the Nominating and Corporate Governance Committee met four times. During the year ended December 31, 2024, each member of our Board attended at least 75% of the aggregate of all meetings of our Board and of all meetings of committees of our Board on which such director served. This includes all meetings held during the period in which they served on the Board or its committees.

Details of the directors' remuneration, the Directors' Remuneration Policy and directors' shareholdings and share interests are set out under the Directors' Remuneration Report. Biographical details of the directors are set out in the Company's proxy statement for the year ended December 31, 2024, which can be found at the Investors section of *www.royaltypharma.com.*

Third Party Indemnity Provision for Directors

The Company has entered into indemnification agreements with each of its directors. The indemnification agreements provide directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted by English law.

Company Details and Branches outside the UK

Royalty Pharma plc is a public limited company incorporated and domiciled in England and Wales and is listed on The Nasdaq Global Select Market. The address of the registered office is The Pavilions, Bridgwater Road, Bristol, England, BS13 8AE. The Company's principal executive offices are located in New York, New York in the United States, and the Company has no branches.

The information in this report, including information referred to below, shall be deemed to comply with the Companies Act 2006 requirements for the UK Statutory Directors' Report. Some disclosures which would typically be included in the UK Statutory Director's Report have instead been included in the Strategic Report.

Description of the principal activities of the Group and likely future development's of the Group's business

The principal activities and likely future developments of the Group are outlined in the Strategic Report, beginning on page 15 of this Annual Report.

Dividends

In 2024, we declared and paid four quarterly cash dividends of $0.21 per Class A ordinary share for an aggregate amount of $376.5 million to holders of our Class A ordinary shares. Future dividends are subject to declaration by our Board of directors. We do not have a legal obligation to pay a quarterly dividend or dividends at any specified rate or at all. To the extent approved and payable, we intend to pay dividends on or about March 10, June 10, September 10 and December 10 to holders of record on or about the twentieth day of each such prior month.

Research and development activities

The research and development activities of the Group are outlined beginning on page 15 of the Strategic Report of this Annual Report.

Post Balance Sheet Events

Details of post balance sheet events are outlined in Note 18 of the Group's consolidated financial statements.

Related Party Transactions

Related party transactions are outlined in Note 15 of the Group's consolidated financial statements.

Environmental Matters

The environmental matters of the Group are outlined beginning on page 21 of the Strategic Report of this Annual Report.

Financial Risk Management

Market Risk

We are subject to certain risks which may affect our results of operations, cash flows and fair values of assets and liabilities, including volatility in foreign currency exchange rates and interest rates. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of US interest rates, particularly because the nature of the marketable securities we hold. In order to manage our exposures, we follow established risk management policies and procedures, including the use of derivative financial instruments, such as

swaps, rate locks and forwards. We do not enter into derivative instruments for trading or speculative purposes. The counterparties to these contracts are all major financial institutions.

Foreign Currency Exchange Risk

Our results of operations are subject to foreign currency exchange risk through transactional exposure resulting from movements in exchange rates between the time we recognize royalty income or royalty revenue and the time at which the transaction settles, or we receive the royalty payment. The *Accrued royalty receivable* accounts for the most common type of transactional exposure. Because we are entitled to royalties on worldwide sales for various products, there is an underlying exposure to foreign currency as the marketer converts payment amounts from local currencies to US dollars using a quarterly average exchange rate. Therefore, cash received may differ from the estimated receivable based on fluctuations in currency. In addition, certain products pay royalties in currencies other than US dollars, which also creates foreign currency risk primarily with respect to the Euro, British pound, Canadian dollar, Swiss franc and Japanese yen, as our functional and reporting currency is the US dollar. To manage foreign currency exchange risk, we may periodically utilize non-deliverable forward exchange or other hedging contracts. We do not currently have any foreign exchange contracts in place.

Interest Rate Risk

We are subject to interest rate fluctuation exposure through our investments in money market accounts and marketable securities, the majority of which bear a variable interest rate. As of December 31, 2024, we held cash and cash equivalents of $929.0 million, of which $360.7 million was cash and $568.3 million was invested in interest-bearing money market funds. As of December 31, 2023, we had cash and cash equivalents of $477.0 million, of which $319.6 million was cash and $157.4 million was invested in interest-bearing money market funds.

The objectives of our investment policy are the preservation of capital and fulfillment of liquidity needs. In order to maximize income without assuming significant market risk, we maintain our excess cash and cash equivalents in money market funds and marketable securities, largely composed of investment grade, short to intermediate term fixed income and debt securities. Because of the short term maturities of our cash equivalents and the short term nature of our marketable securities, we do not believe that a decrease in interest rates would have any material negative impact on the fair value of our cash equivalents or marketable securities.

Our debt portfolio is managed on a consolidated basis and management makes financing decisions to achieve the lowest cost of debt capital and to maximize portfolio objectives. As of December 31, 2024, 100% of our outstanding Notes have fixed interest rates. We have a $1.8 billion Revolving Credit Facility with a variable interest rate that had no outstanding borrowing balance as of December 31, 2024. We are subject to interest rate fluctuation exposure related to the Revolving Credit Facility for the amounts drawn.

Credit and Counterparty Risk

We are exposed to credit risk related to the counterparties with which we do business. We are subject to credit risk from our royalty assets, our receivables and our financial instruments, primarily derivative and debt securities. The majority of our royalty assets and receivables arise from contractual royalty agreements that pay royalties on the sales of underlying pharmaceutical products in the United States, Europe and the rest of the world, with concentrations of credit risk limited due to the broad range of marketers responsible for paying royalties to us and the variety of geographies from which our royalties on product sales are derived. The products in which we hold royalties are marketed by leading biopharmaceutical industry participants, including, among others, Vertex, GSK, Roche, Johnson & Johnson, Biogen, AbbVie, Astellas, Pfizer, Novartis and Gilead. As of December 31, 2024 and 2023, Vertex, as the marketer and payor of our royalties on the cystic fibrosis franchise, accounted for 30% of our current portion of *Financial assets at fair value through profit or loss* and represented the largest individual marketer and payor of our royalties.

We monitor the financial performance and creditworthiness of the counterparties to our royalty agreements, derivative financial instruments, and debt securities so that we can properly assess and respond to changes in their credit profile. To date, we have not experienced any significant losses with respect to the collection of income or revenue on our royalty assets or debt securities or on the settlement of our derivative financial instruments. If a counterparty becomes bankrupt, or otherwise fails to perform its obligations under a derivative financial instruments due to financial difficulties, we may experience significant delays in obtaining any recovery under the derivative financial instruments in a bankruptcy or other reorganization proceeding.

Liquidity Risk

Our primary source of liquidity is cash provided by operations. For 2024 and 2023, we generated $2.8 billion and $3.0 billion, respectively, in *Net cash provided by operating activities*. We believe that our existing capital resources, cash provided by operating activities and access to our unsecured revolving credit facility (the "Revolving Credit Facility") will continue to allow us to meet our operating and working capital requirements, to fund planned strategic acquisitions and R&D funding arrangements, and to meet our debt service obligations for the foreseeable future. We have historically operated at a low level of fixed operating costs. Our primary cash operating expenses include interest expense, quarterly operating and personnel payments to the Manager or its affiliates, and legal and professional fees.

We have access to substantial sources of funds in the capital markets and we may, from time to time, seek additional capital through a combination of additional debt or equity financings. As of December 31, 2024 and 2023, the par value of all of our outstanding senior unsecured notes was $7.8 billion and $6.3 billion, respectively. Additionally, we have up to $1.8 billion of available revolving commitments under our Revolving Credit Facility

We have historically funded our investments through operating cash flows, equity contributions and debt. Our low operating costs coupled with a lack of capital expenditures and low taxes have contributed to our strong financial profile, resulting in high operating leverage and high cash flow conversion. We expect to continue funding our current and planned operating costs (excluding acquisitions) principally through our cash flow from operations and investments through cash flow and issuances of equity and debt. We have supplemented our available cash and cash equivalents on hand with attractive debt capital to fund certain strategic acquisitions.

Our ability to satisfy our working capital needs, debt service and other obligations, and to comply with the financial covenants under our financing agreements depends on our future operating performance and cash flow, which are in turn subject to prevailing economic conditions and other factors, many of which are beyond our control.

Share Repurchases

In March 2023, our Board of directors authorized a share repurchase program under which we may repurchase up to $1.0 billion of our Class A ordinary shares. The repurchases may be made in the open market or in privately negotiated transactions. In 2024, we repurchased and retired 8.4 million shares at a cost of approximately $229.9 million. In 2023, we repurchased and cancelled or retired 9.8 million shares at a cost of approximately $304.8 million. As of December 31, 2024, approximately $465.3 million remained available under the share repurchase program.

In connection with the Internalization as discussed in Note 18–Subsequent Events, our Board of directors authorized a new share repurchase program in January 2025 under which we may repurchase up to $3.0 billion of our Class A ordinary shares. This new share repurchase program replaces the unused capacity under the previous share repurchase program that was authorized in March 2023. The repurchases may be made in the open market or in privately negotiated transactions. The authorization for the new share repurchase program expires June 23, 2027.

Capital Structure

We have two classes of voting shares: Class A ordinary shares and Class B ordinary shares, each of which has one vote per ordinary share. The Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of shareholders, except as otherwise required by applicable law. Our Class B ordinary shares are not publicly traded and holders of Class B ordinary shares only have limited rights to receive a distribution equal to their nominal value upon a liquidation, dissolution or winding up. As of December 31, 2024, we have 445,985 thousand Class A ordinary shares and 143,128 thousand Class B ordinary shares outstanding.

An exchange agreement entered into by, among others, us, Royalty Pharma Holdings Ltd ("RP Holdings"), RPI US Partners 2019, LP and RPI International Holdings 2019, LP (collectively the "Continuing Investors Partnerships"), RPI International Partners 2019, LP, RPI US Feeder 2019, LP, RPI International Feeder 2019, LP and RPI EPA Vehicle, LLC ("EPA Vehicle") (as amended from time to time, the "Exchange Agreement") governs the exchange of RP Holdings' Class B ordinary shares (the "RP Holdings Class B Interests") indirectly held by the Continuing Investors Partnerships for our Class A ordinary shares. Pursuant to the Exchange Agreement, RP Holdings Class B Interests are exchangeable on a one-for-one basis for our Class A ordinary shares on a quarterly basis. Each such exchange also results in the re-designation of the same number of our Class B ordinary shares as deferred shares. As of December 31, 2024, we have 392,255 thousand deferred shares outstanding.

In addition, we have in issue 50 thousand Class R redeemable shares, which do not entitle the holder to voting or dividend rights. As required by the Companies Act 2006, the Class R redeemable shares were issued to ensure Royalty Pharma Limited had sufficient sterling denominated share capital upon its re-registration in 2020 as Royalty Pharma plc, a public limited company. The Class R redeemable shares may be redeemed at our option in the future. Any such redemption would be at the nominal value of £1 each.

Employee Engagement

As an externally managed company, Royalty Pharma plc has no employees. The Company is therefore not required to report on employee engagement in the UK Statutory Directors' Report because there were fewer than 250 UK employees in the Company for the year ended December 31, 2024. However, the Manager is committed to continued engagement of its employees through effective communications and a consultative framework.

Political Donations

The Company has not made political donations, or incurred any political expenditure, in the years ended December 31, 2024 and 2023. In addition, the Company has not made any contributions to a non-EU or non-UK political party during the years ended December 31, 2024 and 2023. Moreover, the Company has not sought shareholder approval in relation to political donations during the years ended December 31, 2024 and 2023.

Greenhouse Gas Emissions

The Company has no direct greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Reports and Directors' Reports) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Section 172 Statement and Stakeholder Engagement

As discussed in our Section 172 Statement in the Strategic Report, our Board recognizes that the long-term success of the Company requires effective engagement with its stakeholders. The following table sets forth the engagement mechanisms that are currently in place with the Company's key stakeholders – its shareholders, employees of the Manager, suppliers and the community.

Stakeholder Group	Why it is Important for the Company to Engage	How the Board Engages with the Stakeholder Group	How Management Engages with the Stakeholder Group	The Topics of Engagement that are Key to the Stakeholder Group	Outcomes Influenced by the Company Engagement Activities
Shareholders	Raise investor interest and promote investment Promote longevity of shareholder base	Communicate important information in the proxy statement In-person attendance at Annual Meeting Published address for communication with directors	Frequent outreach calls, one-on-one meetings and presentations Attend and present at investor forums and conference Maintain an "Investors" section of the Company's website Communicate important information in the proxy statement	Strategy Financial Performance Capital Structure Corporate responsibility initiatives Matters presented to shareholder vote Creation of long-term value	Increased disclosure of activities Company website enhanced to centralize corporate governance disclosures
Employees of the Manager	Retain experienced employees of the Manager A positive corporate culture improves workforce effectiveness Develop and retain a diverse workforce	Review of succession planning by the Management Development and Compensation Committee	Motivate stakeholders with competitive compensation Support and promote stakeholder career advancement Hold town hall meetings with stakeholders Whistleblower hotline to anonymously communicate stakeholder concerns	Stakeholder diversity and inclusion Competitive remuneration Access to retirement planning	Positive corporate culture improves workforce effectiveness Accumulation of experience and skilled stakeholder leaders Improve decision-making from diverse stakeholders with varied perspectives Promotion of positive corporate culture through action on stakeholder concerns

Stakeholder Group	Why it is Important for the Company to Engage	How the Board Engages with the Stakeholder Group	How Management Engages with the Stakeholder Group	The Topics of Engagement that are Key to the Stakeholder Group	Outcomes Influenced by the Company Engagement Activities
Suppliers	Collaborative stakeholder partnerships improve productivity Legal compliance by stakeholders	Oversee risks related to suppliers and external vendors	Clear contractual terms and conditions with stakeholders to ensure legal compliance	Stakeholder engagement reviews to monitor for legal or ethical concerns	Improved stakeholder performance through aligned expectations Advancement of shared commitment to ethical business practices
Community	Employees of the Manager accepted and supported by surrounding stakeholders Employment by the Manager of a diverse workforce from local stakeholders	Oversight of risk tolerance levels Review of corporate responsibility activities	Local stakeholder employment efforts of skilled candidates Support non-profit local stakeholder organisations Engagement of local stakeholder leaders to raise awareness of Company activities and performance	Stakeholder employment opportunities Employment by the Manager of a skilled and diverse workforce reflecting local stakeholders Positive Company impact on local stakeholders Support non-profit stakeholder organisations	Employment by the Manager of stakeholders Support of stakeholders fundraisers and non-profit organisations

Principal Decisions

In making the following principal decisions for the year ended December 31, 2024, our Board considered feedback from the stakeholder engagement initiatives described above as well as the need to maintain a reputation for high standards of business conduct.

Going Concern

The Company's principal business activities, together with factors likely to affect its future development, performance and position are set out in this Strategic Report.

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future. For this purpose, the foreseeable future is deemed to consist of at least the twelve months following the issuance of the Company's financial statements.

After reviewing the Company's performance projections, the directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. As a result they have adopted the going concern basis in preparing the financial statements.

The Company believes that it has sufficient mitigating actions available and that it could address plausible downside scenarios. The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

STATUTORY DIRECTORS' REPORT
(continued)

Statement of Disclosure to the Statutory Auditor

In accordance with the Companies Act 2006, the directors who held office at the date of approval of this UK Statutory Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that they ought to have taken as director to make themselves aware of any relevant audit information and to establish the Company's auditors are aware of that information.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young Chartered Accountants as auditor of the Company is to be proposed at the 2025 Annual Meeting.

On behalf of the Board

Pablo Legorreta
Director
April 10, 2025

DIRECTORS' REMUNERATION REPORT

Introduction

Royalty Pharma plc (the "Company") is subject to disclosure regimes in both the United States and United Kingdom. While some of the disclosure requirements in these jurisdictions overlap or are otherwise similar, some differ and require distinct disclosures. This report represents our Directors' Remuneration Report which includes disclosures required by English law and which forms part of the statutory Annual Report and Accounts of Royalty Pharma plc for the year ended December 31, 2024. Related and complementary information is included in the Compensation Discussion and Analysis ("CD&A") section of the proxy statement for the year ended December 31, 2024 as required by the US Securities and Exchange Commission. The CD&A section of the proxy statement for the year ended December 31, 2024 can be found at the Investors section of *www.royaltypharma.com*. The Directors' Remuneration Report is approved by the Management Development and Compensation Committee on behalf of the Board. In addition, the UK Directors' Remuneration Report has been approved by and signed on behalf of the Board.

Annual Statement by the Chair of the Management Development and Compensation Committee

On behalf of the Board, we present the statutory Directors' Remuneration Report for the year ended December 31, 2024. In line with UK remuneration reporting regulations, the Company is required:

- to seek binding approval from shareholders for a Directors' Remuneration Policy (at least every three years); and
- to seek, annually, advisory approval for an Annual Report on Remuneration which describes the implementation of the Directors' Remuneration Policy.

This Directors' Remuneration Report includes this Annual Statement along with the Annual Report on Remuneration for the financial year ended December 31, 2024 which, together, will be subject to an advisory shareholder vote at our Annual General Meeting of Shareholders ("Annual Meeting") on May 12, 2025.

The current Directors' Remuneration Policy was approved by shareholders at the 2024 Annual Meeting on June 6, 2024. The Directors' Remuneration Policy took formal effect from the date of approval and would be in place for the next three-year period unless a new policy is presented to shareholders for approval before then. As a result of the proposed completion of the acquisition of our external manager RP Management, LLC (the "Internalization "), Mr. Legorreta will become an employee of an affiliate of the Company and his new compensation arrangements will need to be included in a revised Directors' Remuneration Policy. This revised Directors' Remuneration Policy will be presented to shareholders for approval at the 2025 Annual Meeting. Apart from the changes proposed to reflect Mr. Legorreta's proposed compensation following completion of the Internalization, the revised Directors' Remuneration Policy is substantially consistent with the prior policy approved by our shareholders at the 2024 Annual Meeting. All payments to directors during the policy period will be consistent with the approved policy. The Directors' Remuneration Policy is included in the Directors' Remuneration Report for the financial year ended December 31, 2024 that will be subject to an advisory shareholder vote at the Annual Meeting.

Although we are required to report on remuneration in the UK, being solely US listed, the Management Development and Compensation Committee's approach to compensation arrangements with respect to the Directors is set primarily within a US context. As stated above, related and complementary information is included in the CD&A section of the proxy statement for the year ended December 31, 2024 which can be found at the Investors section of *www.royaltypharma.com*.

In the year ended December 31, 2024, all decisions taken on remuneration were in accordance with the terms of reference of the Management Development and Compensation Committee and involved the exercise of appropriate commercial judgement. No discretion was exercised in relation to directors' remuneration in the year beyond the exercise of the commercial judgement of the Management Development and Compensation Committee.

DIRECTORS' REMUNERATION REPORT

Management Agreement

Because the Company is externally managed, the Company does not employ personnel, but instead depends upon the Manager and its executive officers and employees for virtually all of its services. None of the Manager's advisory professionals receive any director remuneration from the Company. Mr. Legorreta is entitled to a portion of any profits earned by the Manager under amended and restated management and services agreements (collectively, the "Management Agreement").

In January 2025, the Company agreed to acquire the Manager for approximately $1.1 billion in aggregate consideration. Refer to Note 18–Subsequent Events for additional discussion.

Independent Directors' Fees

The fee structure for other directors reflects the non-executive nature of the Board, which itself reflects the Company's business model as an externally managed company.

A director receives fees for their service on the Board if the director is considered independent. A director is independent if he or she (i) is not a full- or part-time officer or employee of the Company, the Manager or any affiliate or subsidiary of either; (ii) is "independent" for purposes of service on the Board within the meaning of the listing rules of Nasdaq; and (iii) was not appointed to the Board by the exercise of a power of appointment by a shareholder of the Company.

All of the independent directors serving on the Board receive an annual cash retainer of $150,000 and an annual equity award with a grant date value of $250,000 in recognition of his or her service to the Board. Each such annual equity award will be granted in connection with each Annual Meeting, or, for new independent directors, in a pro-rated amount in connection with their election to the Board. Each of these annual equity awards is scheduled to vest upon the director's continued service through our Annual Meeting for the following year.

In addition, each new independent director receives an initial equity award with a grant date value of $100,000 at the commencement of his or her service on our Board. This policy does not provide for any additional annual cash retainer for service as a chairperson or member of any standing committee of our Board or any fee for attendance of Board or committee meetings. Independent directors may elect to receive all or a portion their retainer in our Class A ordinary shares, with the number of shares determined by the 10-day trailing volume-weighted average price of the shares on the date of payment.

Article 192 of the Company's Articles of Association provides that directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings.

Shareholder Engagement

In the year ended December 31, 2024, the Company engaged with shareholders before, during and after the proxy season to review and receive feedback on the Company's governance practices and design of our executive compensation program. Topics discussed include: (a) Company performance and progress against our long-term strategy; (b) executive compensation program; (c) current and emerging corporate governance practices and trends, including corporate responsibility considerations; (d) risk management and (e) Board composition and leadership structure. The feedback received from these discussions, as well as from third-party rating agencies, was carefully considered by the Board, the Nominating and Corporate Governance Committee and the Management Development and Compensation Committee.

DIRECTORS' REMUNERATION REPORT

Role of the Management Development and Compensation Committee

Members

As of December 31, 2024, the chairman of the Management Development and Compensation Committee is David Hodgson and the other members of the Management Development and Compensation Committee are Bonnie Bassler and Errol De Souza, all of whom are non-executive directors that the Company considers to be independent. The Management Development and Compensation Committee's charter can be found at the Investors section of *www.royaltypharma.com*.

The principal functions of the Management Development and Compensation Committee include: evaluating the performance of the Manager in light of the goals and objectives of the Company and the terms of the Management Agreement; reviewing the terms of the Management Agreement; reviewing the compensation and fees payable to the Manager under the Management Agreement; determining the remuneration for our non-employee directors for Board and Committee service; ensuring appropriate leadership development; developing temporary and permanent succession plans for senior management; providing feedback to the Manager regarding the Manager's senior management team; and reviewing and assessing risks arising from compensation policies and practices.

Role of Compensation Consultant

The Management Development and Compensation Committee directly engaged Semler Brossy Consulting Group, LLC ("Semler Brossy") in 2024 to serve as its independent compensation consultant. The Management Development and Compensation Committee selected Semler Brossy based on its expertise with leading companies. The Management Development and Compensation Committee takes into consideration the advice of Semler Brossy to inform its decision-making process and has sole authority for retaining and terminating its consultant, as well as approving the terms of engagement, including fees. Services provided by Semler Brossy to the Management Development and Compensation Committee relating to executive compensation in 2024 included: insights and perspectives on executive compensation matters; and updated the Management Development and Compensation Committee on emerging trends and best practices in the areas of compensation governance and executive compensation. Semler Brossy does not provide any other services to the Company. The Management Development and Compensation Committee has determined Semler Brossy to be independent from management and that its engagement did not present any conflicts of interest. Fees paid to the Management Development and Compensation Committee's external compensation consultant with respect to 2024 were approximately $72,338, such fees being charged on the firm's standard terms of business for advice provided. From time to time, the Management Development and Compensation Committee may engage other consultants and advisors in connection with various compensation matters.

Approval

The Directors' Remuneration Report was approved by the Management Development and Compensation Committee with respect to the compensation of our directors on behalf of the Board on April 10, 2025. In addition, the Directors' Remuneration Report has been approved by and signed on behalf of the Board.

Ordinary resolutions will be included for shareholder approval in relation to the Directors' Remuneration Policy and Directors' Remuneration Report at the 2025 Annual Meeting. The voting results will be set out in next year's report.

Annual Report on Directors' Remuneration (Audited)

The Annual Report on Remuneration sets out how we implemented our remuneration arrangements in 2024 and how we intend to implement the Directors' Remuneration Policy for the 2025 financial year. An advisory resolution to approve this report will be put to shareholders at the 2025 Annual Meeting.

DIRECTORS' REMUNERATION REPORT

Single total figure table (Audited)

The Company does not have any employees, only non-executive directors. As non-employees of the Company and in accordance with compensation practices in the United States, directors are not eligible to receive an annual bonus or other benefits. In addition, as described above, only directors who are considered independent receive remuneration. For the years ended December 31, 2024, and 2023, our Board determined that Bonnie Bassler, Errol De Souza, Catherine Engelbert, Henry Fernandez, Ted Love, Gregory Norden and David Hodgson were considered independent directors. M. Germano Giuliani and Rory Riggs were determined by our Board to be independent effective on June 22, 2023 and began to receive remuneration for their services on June 23, 2023, however they did not seek re-election to the Board and their service on the Board ended June 6, 2024. While serving as a director of the Company, Pablo Legorreta also provides services in connection with the management of the affairs of the Company (and certain subsidiary undertakings within the Company's group) through the Manager. Mr. Legorreta does not receive a salary. As a result of his ownership interest in the Manager, Mr. Legorreta is entitled to certain profits of the Manager, which consist of the management fee from Royalty Pharma less the expenses of the Manager. The amount shown in the table below under "Manager related payment" for Mr. Legorreta represents the profits of the Manager attributable to the management of Royalty Pharma.

The following table sets forth the total compensation paid to our directors for the years ended December 31, 2024 and 2023.

All amounts shown in $	Year	Salary/ fees[1]	Short-term equity awards[2]	Manager related payment[3]	Total remuneration[4]	Total fixed remuneration	Total variable remuneration
Pablo Legorreta	2024	—	—	31,190,909	31,190,909	—	31,190,909
	2023	—	—	84,837,077	84,837,077	—	84,837,077
Bonnie Bassler	2024	150,000	255,186	—	405,186	150,000	255,186
	2023	150,000	239,770	—	389,770	150,000	239,770
Errol De Souza	2024	150,000	255,186	—	405,186	150,000	255,186
	2023	150,000	239,770	—	389,770	150,000	239,770
Catherine Engelbert	2024	150,000	255,186	—	405,186	150,000	255,186
	2023	150,000	239,770	—	389,770	150,000	239,770
Henry Fernandez	2024	150,000	255,186	—	405,186	150,000	255,186
	2023	150,000	239,770	—	389,770	150,000	239,770
M. Germano Giuliani[5]	2024	65,110	—	—	65,110	65,110	—
	2023	78,709	239,770	—	318,479	78,709	239,770
David Hodgson	2024	150,000	255,186	—	405,186	150,000	255,186
	2023	150,000	239,770	—	389,770	150,000	239,770
Ted W. Love	2024	150,000	255,186	—	405,186	150,000	255,186
	2023	150,000	239,770	—	389,770	150,000	239,770
Gregory Norden	2024	150,000	255,186	—	405,186	150,000	255,186
	2023	150,000	239,770	—	389,770	150,000	239,770
Rory Riggs[5]	2024	65,110	—	—	65,110	65,110	—
	2023	78,709	239,770	—	318,479	78,709	239,770

(1) Amounts reported in this column for 2024 include the value of Class A ordinary shares received in lieu of (i) first quarter cash fee payments on March 28, 2024 based on a Class A ordinary share price of $30.2283 for Dr. Bassler and Mr. Fernandez (1,240 Class A ordinary shares, respectively); (ii) second quarter cash fee payments on June 28, 2024 based on a Class A ordinary share price of $26.7998 for Dr. Bassler and Mr. Fernandez (1,399 Class A ordinary shares, respectively); (iii) third quarter cash fee payments on September 30, 2024 based on a Class A ordinary share price of $27.9249 for Dr. Bassler and Mr. Fernandez (1,342 Class A ordinary shares, respectively); and (iv) fourth quarter cash fee payments on December 31, 2024 based on a Class A ordinary share price of $24.9416 for Dr. Bassler and Mr. Fernandez (1,503 Class A ordinary shares, respectively). Amounts reported in this column for 2023 include the value of Class A ordinary shares received in lieu of (i) first quarter cash fee payments on March 31, 2023 based on a Class A ordinary share price of $35.7276 for Dr. Bassler and Mr. Fernandez (1,049 Class A ordinary shares, respectively); (ii) second quarter cash fee payments on June 30, 2023 based on a Class A ordinary share price of $31.0273 for Dr. Bassler and Mr. Fernandez (1,208 Class A ordinary shares, respectively); (iii) third quarter cash fee payments on September 29, 2023 based on a Class A ordinary share price of $27.0775 for Dr. Bassler and Mr. Fernandez (1,384 Class A ordinary shares, respectively); and (iv) fourth quarter cash fee payments on December 29, 2023 based on a Class A ordinary share price of $27.7110 for Dr. Bassler and Mr. Fernandez (1,353 Class A ordinary shares, respectively).

(2) The amounts reported in this column represent the aggregate grant date fair value of restricted share units granted to directors in 2024 and 2023 as defined in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718, or ASC 718. This amount does not reflect the actual economic value realized by the director, which will vary depending on the performance of our Class A ordinary shares. During 2024, each of Dr. Bassler, Dr. De Souza, Ms. Engelbert, Mr. Fernandez, Mr. Hogdson, Dr. Love and Mr. Norden received an annual equity award grant of 9,293 restricted share units, respectively (determined by dividing $250,000 by the volume weighted average price of the Class A ordinary shares for the ten trading days immediately prior to such grant date of June 6, 2024). During 2023, each of Dr. Bassler, Dr. De Souza, Ms. Engelbert, Mr. Fernandez, Mr. Giuliani, Mr. Hogdson, Dr. Love, Mr. Norden and Mr. Riggs received an annual equity award grant of 7,747 restricted share units, respectively (determined by dividing $250,000 by the volume weighted average price of the Class A ordinary shares for the ten trading days immediately prior to such grant date of June 23, 2023). As of December 31, 2024, Dr. Bassler, Dr. De Souza, Ms. Engelbert, Mr. Fernandez, Mr. Hogdson, Dr. Love and Mr. Norden held 9,293 unvested restricted share units, respectively. As of December 31, 2023, Dr. Bassler, Dr. De Souza, Ms. Engelbert, Mr. Fernandez, Mr. Giuliani, Dr. Love, Mr. Norden and Mr. Riggs held 7,747 unvested restricted share units, respectively.

(3) Mr. Legorreta does not receive a salary. As a result of his ownership interest in the Manager, Mr. Legorreta is entitled to certain profits of the Manager, which consist of the operating and personnel payment from Royalty Pharma less the expenses of the Manager, including office expense and the compensation of the employees of the Manager. The amount reported in this column represents the profits of the Manager attributable to Mr. Legorreta as a result of his ownership interest in the Manager. See page 35 for further details regarding this payment.

(4) The aggregate emoluments (being salary/fees, bonuses and benefits) of all directors for 2024 and 2023 was $34,157,431 and $88,202,425, respectively. No taxable benefits, long-term incentives or pensions were provided to any director as such no amounts were required to be reported in columns in the table above.

(5) Mr. Giuliani and Mr. Riggs were determined by our Board to be independent and began to receive remunerations for their services on June 23, 2023, however they did not seek re-election at the 2024 Annual Meeting and their service ended on June 6, 2024, the date of the 2024 Annual Meeting.

Payments for Loss of Office and to Past Directors (Audited)

There were no payments for loss of office or payments to past directors made in 2024 or 2023. There is no Company policy relating to loss of office. When applicable, such terms would be addressed on a case by case basis in, for example, a separation agreement.

Service Contracts

Our directors do not have service contracts, however they are elected for a one-year term.

Shareholder Voting on Remuneration Matters

The UK Director's Remuneration Policy was approved at the 2024 Annual Meeting held on June 6, 2024, the voting outcome of which was:

	Votes for and Discretionary	Votes Against	Total Vote	Abstain	Broker Non-Votes
UK directors' remuneration policy	446,941,633	38,920,774	485,862,407	164,158	24,764,077

DIRECTORS' REMUNERATION REPORT

At the 2024 Annual Meeting held on June 6, 2024, the UK Directors' Remuneration Report for the year ended December 31, 2023 received the following votes from shareholders:

	Votes for and Discretionary	Votes Against	Total Vote	Abstain	Broker Non-Votes
UK Directors' Remuneration Report	448,684,306	37,116,575	485,800,881	225,684	24,764,077

Directors' Shareholdings and Share Interests (Audited)

The following table sets forth information for each director regarding the number of shares held as of December 31, 2024.

Director	Class A Ordinary Shares Held Outright	Restricted Share Units	Total Holding of Class A Ordinary Shares and Share Interests	Total Holding of Class B Ordinary Shares and Share Interests	Total Holding of Shares and Share Interests
Pablo Legorreta	3,668,170	—	3,668,170	74,095,660	77,763,830
Bonnie Bassler	52,006	9,293	61,299	—	61,299
Errol De Souza	64,445	9,293	73,738	500,140	573,878
Catherine Engelbert	34,221	9,293	43,514	—	43,514
Henry Fernandez	104,412	9,293	113,705	389,130	502,835
David Hodgson	16,421	9,293	25,714	—	25,714
Ted Love	36,941	9,293	46,234	—	46,234
Gregory Norden	66,781	9,293	76,074	144,660	220,734

Relative Importance of Spend on Pay

The following table sets out the total amounts spent in the years ended December 31, 2024 and 2023 on remuneration paid to employees and distributions to shareholders.

	For the years ended December 31,		
All amounts shown in $	2024	2023	% Change
Employee remuneration[(1)]	—	—	N/A
Share buybacks[(2)]	229,650,466	304,758,705	(24.6)%
Dividend	376,465,091	358,326,876	5.1%

(1) Because the Company is externally managed, the Company does not employ personnel or pay any employee remuneration. The Manager employs a team of experienced management personnel that provides virtually all of the services required by the Company.

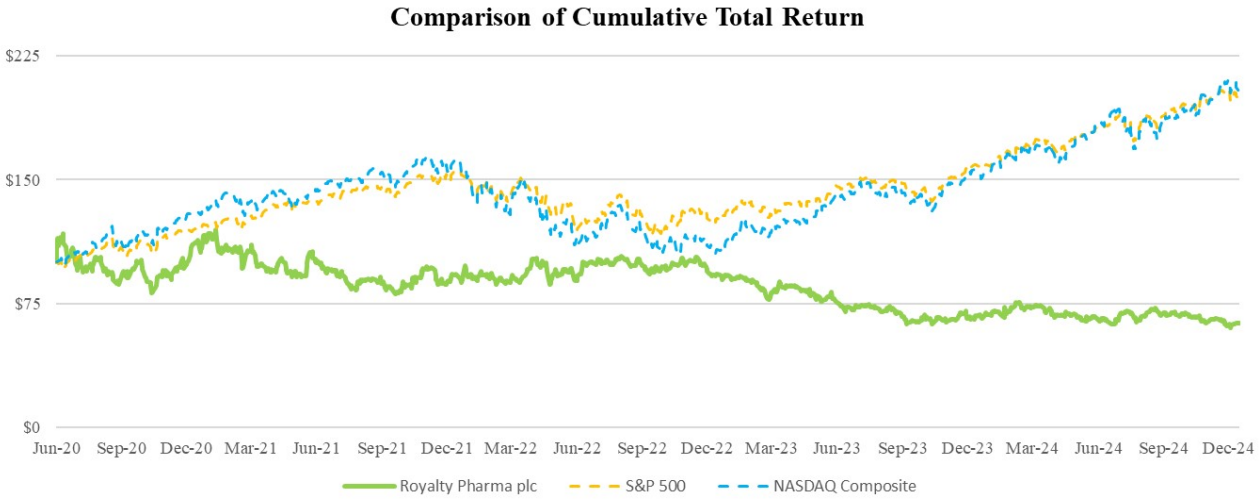
(2) The share repurchase program was authorized by the Board of directors in March 2023.

DIRECTORS' REMUNERATION REPORT

Total Shareholder Return

The graph below compares the cumulative total stockholder return, calculated on a dividend-reinvested basis, on our Class A ordinary shares, the Standard & Poor's 500 Index ("S&P 500") and the Nasdaq Composite Index ("Nasdaq Composite"). The Management Development and Compensation Committee considers these as appropriate indices against which to compare the Company's performance. They are widely accepted as relevant indices and include the companies that investors are likely to consider alternative investments.

The graph assumes an initial investment of $100 in our Class A ordinary shares at the market close on June 16, 2020, which was our initial trading day and its relative performance is tracked through December 31, 2024. The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our Class A ordinary shares.



CEO Remuneration History Table

The table below details certain elements of the remuneration paid to the director undertaking the role of chief executive officer over the same period as presented in the total shareholder return graph:

Financial year	Chief executive officer	Single figure of total remuneration[1]	Annual bonus pay-out against maximum %[2]	Long term incentive vesting rates against maximum opportunity %[2]
2024	Pablo Legorreta	$ 31,190,909	N/A	N/A
2023	Pablo Legorreta	84,837,077	N/A	N/A
2022	Pablo Legorreta	93,478,402	N/A	N/A
2021	Pablo Legorreta	49,513,461	N/A	N/A

(1) As a result of his ownership interest in the Manager, Mr. Legorreta is entitled to certain profits of the Manager, which consist of the operating and personnel payment from Royalty Pharma less the expenses of the Manager, including office expense and the compensation of the employees of the Manager. The amount shown above under "Single figure of total remuneration" for Mr. Legorreta represents the profits of the Manager attributable to Mr. Legorreta.

(2) The CEO does not receive a salary or participate in annual bonus and long-term incentive schemes.

DIRECTORS' REMUNERATION REPORT

Annual Percentage Change in Remuneration of Directors

The table below shows the annual percentage change in remuneration of the directors:

	Percentage change from 2024 to 2023	Percentage change from 2023 to 2022	Percentage change from 2022 to 2021
	Payment/Fees[1]	Payment/Fees[1]	Payment/Fees[1]
Pablo Legorreta	(63.2)%	(9.2)%	(1.1)%
Bonnie Bassler	—	—	—
Errol De Souza	—	—	—
Catherine Engelbert	—	—	—
Henry Fernandez	—	—	—
Ted Love	—	—	—
Gregory Norden	—	—	—
David Hogdson[2]	—	91.6%	N/A
M. Germano Giuliani[3]	N/A	N/A	N/A
Rory Riggs[3]	N/A	N/A	N/A
Average Employee[4]	N/A	N/A	N/A

(1) Represents manager related payments for Mr. Legorreta and annual fees for our independent directors. Mr. Legorreta does not receive a salary. As a result of his ownership interest in the Manager, Mr. Legorreta is entitled to certain profits of the Manager, which consist of the operating and personnel payment from Royalty Pharma less the expenses of the Manager, including office expense and the compensation of the employees of the Manager.

(2) Mr. Hodgson was elected by shareholders to serve as a director that began on the date of the 2022 Annual Meeting.

(3) Mr. Giuliani and Mr. Riggs began to receive remunerations for their services as independent directors on June 23, 2023, however they did not seek re-election at the 2024 Annual Meeting and their service ended on June 6, 2024, the date of the 2024 Annual Meeting.

(4) Because the Company is externally managed, the Company does not employ personnel or pay any employee remuneration.

Implementation of the UK Directors' Remuneration Policy for 2025

In order to reflect changes to the proposed compensation of Mr. Legorreta following the proposed completion of the Internalization, a revised Directors' Remuneration Policy will be proposed as an ordinary resolution subject to a binding shareholder vote at the Company's 2025 Annual Meeting. This UK Directors' Remuneration Policy section contains the disclosures required to be set out for the purposes of the provisions of the UK Companies Act 2006 and supporting regulations.

Subject to approval by shareholders, the revised UK Directors' Remuneration Policy will become effective from the 2025 Annual Meeting date and shall be in place for the next three-year period unless a new policy is presented to shareholders for approval before then. All payments to directors during the policy period will be consistent with the approved policy.

Details of how the UK Directors' Remuneration Policy will be implemented for 2025 is included in the table below.

Policy Table for Directors

The table below summarizes the Company's remuneration policy that ordinarily applies for its independent directors.

DIRECTORS' REMUNERATION REPORT

Purpose and link to strategy	Operation	Maximum Opportunity
Annual Fees To provide competitive fixed remuneration To attract and retain directors of a high caliber	Flexibility is retained on how annual fees are structured and whether general retainer fees, committee membership fees, chairmanship fees, lead independent director fees, attendance fees, board attendance and/or time based or travel allowances are made available. Our current policy in respect of annual fees is that an annual retainer is paid quarterly in cash unless the director elects to receive all or a portion of their retainer in Class A ordinary shares. Any such share element of an annual retainer is delivered as fully vested restricted stock unit awards under the Royalty Pharma plc 2020 Independent Director Equity Incentive Plan (the "2020 EIP"). Discretion is retained to permit directors to elect to defer income from payments under the Company's remuneration policy for designated periods.	There is no maximum annual fees limit under this policy. Our current practice is to pay an annual retainer of $150,000 per financial year.

Purpose and link to strategy	Operation	Maximum Opportunity
Equity Awards under the 2020 EIP To provide competitive equity based remuneration. To attract and retain directors of a high caliber	Annual Equity Award Normally granted in connection with each Annual Meeting, or, for new directors, typically a pro-rated amount in connection with their election to the board of directors. Appointment Equity Award Granted in connection with a director's appointment to the Board. General Terms Each of the above awards are typically awarded as restricted stock unit awards of Class A ordinary shares under the 2020 EIP. Vesting of which usually arises on the earlier of the anniversary of the grant of the award and the date of the next Annual Meeting. The 2020 EIP provides flexibility for the grant of the following types of awards to independent directors of the Company: (i) market value options; (ii) share appreciation rights; (iii) restricted stock / restricted stock unit awards; (iv) performance awards (awards subject to performance conditions) and (v) other share-based awards. Subject to the terms of the 2020 EIP, awards can be granted in respect of our Class A ordinary shares, American Depositary Shares ("ADSs"), cash or a combination thereof. References in this table (and elsewhere as the context requires) to our Class A ordinary shares will be deemed references to ADSs, as applicable. The 2020 EIP is administered by the Management Development and Compensation Committee unless the Management Development and Compensation Committee designates one or more directors as a subcommittee who may act for the Management Development and Compensation Committee if necessary. The Board may also choose to administer the 2020 EIP itself. The vesting profile of awards under the 2020 EIP may be such as set for the award by the Management Development and Compensation Committee. Dividend equivalents may apply in relation to awards. The number and type of securities subject to award and any exercise price may also be adjusted for various events that may affect the value of ordinary shares or ADSs and for changes in applicable laws, regulations or accounting principles. The Management Development and Compensation Committee retains discretion to operate the 2020 EIP in line with its rules as amended from time to time. Discretion is retained to permit directors to elect to defer income from payments under the Company's remuneration policy for designated periods.	There is no maximum individual limit per financial year under the rules of the 2020 EIP itself but the current intention is to apply the following as a matter of practice. Annual Equity Award Awards over shares of grant value of $250,000 per financial year. Appointment Equity Award Awards over shares of grant value of $100,000.

DIRECTORS' REMUNERATION REPORT

While serving as a director of the Company prior to completion of the Internalization, Mr. Legorreta also provides services in connection with the management of the affairs of the Company through the Manager. Our UK Director's Remuneration Policy covers such remuneration in accordance with UK regulations. Accordingly, in the table below we set out the related policy. We also set out below the policy that will apply after the proposed completion of the Internalization when Mr. Legorreta will become an employee of an affiliate of the Company.

Prior to the Closing of the Internalization

Purpose and link to strategy	Operation	Maximum Opportunity
Manager related payments for Mr. Legorreta	The Company does not have any employees and historically the business has been managed by the Manager and will continue to be managed by the Manager pursuant to the Management Agreement. Under the Management Agreement, the Manager manages the existing assets of our business and source and evaluate new royalty acquisitions. The advisory team for purposes of the Management Agreement in respect of the Company consists of a team of experienced management personnel, including Mr. Legorreta. None of the Manager's advisory professionals receives any direct compensation from the Company in connection with the management of its assets. Mr. Legorreta is entitled to certain profits earned by the Manager under the Management Agreement in respect of the Company and such other management agreements (as relevant) in respect of certain subsidiary undertakings within the Company's group.	No maximum

After the Closing of the Internalization

Purpose and link to strategy	Operation	Maximum Opportunity
Base Salary To retain Mr. Legorreta to develop, lead and deliver the Company's strategy.	Mr. Legorreta will be paid a base salary of $1.5 million per annum following the Internalization in accordance with the normal payroll practices.	No maximum
Benefits To aid the retention of Mr. Legorreta and ensure his total remuneration package is competitive.	To provide market competitive levels of benefits in line with those provided to other senior executives. Any reasonable business-related expenses (including tax thereon if determined to be a taxable benefit) can be reimbursed.	No maximum monetary level for benefits.

Notes to the Policy Tables

(1) All members of the Board are reimbursed for reasonable costs and expenses incurred in attending Board meetings.

DIRECTORS' REMUNERATION REPORT

Director Share Ownership Policy

The Company operates a share ownership policy under which independent directors are ordinarily required to build and maintain during his or her tenure at the Company beneficial ownership of a number of Class A ordinary shares with a value equal to five times the annual cash retainer.

The number of shares for such purposes shall be their prevailing value until such minimum threshold is achieved at which point such number of shares then held will be the relevant number of shares to thereafter maintained.

Beneficial ownership for such purposes may include shares held (i) directly or indirectly or by or for the benefit of immediate family members; (ii) by trusts for the benefit of such person or such person's immediate family members, or (iii) in a 401(k) plan, IRA or deferred compensation plan; and (b) shares of restricted Class A ordinary shares and shares subject to outstanding restricted share unit awards, in either case, that vest solely based on the passage of time.

Each independent director appointed or elected to the Board of directors after our IPO normally has five (5) years from the date of appointment or election to the Board of directors to meet this requirement. Compliance for such directors is measured at the five (5) year anniversary date of the director's appointment or election. Each independent director's continuing compliance with the ownership guidelines will be measured at least once a year by the Management Development and Compensation Committee.

Shares acquired under Annual Equity Awards are ordinarily expected to be retained towards meeting the share ownership policy to the extent there is a shortfall against them as at the time of the relevant settlement.

Recruitment Remuneration

Remuneration agreed in connection with a non-executive director's recruitment will ordinarily be within the scope of the remuneration policy as set out in the table above.

Remuneration agreed in connection with the recruitment of an executive director will comprise such elements (of such value) as the Management Development and Compensation Committee considers appropriate with regard to the skills and experience of the recruit and market practice. For example, such elements would likely include salary, bonus and typical benefits.

Approach

The UK Directors' Remuneration Policy provides that fees payable to the directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the directors and should be sufficient to attract, retain and motivate candidates of high caliber to ensure effective governance of the Company. As a solely US listed company, the Management Development and Compensation Committee approach to compensation arrangements is set within a US context. As our business is at the intersection of the biopharmaceutical and financial services sectors, when considering the level of the directors' remuneration, the Management Development and Compensation Committee review remuneration levels in the biopharmaceutical and financial services sectors as well as other relevant information. The Management Development and Compensation Committee will obtain independent advice as necessary.

Policy on Payment Following Loss of Office

Prior to the Internalization, none of the directors have a service contract. The terms of their appointment provide that directors shall retire and be subject to election at the first Annual Meeting after their appointment and to reelection annually thereafter. The terms also provide that a director may be removed without notice and that compensation will not be due on leaving office.

If the employment of Mr. Legorreta is terminated, any compensation payable will be determined by reference to the terms of his employment in force at the time. Details of the obligations on his employer in the event of his termination of employment are set out in the section headed "Service Contracts" below.

Unvested equity awards will usually lapse on termination of service (including voluntary departure) save for potentially different good leaver treatment. The effect of a participant's termination of service on outstanding awards, including whether the awards may be exercised, settled, vested, paid or forfeited, will be determined by the Management Development and Compensation Committee and may be set forth in the participant's award agreement.

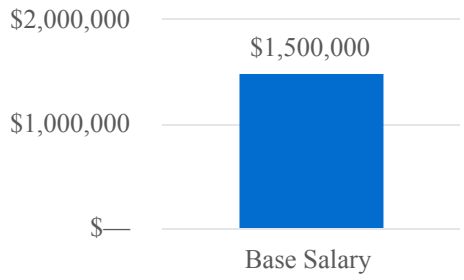
In the event of certain corporate transactions, including a change of control, the Board of directors may determine the appropriate treatment of an award, which may include (but is not limited to) it vesting in full, being settled in cash or being varied or replaced so as to relate to other assets (including shares in another company). Awards under the 2020 EIP accelerate and vest in full in connection with a change of control.

Service Contracts

Following the Internalization, Mr. Legorreta's offer letter agreement (the "Service Agreement") with an affiliate of the Company will become effective. The Service Agreement is of unlimited duration, but Mr. Legorreta's employment is on an "at-will" basis. If Mr. Legorreta's employment is terminated for Good Reason (as defined in the Service Agreement) or without Cause (as defined in the Service Agreement) (other than due to death or disability) then he will be entitled to payment of his base salary for 12 months following termination, payable primarily in monthly installments.

Illustration of the Application of the UK Director's Remuneration Policy

The following table provides an illustration of the potential remuneration for the year ended 31 December 2025 for Mr. Legorreta computed in accordance with the UK Director's Remuneration Policy outlined above.



Consideration of Shareholders' Views

As described in the proxy statement, we regularly seek and carefully consider shareholder feedback regarding our compensation practices. In particular, the Management Development and Compensation Committee will take into account the results of the shareholder vote on compensation related matters and any discussions with shareholders on compensation matters over the year when making future compensation decisions in respect of directors.

Employees

Since as of the date of this report, the Company is externally managed and does not have any employees, the disclosures required under paragraphs 38 and 39 of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are not required.

DIRECTORS' REMUNERATION REPORT

Consideration by the Management Development and Compensation Committee of Matters Relating to Directors' Remuneration

The Management Development and Compensation Committee is responsible for overseeing the remuneration of the pay of directors. The members of the Management Development and Compensation Committee are David Hodgson (Chairman), Bonnie Bassler and Errol De Souza.

The members of the Management Development and Compensation Committee have no personal financial interest, other than as shareholders, in matters to be decided, and no potential conflicts of interest arising from cross-directorships. The members of the Management Development and Compensation Committee are all independent directors and have no day-to-day involvement in running the business.

The chairman of the Management Development and Compensation Committee, with input from the other committee members, directs the agenda for each committee meeting and seeks input from management.

Signed on behalf of the Board by:

David Hodgson
Chairman of the Management Development and Compensation Committee
April 10, 2025

ROYALTY PHARMA PLC

CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2024

Royalty Pharma plc
Consolidated Statements of Profit and Loss

USD $000	Notes	For the years ended December 31, 2024	2023
Income			
(Loss)/gain on financial royalty assets at fair value through profit or loss	3	$ 534,788	$ 2,903,401
Other income	2	17,542	29,866
Total income		**552,330**	**2,933,267**
Other (income)/expense			
General and administrative expenses		244,984	253,263
(Gain)/loss on other financial instruments at fair value through profit or loss	3	(131,871)	280,403
Loss/(gain) on investments in associates at fair value through profit or loss	6	(32,968)	(45,410)
Interest expense	8	225,512	187,187
Interest income		(47,343)	(72,291)
Other non-operating expense, net		5,073	9,015
Total other expense, net		**263,387**	**612,167**
(Loss)/profit before taxation		288,943	2,321,100
Taxation		—	—
(Loss)/profit after taxation		288,943	2,321,100
(Loss)/profit attributable to non-controlling interests		70,835	596,665
(Loss)/profit attributable to Royalty Pharma plc		**$ 218,108**	**$ 1,724,435**
(Loss)/profit per share attributable to Royalty Pharma plc shareholders:			
Basic	10	$ 0.49	$ 3.85
Diluted	10	$ 0.49	$ 3.85

The accompanying notes form an integral part of these financial statements.

Royalty Pharma plc
Consolidated Balance Sheets

USD $000	Notes	As of December 31, 2024	2023
Non-current assets			
Financial assets at fair value through profit or loss	3, 4	$ 23,825,127	$ 23,509,225
Investments in associates at fair value through profit or loss	4, 6	560,666	553,779
Other assets		3,711	4,744
Total non-current assets		**24,389,504**	**24,067,748**
Current assets			
Debtors	5	4,187	18,040
Financial assets at fair value through profit or loss	3, 4	868,926	779,143
Cash and cash equivalents	7	929,026	477,010
Total current assets		**1,802,139**	**1,274,193**
Current liabilities			
Accounts payable and accrued expenses		13,370	15,165
Notes payable	8	997,773	—
Interest payable	8	98,062	51,682
Financial liabilities at fair value through profit or loss	3, 4	75,811	83,155
Other current liabilities		68,600	11,375
Total current liabilities		**1,253,616**	**161,377**
Net current assets		**548,523**	**1,112,816**
Total assets less current liabilities		**24,938,027**	**25,180,564**
Non-current liabilities			
Financial liabilities at fair value through profit or loss	3, 4	2,806,795	3,092,334
Notes payable	8	6,614,653	6,135,285
Total non-current liabilities		**9,421,448**	**9,227,619**
Net assets		**$ 15,516,579**	**$ 15,952,945**
Capital and reserves			
Share capital	9	$ 108	$ 108
Share premium	9	3,894,039	3,674,733
Other reserves	9	14,783	12,439
Profit and loss account	9	7,841,037	8,243,647
Non-controlling interest	9	3,769,842	4,025,208
Treasury interests		(3,230)	(3,190)
Total equity		**$ 15,516,579**	**$ 15,952,945**

The financial statements were approved by the Board of directors of Royalty Pharma plc (Company Number: 12446913) on April 10, 2025 and are signed on its behalf by:

Pablo Legorreta

Pablo Legorreta
Director
April 10, 2025

The accompanying notes form an integral part of these financial statements.

Royalty Pharma plc
Consolidated Statements of Changes in Equity

USD $000	Share capital	Share premium	Other reserves	Profit and loss account	Non-controlling interests	Treasury interests	Total
Balance as of December 31, 2022	**$ 107**	**$ 3,216,077**	**$ 10,044**	**$ 7,292,408**	**$ 3,892,789**	**$ (3,113)**	**$ 14,408,312**
Contributions	—	—	—	—	3,874	—	3,874
Distributions	—	—	—	—	(119,649)	—	(119,649)
Share-based compensation and related issuances of Class A ordinary shares	—	—	2,395	—	—	—	2,395
Other exchanges	2	458,656	—	(110,110)	(348,471)	(77)	—
Dividends paid	—	—	—	(358,327)	—	—	(358,327)
Repurchases of Class A ordinary shares	(1)	—	—	(304,759)	—	—	(304,760)
Profit after taxation	—	—	—	1,724,435	596,665	—	2,321,100
Balance as of December 31, 2023	**$ 108**	**$ 3,674,733**	**$ 12,439**	**$ 8,243,647**	**$ 4,025,208**	**$ (3,190)**	**$ 15,952,945**
Contributions	—	—	—	—	3,877	—	3,877
Distributions	—	—	—	—	(125,158)	—	(125,158)
Share-based compensation and related issuances of Class A ordinary shares	—	—	2,344	—	—	—	2,344
Other exchanges	1	219,306	—	(14,347)	(204,920)	(40)	—
Dividends paid	—	—	—	(376,465)	—	—	(376,465)
Repurchases of Class A ordinary shares	(1)	—	—	(229,906)	—	—	(229,907)
Loss after taxation	—	—	—	218,108	70,835	—	288,943
Balance as of December 31, 2024	**$ 108**	**$ 3,894,039**	**$ 14,783**	**$ 7,841,037**	**$ 3,769,842**	**$ (3,230)**	**$ 15,516,579**

The accompanying notes form an integral part of these financial statements.

Royalty Pharma plc
Consolidated Statements of Cash Flows

USD $000	Notes	For the Year Ended December 31, 2024	2023
Cash flows from operating activities			
Cash collections from financial royalty assets		$ 3,075,471	$ 3,322,990
Other royalty cash collections		31,432	38,565
Distributions from investments in associates		13,396	18,823
Interest received		46,482	71,604
Payments for operating and professional costs		(248,470)	(250,869)
Interest paid		(159,570)	(169,168)
Net cash provided by operating activities		**2,758,741**	**3,031,945**
Cash flows from investing activities:			
Distributions from investments in associates		23,641	43,882
Investments in associates		(10,955)	(12,542)
Purchases of equity securities		(62,500)	—
Proceeds from equity securities		98,575	—
Purchases of debt securities		(150,000)	—
Proceeds from debt securities		19,786	1,440
Proceeds from sales and maturities of marketable securities		—	24,391
Acquisitions of financial royalty assets		(2,495,456)	(2,159,665)
Acquisitions of other financial assets		(18,000)	—
Milestone payments		(75,000)	(12,400)
Other		2,039	(2,038)
Net cash used in investing activities		**(2,667,870)**	**(2,116,932)**
Cash flows from financing activities:			
Distributions to Legacy Interests		(362,280)	(376,987)
Distributions to non-controlling interests		(125,159)	(119,534)
Dividends to shareholders	9	(376,465)	(358,327)
Repurchases of Class A ordinary shares	9	(229,651)	(304,759)
Contributions from Legacy Interests		1,230	3,601
Contributions from non-controlling interests		3,877	3,875
Proceeds from revolving credit facility	8	—	350,000
Repayment of notes payable	8	—	(1,000,000)
Proceeds from issuance of notes payable, net of discount	8	1,471,235	—
Debt issuance costs and other		(12,616)	(1,596)
Repayment of revolving credit facility	8	—	(350,000)
Cash acquired in connection with purchase of Legacy Interest		—	4,973
Other		(9,026)	—
Net cash provided by/(used in) financing activities		**361,145**	**(2,148,754)**
Net change in cash and cash equivalents		452,016	(1,233,741)
Cash and cash equivalents, beginning of period		477,010	1,710,751
Cash and cash equivalents, end of period		**$ 929,026**	**$ 477,010**

The accompanying notes form an integral part of these financial statements.

1. General information

Royalty Pharma plc (the "Company" or "Royalty Pharma"), formerly Royalty Pharma Ltd, is a public limited company incorporated on February 6, 2020 and domiciled in England and Wales. On April 22, 2020, the Company re-registered under the Companies Act 2006 as a public company under the name of Royalty Pharma plc. The Company had an initial public offering on June 16, 2020 and is listed on the NASDAQ Global Select Market under the symbol "RPRX."

The registered office of the Company is The Pavilions, Bridgwater Road, Bristol, England, BS13 8AE. The principal activity of the Company is to carry on business as a holding company. It operates and controls the business affairs of Royalty Pharma Holdings Ltd ("RP Holdings") through ownership of RP Holdings' Class A ordinary shares (the "RP Holdings Class A Interests") and RP Holdings' Class B ordinary shares (the "RP Holdings Class B Interests"). The Company conducts its business through RP Holdings and its subsidiaries.

RP Holdings is the sole owner of Royalty Pharma Investments 2019 ICAV ("RPI 2019 ICAV"), which is an Irish collective asset management vehicle, and is the successor to Royalty Pharma Investments, an Irish unit trust ("Old RPI"). RP Holdings is owned by Royalty Pharma plc, and, indirectly, by RPI US Partners 2019, LP, a Delaware limited partnership, and RPI International Holdings 2019, LP, a Cayman Islands exempted limited partnership (together, the "Continuing Investors Partnerships"). Prior to the Exchange Offer (defined below), Old RPI was owned by various partnerships (the "Legacy Investors Partnerships").

RP Management, LLC (the "Manager"), a Delaware limited liability company, is responsible for the Group's management, including day-to-day operations, pursuant to advisory and management agreements (collectively, the "Management Agreement"). In January 2025, the Company agreed to acquire the Manager for approximately $1.1 billion in total consideration (the "Internalization"). Refer to Note 18 - Subsequent Events for additional discussion.

The Group is the largest buyer of biopharmaceutical royalties and a leading funder of innovation across the biopharmaceutical industry. The Group funds innovation in the biopharmaceutical industry both directly and indirectly - directly by partnering with companies to co-fund late-stage clinical trials and new product launches in exchange for future royalties, and indirectly by acquiring existing royalties from the original innovators.

2. Summary of significant accounting policies

Basis of presentation

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). These consolidated financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The Group has elected to apply the recognition and measurement provisions of International Financial Reporting Standards 9 ("IFRS 9") to its financial instruments available under FRS 102.

The consolidated financial statements have been prepared on a going concern basis and the historical cost convention except for assets and liabilities held at fair value. The following accounting policies have been applied consistently with respect to items that are considered material in relation to the consolidated financial statements and in preparing an opening FRS 102 consolidated balance sheet at January 1, 2023 for the purposes of the transition from accounting principles generally accepted in the United States of America ("US GAAP") to FRS 102. The consolidated financial statements were historically prepared in accordance with US GAAP, as permitted by Statutory Instrument 2015 No. 1675, "The Accounting Standards (Prescribed Bodies) (United States and Japan) Regulations 2015." This statutory Instrument permitted the use of US GAAP for the consolidated financial statements for the first four years following Royalty Pharma plc's incorporation in 2020 through to the year ended December 31, 2023, and the Group has transitioned to FRS 102 for the year ended December 31, 2024.

Basis of consolidation

The consolidated financial statements include the accounts of Royalty Pharma and all majority-owned and controlled subsidiaries, as well as variable interest entities, where the Company is the primary beneficiary. The Group consolidates based upon evaluation of its power, through voting rights or similar rights, to direct the activities of another entity that most significantly impact the entity's economic performance. Excluding the Legacy Interests (defined below) and the Class C Special Interest (defined below), which are accounted for as financial liabilities, for consolidated entities where the Group owns or is exposed to less than 100% of the economics, the Group records *Profit/(loss) attributable to non-controlling interests* in its consolidated statements of profit and loss equal to the percentage of the economic or ownership interest retained in such entities by the respective non-controlling parties.

The Company consummated an exchange offer on February 11, 2020 (the "Exchange Offer") to facilitate the initial public offering ("IPO"). Through the Exchange Offer, investors which represented 82% of the aggregate limited partnership in the Legacy Investors Partnerships exchanged their limited partnership interests in the Legacy Investors Partnerships for limited partnership interests in the Continuing Investors Partnerships. Following the Exchange Offer, the Company became the indirect owner of an 82% economic interest in Old RPI through its subsidiary RPI 2019 Intermediate Finance Trust, a Delaware statutory trust. The Group is entitled to 82% of the economics of Old RPI's wholly-owned subsidiary RPI Finance Trust, a Delaware statutory trust ("RPIFT"), and 66% of Royalty Pharma Collection Trust, a Delaware statutory trust ("RPCT").

In 2022, the Company became an indirect owner of an 82% economic interest in Royalty Pharma Investments ICAV ("RPI ICAV"), which was previously owned directly by Old RPI.

In December 2023, RPI 2019 ICAV acquired the remaining interest in RPCT owned by Royalty Pharma Select Finance Trust, a Delaware statutory trust ("RPSFT"), at which time RPSFT ceased to hold an interest in RPCT. Prior to December 2023, the remaining 34% of RPCT was owned by the Legacy Investors Partnerships and RPSFT, which was wholly owned by Royalty Pharma Select, an Irish unit trust.

The Legacy Investors Partnerships' interests in RPCT, RPIFT, and RPI ICAV, and RPSFT's interest in RPCT are collectively referred to as the ("Legacy Interests").

RPI EPA Vehicle, LLC ("EPA Vehicle") owns the RP Holdings Class C ordinary share (the "RP Holdings Class C Special Interest").

The Group reports one non-controlling interest, the Continuing Investors Partnerships' indirect ownership in RP Holdings through their indirect ownership of RP Holdings Class B Interests (the "continuing non-controlling interests").

All intercompany transactions and balances have been eliminated in consolidation.

Transition to FRS 102

The Group is preparing its financial statements in accordance with FRS 102 for the first time. An explanation of how the transition from US GAAP to FRS 102 has affected the reported financial position, financial performance and cash flows of the Group is provided in Note 17.

Departure from FRS 102

Management has concluded that the financial statements give a true and fair view of the Group's financial position, financial performance and cash flows. The Group has complied with FRS 102 except that it has departed from FRS 102 19 to give a true and fair view. In May 2024, the Group entered into a transaction to acquire a royalty interest on frexalimab through an acquisition of ImmuNext, Inc. ("Immunext"), a legal entity. The Group wholly owns ImmuNext, which owns the underlying intellectual property for frexalimab, however, the intellectual property is exclusively and perpetually out-licensed in exchange for a royalty and milestone payments. The Group has no ability to commercially exploit the underlying intellectual property. In substance, the Group acquired the rights to the future cash flows, economically similar to other royalty acquisitions, and therefore consolidated ImmuNext and recorded frexalimab as a financial royalty asset at fair value.

Going concern

After reviewing the Group's performance projections, the directors are satisfied that the Group has adequate access to resources to enable it to meet its obligations and to continue in operational existence for a period of at least 12 months from the issuance of these financial statements. As a result they have adopted the going concern basis in preparing the financial statements.

Judgements and key sources of uncertainty

The preparation of the consolidated financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as of the balance sheet date and the amounts reported for revenues and expenses during the year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. FRS 102 requires management to exercise judgement in the process of applying the accounting policies.

The most critical accounting policies relate to the Group's financial royalty assets and the full descriptions can be found below. Similarly, the most significant judgments and estimates applied by management are associated with the measurement of the Group's financial royalty assets at fair value. The Group's management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in Note 4 below.

Foreign currency translation

The functional and reporting currency of the Group is the United States Dollar ("USD" or "$").

Assets and liabilities denominated in a currency other than the USD are translated into USD at the exchange rates at the balance sheet date. Income and expenses denominated in currencies other than USD are translated at the exchange rates on the respective dates of such transactions.

Segment Information

The Company's Chief Operating Decision Maker ("CODM") is its Chief Executive Officer who reviews financial information presented on a consolidated basis to allocate resources, evaluate financial performance and make overall operating decisions. As such, the Company concluded that the Group operates as one single reportable segment, which is primarily focused on acquiring biopharmaceutical royalties. The measure of segment profit or loss that is most consistent with the Group's consolidated financial statements is consolidated profit or loss. The accounting policies of the Group's single reportable segment are the same as those for the consolidated financial statements. The level of disaggregation and amounts of significant segment expenses that are regularly provided to the CODM are the same as those presented in the consolidated statements of profit and loss.

Financial Royalty Assets

An acquisition of a financial royalty asset provides the buyer with contractual rights to cash flows from the sale of patent-protected biopharmaceutical products by unrelated biopharmaceutical companies. The majority of the Group's royalties provide it with rights that are protective and passive in nature. In other words, the Group does not own the intellectual property or have the right to commercialize the underlying products.

Accounting for financial royalty assets

Financial royalty assets are recognized when the Group becomes a party to the contractual provisions of the financial instrument. Financial royalty assets are recorded in the consolidated balance sheets at fair value within *Financial assets at fair value through profit or loss*. All transaction costs for such instruments are recognized directly in profit or loss. Subsequent changes in the fair value of those financial royalty assets are recorded within *Net gain or loss on financial instruments at fair value through profit or loss*.

The fair value of financial royalty assets is calculated based on forecasted expected future cash flows of the underlying biopharmaceutical product and applying a Monte Carlo simulation under the option pricing framework to the projected future royalty payments. See further discussion in Note 4 on use of the Monte Carlo simulation model. The below discussion refers to inputs into the forecasted expected future cash flows and market variables that impact management's estimation and the changes in fair value.

Management's judgment is required in forecasting the expected future cash flows of the underlying royalties. The amounts and duration of forecasted expected future cash flows are largely impacted by sell-side equity research analyst coverage, commercial performance of the product, and royalty duration, each discussed in further detail below.

- *Analyst coverage.* Forecasts of expected future cash flows are developed from sales projections of the underlying biopharmaceutical products as published in sell-side equity research analyst reports. In projecting future cash flows, the Group's policy is to rely on sell-side research analysts' consensus sales forecasts to derive annual sales projections for each financial royalty asset over the periods for which the Group is entitled to royalties or milestones. These forecasts are based on market research that analyzes factors such as growth in global economies, industry trends and product life cycles. The Group generally utilizes statistical curves to project future sales for a portion of the royalty duration when sell-side equity research coverage ends or when estimates are not available for the duration of the royalty. The statistical curves are modelled from a combination of historical trends and available sell-side equity research analyst consensus sales estimates. Based on the level of detail in sell-side equity research analyst models, management can also be required to apply assumptions to the sales forecasts to estimate the quarterly and geographical allocation from annual sales projections and, for franchised products, to estimate the product mix and pricing mix. The Group's contractual royalty terms, rates and any milestones are then applied to the adjusted sales projections to calculate the expected royalty or milestone payments over the term of the financial royalty asset's life, forming the basis for the Group's forecast of expected future cash flows used to calculate fair value.

- *Commercial performance*. The approval of a product for use in new indications can extend the date through which the Group is entitled to royalties or milestones on that product. If a product is removed from all or a portion of a market, subsequent sell-side equity research analysts' consensus sales forecasts will reflect the expected drop in sales. Both the new cash flow streams and the cessation of cash flow streams related to a product's performance in the market over the royalty term can materially affect the Group's forecast of expected future cash flows, which directly impacts the calculation of fair value.

- *Royalty duration*. The duration of a royalty can be based on a variety of factors, such as regulatory and marketing approval dates, patent expiration dates, the number of years from first commercial sale, the first date of manufacture of the patent-protected product, the entry of generics or a contractual date arising from litigation, which are all impacted by the point in time in the product's life cycle at which the Group acquires the royalty. Royalty durations vary by geography as the United States, European Union and other jurisdictions may be subject to different country-specific patent protection terms or exclusivity based on contractual terms. Products may be covered by a number of patents and, where a royalty term is linked to the existence of valid patents, management is required to make judgments about the patent providing the strongest protection to align the period over which management forecasts expected future cash flows to the royalty term. It is common for the latest expiring patent in effect at the date the Group acquires a financial royalty asset to be extended, adjusted or replaced with newer dated patents subsequent to the Group's acquisition of a royalty due to new information, resulting in changes to the royalty duration in later periods. Patents may expire earlier than expected at the time of the acquisition due to the loss of patent protection, loss of data exclusivity on intellectual property, contractual licensing terms limiting royalty payments based on time from product launch, recent legal developments or litigation. Macroeconomic factors, such as changes in economies or the competitive landscape, including the unexpected loss of exclusivity to the products underlying the Group's portfolio of royalties, changes in government legislation, product life cycles, industry consolidations and other changes beyond the Group's control could result in a positive or negative impact on its forecast of expected future cash flows and the related calculation of fair value

As part of the preparation of the forecasted expected future cash flows, which relies on the sources and variables discussed above, management is required to make assumptions around the following forecast inputs: (1) estimates of the duration of the royalty, which includes consideration of the strength of patent protection and anticipated timing for entry of generics, (2) product growth rates and sales trends in outer years, generally projected through statistical curves (3) the product and pricing mix for franchised products, (4) the geographical allocation of annual sales data from sell-side equity research analysts' models, and (5) the portion of sales that are subject to royalties which is referred to as royalty bearing sales. The most sensitive of these assumptions relates to management's estimate of the royalty duration in the final years of an asset's life. In some cases, patent protection may extend to a later period than the expiration date management has estimated. Management may apply a shorter royalty term in this situation if, based on its experience and expertise, management believes that it is more likely that the associated patents are subject to opposition or infringement, that the market for a particular product may shift based on pipeline approvals and products, or that product sales may be harmed by competition from generics. For products providing perpetual royalties, management applies judgment in establishing the duration over which it forecasts expected future cash flows.

A shortened royalty term can result in a decline in fair value or a reduction in royalty payments compared to expectations, or a permanent impairment. Additionally, royalty payments may occasionally continue beyond the estimated royalty expiration date for such reasons the Group cannot foresee such as excess inventory in the channel or additional scope of patent protection identified after expiry, including royalties the Group may become entitled to from new indications, new compounds, or for new regulatory jurisdictional approvals.

Certain acquisition agreements provide for future incoming or outgoing contingent payments based on the commercial, regulatory or clinical performance of the related biopharmaceutical product generally over a multi-year period. For purposes of calculating fair value of financial royalty assets, milestones payable or receivable are reflected in the forecasted expected future cash flows in the period in which the milestone criteria is projected to be satisfied based on sell-side equity research analysts' consensus sales forecasts. Regulatory milestones are considered based on probability of technical success, among other factors. The Group assess all milestone payments to determine whether we must account for these arrangements as derivative instruments.

The current portion of financial royalty assets represents an estimation for current quarter royalty receipts which are collected during the subsequent quarter and for which the estimates are derived from the latest external publicly available sell-side equity research analyst reports, reported in arrears.

Other income

When royalties are received for financial royalty assets that no longer have a fair value recorded on the consolidated balance sheets, such income is recognized as *Other income* in the consolidated statements of profit and loss.

Fair value measurements

The Group's financial instruments consist primarily of cash and cash equivalents, equity securities, derivative instruments, debt securities, royalty interests and notes payable. With the exception of notes payable which is accounted for at amortized cost, these financial instruments and the Group's investments in associates are reported at their respective fair values on the Group's consolidated balance sheets.

For financial instruments and investments in associates carried at fair value, the level in the fair value hierarchy is based on the lowest level of inputs that is significant to the fair value measurement in its entirety. The Group determines the fair value of assets and liabilities using the fair value hierarchy, which establishes three levels of inputs that may be used to measure fair value as follows:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3: Prices or valuation that require inputs that are both significant to the fair value measurement and unobservable

Management uses valuation techniques to determine the fair value of financial instruments and investments in associates (where active markets quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Refer to Note 4 for further discussion on the Group's fair value measurements.

Cash and Cash Equivalents

Cash and cash equivalents include cash held at financial institutions and all highly liquid financial instruments with original maturities of 90 days or less.

Equity Securities and Debt Securities

Equity securities primarily consist of investments in publicly traded equity securities. The equity securities are considered financial assets and are measured and recorded at fair value with unrealized gains and losses recognized through profit or loss. For equity securities without a readily determinable fair value, the Group measures the securities at cost less impairment, if any. In determining whether a security without a readily determinable fair value is impaired, management considers qualitative factors to identify an impairment including the financial condition and near-term prospects of the issuer. Investments classified as debt securities are also considered financial assets and recorded at fair value with changes in fair value recognized in profit or loss.

Derivative Instruments

Derivative instruments are measured at fair value on the consolidated balance sheets with movements in fair value recognized in profit or loss.

Investments in Associates

Investments in entities that provide the Group with the ability to exercise significant influence, but not control are classified as investments in associates on the consolidated balance sheets and recorded initially at fair value. The Group has determined that its investments in associates are considered held as part of an investment portfolio, as the Group holds these investments for capital appreciation. In accordance with FRS 102.14.4B, the Group subsequently records its investments in associates at fair value, with changes in fair value recognized in profit or loss.

Legacy Interests and Class C Special Interest

The Legacy Interests and the Class C Special Interest are considered financial liabilities as they represent a contractual obligation of the Group to deliver cash. The Group has elected to record these financial liabilities at fair value with changes in fair value recognized in profit or loss.

Income Taxes

The Group periodically assesses if its activities, as conducted through its subsidiaries, and as currently contemplated, constitute being engaged in the conduct of a trade or business within the United States. Neither the US Internal Revenue Code ("the Code") nor the applicable Treasury regulations provide a general definition of what constitutes as being engaged in the conduct of a trade or business within the United States, and the limited case law on the subject does not provide definitive guidance. Based on the Group's periodic assessment, it believes that it is not engaged in the conduct of a trade or business within the United States, and as such, the Group does not record a provision for US income taxes with respect to effectively connected income for the years presented in the consolidated financial statements.

The Group has funding arrangements in place where its counterparties have drawn on capital or are allowed to draw on capital over a prescribed period of time. Income from these funding arrangements is subject to US taxation and the Group records a provision for US income taxes within *General and administrative expenses* in accordance with FRS 102.29 – *Income Taxes,* with respect to this income. The Group expects the associated income tax provision expense to become more significant in the future as it enters into more funding arrangements. Additionally, the Group entered into an arrangement with MSCI Inc. ("MSCI") during 2021 as discussed in Note 15–Related Party Transactions that will be subject to US taxation when the Group begins to recognize revenue. At that time, the Group will record a provision for US income taxes in accordance with FRS 102.29 – *Income Taxes*, with respect to revenue from the MSCI transaction.

The Group operates so as to be treated solely as resident in the UK for tax purposes. As a UK tax resident company, the Group is subject to UK corporation tax on its worldwide taxable profits and gains. UK tax resident companies are subject to UK corporation tax on receipt of dividends or other income distributions in respect of shares held by them, unless those dividends or other distributions fall within an exempt class. The Group believes that dividends received by the Group from RP Holdings, and dividends received by RP Holdings from RPI 2019 ICAV, should fall within such an exempt class and therefore should not be subject to UK corporation tax. As such, the Group does not record a provision for UK income taxes with respect to the dividends received from RP Holdings or with respect to the dividends received by RP Holdings from RPI 2019 ICAV.

The Group is also subject to the UK's "controlled foreign companies" rules (the "UK CFC Rules"). The UK CFC Rules, broadly, apply to UK tax resident companies that have, alone or together with certain other persons, interests in a non-UK tax resident company (the "Controlled Foreign Company") which is controlled by a UK person or persons. The charge under the UK CFC Rules applies by reference to certain types of chargeable profit arising to the Controlled Foreign Company, whether or not that profit is distributed, subject to specific exemptions. Certain non-UK entities in which the Group holds a greater than 25% interest, including RPI 2019 ICAV (which is an Irish tax resident) and Old RPI (which is an Irish tax resident and is held indirectly by the Group through its participation in RP Holdings), are considered Controlled Foreign Companies for UK tax purposes. The Group is therefore required to apply the UK CFC Rules in respect of its direct and indirect interests in these entities on an ongoing basis. The Group does not expect material tax charges to arise under the UK CFC Rules with respect to its direct and indirect interests in these entities and the Group therefore do not record a provision for UK income taxes related to this matter.

Other Taxation Matters

The Group is subject to US federal withholding tax on certain fixed or determinable annual or periodic gains, profits and income, such as royalties from sources within the United States, unless reduced or eliminated under an applicable tax treaty or provision of the Code. Generally, this tax is imposed by withholding 30% of the payments, or deemed payments, that are subject to this tax. The Group believes its subsidiaries are eligible for benefits under the US-Ireland income tax treaty, and, under that treaty, are not subject to any US withholding taxes on US-source royalty, interest or other income payments.

Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing profit attributable to the Group by the weighted average number of Class A ordinary shares outstanding during the period. Diluted EPS is calculated by dividing profit attributable to the Group by the weighted average number of Class A ordinary shares outstanding during the period, including the number of Class A ordinary shares that would have been outstanding if the potentially dilutive securities had been issued.

The Group's Class B ordinary shares, Class R redeemable shares and deferred shares do not share in the profits or losses attributable to the Group and are therefore not participating securities.

The Group's outstanding Class B ordinary shares are, however, considered potentially dilutive shares because Class B ordinary shares, together with the related RP Holdings Class B Interests, are exchangeable into Class A ordinary shares on a one-for-one basis. Potentially dilutive securities also include Class B ordinary shares contingently issuable to EPA Vehicle related to Equity Performance Awards (as defined in Note 3) and RSUs issued under the Group's 2020 Independent Director Equity Incentive Plan.

Potentially dilutive shares are included in the denominator to compute diluted EPS if (i) the inclusion of the ordinary shares is dilutive for the respective reporting periods, and (ii) contingencies are satisfied as of the end of the reporting period for ordinary shares that are contingently issuable. The "if-converted" method is used to determine the potentially dilutive effect of the outstanding Class B ordinary shares, and the treasury stock method to determine the potentially dilutive effect of the unvested RSUs.

3. Financial Instruments

	As of December 31,	
	2024	2023
Financial assets:		
Financial royalty assets	$ 810,726	$ 760,843
Debt securities	58,200	18,300
Total current financial assets	**$ 868,926**	**$ 779,143**
Financial royalty assets	22,922,408	22,872,935
Debt securities	693,500	437,100
Equity securities	197,219	199,190
Derivative instruments	12,000	—
Total non-current financial assets	**$ 23,825,127**	**$ 23,509,225**
Financial liabilities:		
Notes payable	997,773	—
Legacy Interests	75,811	83,155
Total current financial liabilities	**$ 1,073,584**	**$ 83,155**
Notes payable	6,614,653	6,135,285
Funding commitments	12,080	900
Legacy Interests	1,910,715	2,272,434
Class C Special Interest	884,000	819,000
Total non-current financial liabilities	**$ 9,421,448**	**$ 9,227,619**

The Group's gains and losses on financial instruments held at fair value through profit or loss is summarized below:

	For the years ended December 31,	
(Loss)/gain on financial instruments at fair value through profit or loss	2024	2023
Financial royalty assets	$ 534,788	$ 2,903,401
Debt securities	154,906	230,840
Derivative instruments	(6,000)	(2,290)
Equity securities	37,605	95,314
Legacy Interests	10,360	(209,267)
Class C Special Interest	(65,000)	(395,000)
Total (loss)/gain on financial instruments at fair value through profit or loss	**$ 666,659**	**$ 2,622,998**

Financial Royalty Assets

Financial royalty assets consist of contractual rights to cash flows relating to royalties derived from the expected sales of patent-protected biopharmaceutical products that entitle the Group to receive a portion of income from the sale of such products by third parties.

Debt Securities and Derivative Instruments

Funding Arrangements with Cytokinetics

In May 2024, the Group expanded its funding collaboration with Cytokinetics, Incorporated ("Cytokinetics") to provide up to $575 million. As part of the expanded funding collaboration, the Group provided funding of $100 million ("Cytokinetics Development Funding") for Cytokinetics' Phase 3 clinical trial of omecamtiv mecarbil and amended the funding agreement that the Group entered into with Cytokinetics in 2022 to provide two additional funding tranches (as amended, "Cytokinetics Commercial Launch Funding"). Following the amendment in May 2024, the Cytokinetics Commercial Launch Funding is comprised of seven tranches with a total funding of up to $525 million.

The Group's return on the Cytokinetics Development Funding depends on the outcome of omecamtiv mecarbil's Phase 3 clinical trial and approval by the US Food and Drug Administration (the "FDA"). If omecamtiv mecarbil's Phase 3 clinical trial is successful and approval by the FDA is received within a specific timeframe, the Group will receive a return of $100 million and the greater of an incremental 2.0% royalty on annual net sales of omecamtiv mecarbil or quarterly fixed payments for 18 quarters and an incremental 2.0% royalty thereafter. If FDA approval is not received within a specific timeframe, the Group will receive a return of 2.4 times the Cytokinetics Development Funding over 18 quarters. If the Phase 3 clinical trial is not successful within a specific timeframe, the Group will receive a return of 2.3 times the Cytokinetics Development Funding over 22 quarters.

Out of the seven tranches of the Cytokinetics Commercial Launch Funding, tranches one and six have been funded. Tranches two and three are no longer available because the related regulatory milestones were not met. Tranches four, five and seven are available for draw upon the occurrence of certain regulatory and clinical development milestones ("Cytokinetics Funding Commitments") and have a one-year draw period from the date when such contingency is met. The contingencies for the fourth and fifth tranches were met in April and December 2024, respectively. Up to $75 million is available to be drawn under tranche 4 until April 2025, and up to $100 million is available to be drawn under tranche 5 until December 2025. A minimum of $50 million is required to be drawn under either tranche 4 or tranche 5. The condition for $175 million to become available to be drawn under tranche 7 has not yet been satisfied. For tranches one, four, five, six and seven, the Group expects to receive a return of 1.9 times the amount drawn over 34 consecutive quarterly payments beginning on the last business day of the seventh quarter following the quarter of the funding date of each tranche. In the fourth quarter of 2023, the Group began receiving quarterly repayments on tranche one.

The Group records the Cytokinetics Development Funding, the Cytokinetics Commercial Launch Funding (collectively the "Cytokinetics Funding Arrangements") and the Cytokinetics Funding Commitments at fair value within *Financial assets at fair value through profit or loss* on the consolidated balance sheets. The changes in the fair value of the funded Cytokinetics Funding Arrangements and Cytokinetics Funding Commitments are recorded within *(Loss)/gain on financial royalty assets at fair value through profit or loss* in the consolidated statements of profit and loss.

Further, as part of the expanded funding collaboration in May 2024, the Group purchased Cytokinetics common stock and provided funding for clinical trials of CK-586 in exchange for a royalty, which is further described below. Lastly, the funding collaboration also included the restructuring of the Group's royalty on aficamten.

The table below summarizes the components of the Group's funding collaboration with Cytokinetics, including the expanded funding collaboration in May 2024 and related funding status as of December 31, 2024:

USD $000

	Funded	Required Future Draw	Potential Future Draw	Total
Cytokinetics Commercial Launch Funding [(1)]	$ 100,000	$ 50,000	$ 250,000	$ 400,000
Cytokinetics Development Funding	100,000	—	—	100,000
Cytokinetics R&D Funding Derivative [(2)]	50,000	—	150,000	200,000
Cytokinetics Common Stock	50,000	—	—	50,000
Total	**$ 300,000**	**$ 50,000**	**$ 400,000**	**$ 750,000**

(1) Potential draw of $250 million assumes no more than $25 million will be drawn under tranche 4.
(2) Related to the Group's funding for the clinical trials of CK-586. The Group has the option to fund up to an additional $150 million.

MorphoSys Development Funding Bonds

In September 2022, the Group provided MorphoSys AG ("MorphoSys") funding of $300 million ("MorphoSys Development Funding Bonds"). The Group's return on the MorphoSys Development Funding Bonds is 2.2 times the amount funded. The Group began receiving quarterly payments in the fourth quarter of 2024. In 2024, MorphoSys was acquired by Novartis. In January 2025, the MorphoSys Development Funding Bonds were sold for approximately $511 million.

The MorphoSys Development Funding Bonds are accounted for at fair value as it most accurately reflects the nature of the funding arrangements, and are recognized within *Financial assets at fair value through profit or loss* on the consolidated balance sheets. The changes in the fair value of the MorphoSys Development Funding Bonds are recorded within *(Loss)/gain on financial royalty assets at fair value through profit or loss* in the consolidated statements of profit and loss.

Class C Special Interest

EPA Vehicle is entitled to Equity Performance Awards (as defined below) through its RP Holdings Class C Special Interest based on the Group's performance, as determined on a portfolio-by-portfolio basis. Investments made during each two-year period are grouped together as separate portfolios (each, a "Portfolio"). Subject to certain conditions, at the end of each fiscal quarter, EPA Vehicle is entitled to a distribution from RP Holdings in respect of each Portfolio equal to 20% of the Net Economic Profit (defined as the aggregate cash receipts for all new portfolio investments in such Portfolio less Total Expenses (defined as interest expense, operating expense and recovery of acquisition cost in respect of such Portfolio)) for such Portfolio for the applicable measuring period (the "Equity Performance Awards").

The Equity Performance Awards will be payable in RP Holdings Class B Interests that will be exchanged upon issuance for Class A ordinary shares. EPA Vehicle may also receive a periodic cash advance in respect of the RP Holdings Class C Special Interest to the extent necessary for EPA Vehicle or any of its beneficial owners to pay when due any income tax imposed on it or them as a result of holding such RP Holdings Class C Special Interest. The Class C Special Interest is recorded at fair value within *Financial assets at fair value through profit or loss* on the consolidated balance sheets with changes in fair value recorded in *(Loss)/gain on financial royalty assets at fair value through profit or loss* in the consolidated statements of profit and loss. The periodic cash distributions related to the Equity Performance Awards will be presented as a financing activity in the consolidated statements of cash flows. The group expects the Equity Performance Awards to be payable in 2025 once certain performance conditions discussed above are met.

Legacy Interests

As the result of historical legal entity restructurings, the Group has a contractual obligation to distribute a portion of the cash flows arising from certain consolidated entities to the Legacy Investors Partnerships and, prior to December 29, 2023, RPSFT. This contractual obligation is accounted for as a *Financial liability at fair value through profit or loss* on the consolidated balance sheets, with changes in fair value recorded in *Gain/loss on financial instruments at fair value through profit or loss* in the consolidated statements of profit and loss.

In December 2023, RPI 2019 ICAV acquired the remaining interest in RPCT owned by RPSFT and as such the Legacy Interests value as of December 31, 2024 only includes the contractual obligation to the Legacy Investors Partnerships.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. The Group is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honor its contractual obligations. These credit exposures exist primarily within cash and cash equivalents, marketable securities, debt securities, financial royalty assets, derivative instruments and receivables. The Group's cash management and investment policy limits investment instruments to investment-grade securities with the objective to preserve capital and to maintain liquidity until the funds are needed for operations. The Group's cash and cash equivalents balances as of December 31, 2024 and 2023 were held with Bank of America, State Street, TD Bank, Citibank, US Bank, DNB Bank and Scotiabank. The Group's primary operating accounts significantly exceed the Federal Deposit Insurance Corporation limits.

The majority of the Group's financial royalty assets and receivables arise from contractual royalty agreements that pay royalties on the sales of underlying pharmaceutical products in the United States, Europe and the rest of the world, with concentrations of credit risk limited due to the broad range of marketers responsible for paying royalties to the Group and the variety of geographies from which the Group's royalties on product sales are derived. The products in which the Group holds royalties are marketed by leading biopharmaceutical industry participants, including, among others, Vertex, GSK, Roche, Johnson & Johnson, Biogen, AbbVie, Astellas, Pfizer, Novartis and Gilead.

The Group monitors the financial performance and creditworthiness of the counterparties to its royalty agreements so that it can properly assess and respond to changes in their credit profiles. To date, the Group has not experienced any significant losses with respect to the collection of income or revenues on its royalty assets. The Group's expected credit loss is not material.

Liquidity risk

Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations on time or at a reasonable price. The Group assesses and monitors the liquidity risk to which it may be exposed and to ensure that the liquidity profile of the investments of the Group comply with its underlying obligations. The Group's policy to manage liquidity is to have sufficient liquidity to meet its liabilities as and when they fall due, under both normal and stressed conditions without incurring undue losses or risking damage.

Concentration risk

Concentration indicates the relative sensitivity of the Group's performance to developments affecting a particular industry. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The cash flows from the royalty assets held by the Group are payable by different payors and the underlying biopharmaceutical products cover a range of therapeutic areas.

Market risk

Certain products pay royalties in currencies other than USD, which creates foreign currency risk, as the Group's functional and reporting currency is USD. Because the Group is entitled to royalties on worldwide sales for various products, there is an underlying exposure to foreign currency as the marketer converts payment amounts from local currencies to dollars using a quarterly average exchange rate. Therefore, cash received may differ from the estimated receivable based on fluctuations in currency. As a result, significant changes in foreign exchange rates can impact the Group's results.

Biopharmaceutical product sales may be lower than expected due to a number of reasons, including pricing pressures, insufficient demand, product competition, failure of clinical trials, lack of market acceptance, obsolescence, loss of patent protection or other factors and development-stage product candidates may fail to reach the market. Unexpected side effects, safety or efficacy concerns can arise with respect to a product, leading to product recalls, withdrawals or declining sales. As a result, royalty payments may be reduced or cease. In addition, these payments may be delayed, causing the Group's near-term financial performance to be weaker than expected.

4. Fair Value Measurements

The following table summarizes assets and liabilities measured at fair value on a recurring basis shown in the Group's consolidated balance sheets as of December 31, 2024 and 2023 using the fair value hierarchy. An asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value assessment.

USD $000	As of December 31, 2024				As of December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Money market funds [1]	$568,317	$ —	$ —	$ 568,317	$157,420	$ —	$ —	$ 157,420
Debt securities [2]	—	—	58,200	58,200	—	—	18,300	18,300
Financial royalty assets	—	—	810,726	810,726	—	—	760,843	760,843
Total current assets	**$568,317**	**$ —**	**$ 868,926**	**$ 1,437,243**	**$157,420**	**$ —**	**$ 779,143**	**$ 936,563**
Financial royalty assets	—	—	22,922,408	22,922,408	—	—	22,872,935	22,872,935
Equity securities	184,719	—	—	184,719	199,190	—	—	199,190
Debt securities [2]	—	—	693,500	693,500	—	—	237,910	237,910
Derivative instruments [3]	—	—	12,000	12,000	—	—	—	—
Investments in associates	—	—	560,666	560,666	—	—	553,779	553,779
Total non-current assets	**$184,719**	**$ —**	**$24,188,574**	**$24,373,293**	**$199,190**	**$ —**	**$23,664,624**	**$23,863,814**
Liabilities:								
Legacy Interests	—	—	75,811	75,811	—	—	83,155	83,155
Total current liabilities	**$ —**	**$ —**	**$ 75,811**	**$ 75,811**	**$ —**	**$ —**	**$ 83,155**	**$ 83,155**
Funding commitments [4]	—	—	12,080	12,080	—	—	900	900
Legacy Interests	—	—	1,910,715	1,910,715	—	—	2,272,434	2,272,434
Class C Special Interest	—	—	884,000	884,000	—	—	819,000	819,000
Total non-current liabilities	**$ —**	**$ —**	**$ 2,806,795**	**$ 2,806,795**	**$ —**	**$ —**	**$ 3,092,334**	**$ 3,092,334**

(1) Recorded within *Cash and cash equivalents* on the consolidated balance sheets.
(2) Related to tranche one of the Cytokinetics Commercial Launch Funding and the MorphoSys Development Funding Bonds. As of December 31, 2024, amount also included tranche six of the Cytokinetics Commercial Launch Funding and the Cytokinetics Development Funding.
(3) Related to the Cytokinetics R&D Funding Derivative recorded within *Financial assets at fair value through profit or loss* on the consolidated balance sheet.
(4) Related to the Cytokinetics Funding Commitments recorded within *Financial liabilities at fair value through profit or loss* on the consolidated balance sheets.

Financial royalty assets

The fair value of financial royalty assets is classified as Level 3 within the fair value hierarchy since it is determined based on inputs that are both significant and unobservable. The Group estimates the fair value of the financial royalty assets by applying a Monte Carlo simulation under the option pricing framework to the projected future royalty payments. The variables impacting the calculation of the projected future royalty payments, or forecasted expected future cash flows for financial royalty assets, are discussed in Note 2. The Monte Carlo simulation method requires the use of highly subjective assumptions, including Weighted Average Cost of Capital ("WACC"), volatility, operating leverage and Market Price Risk ("MPR"), discussed in further detail below.

- *WACC*. WACC is the return required by both debt and equity investors, weighted by their respective contributions of capital.

- *Volatility*. This is a measure of the dispersion of future outcomes. Volatility is estimated based on observed volatilities of publicly traded comparable companies.

- *Operating leverage*. Operating leverage measures the level of fixed expenses for a business. This is estimated as the ratio of fixed costs to EBITDA based on the historical financials of publicly traded comparable companies.

- *MPR*. MPR is a measure to capture market risk or systemic risk inherent in sales linked to the overall market. This is estimated using a top-down approach based on the estimated WACC for each investment, adjusted for operating leverage.

Cytokinetics R&D Funding Derivative

The Group estimated the fair value of the Cytokinetics R&D Funding Derivative as of December 31, 2024 by utilizing probability-adjusted discounted cash flow calculations using Level 3 inputs, including the probabilities of the Group exercising the additional funding option, regulatory approvals and the occurrence of a change of control event during the duration of the arrangement. The Group's estimate of expectation of timing and probabilities of exercising the additional funding option, regulatory approvals and a change of control event, the risk-adjusted discount rate and the interest rate volatility could reasonably be different than the assumptions selected by a market participant, which would mean that the estimated fair value could be significantly higher or lower.

Cytokinetics Funding Arrangements and Cytokinetics Funding Commitments

The Group estimated the fair values of the Cytokinetics Funding Arrangements as of December 31, 2024 and 2023 by utilizing probability-adjusted discounted cash flow calculations using Level 3 inputs, including an estimated risk-adjusted discount rate and the probability that there will be a change of control event, which would result in accelerated payments. Developing a risk-adjusted discount rate and assessing the probability that there will be a change of control event over the duration of the Cytokinetics Funding Arrangements require significant judgement. The Group's estimate of the risk-adjusted discount rate could reasonably be different than the discount rate selected by a market participant, which would mean that the estimated fair value could be significantly higher or lower. The Group's expectation of the probability and timing of the occurrence of a change of control event could reasonably be different than the timing of an actual change of control event, and if so, would mean that the estimated fair value could be significantly higher or lower than the fair value determined by management at any particular date.

The Group estimated the fair value of the Cytokinetics Funding Commitments as of December 31, 2024 and 2023 using a Monte Carlo simulation methodology that includes simulating the interest rate movements using a Geometric Brownian Motion-based pricing model. This methodology simulates the likelihood of future discount rates exceeding the counterparty's assumed cost of debt, which would impact Cytokinetics' decision to exercise its option to draw on each respective tranche. As of December 31, 2024 and 2023, this methodology incorporates Level 3 inputs, including the probability of a change of control event occurring during the investment term, an assumed interest rate volatility and an assumed risk-adjusted discount rate. The Group also assumed probabilities for the occurrence of each regulatory or clinical milestone, which impacts the availability of each future tranche of funding. The Group's estimate of expectation of the probability and timing of the occurrence of a change of control event, the risk-adjusted discount rate, the interest rate volatility and the probabilities of each underlying milestone could reasonably be different than the assumptions selected by a market participant, which would mean that the estimated fair value could be significantly higher or lower.

MorphoSys Development Funding Bonds

The Group estimated the fair value of the MorphoSys Development Funding Bonds as of December 31, 2024 and 2023 based on a discounted cash flow calculation using estimated risk-adjusted discount rates, which are Level 3 inputs. The Group's estimate of the risk adjusted discount rates could reasonably be different than the discount rates selected by a market participant, which would mean that the estimated fair value could be significantly higher or lower.

Investment in associates

The Group calculated the fair value of the Avillion Entities by applying our ownership percentage to the fair value of the assets and liabilities as presented on the audited financial statements provided by the underlying entities, which are Level 3 inputs as they are determined based upon inputs that are both significant and unobservable. The Avillion Entities are defined in Note 6 - Investments in associates. The fair value related to equity securities acquired from ApiJect Holdings, Inc. ("ApiJect"), a private company, was calculated by the Group using a discounted cash flow with Level 3 inputs, including forecasted cash flows and the weighted average cost of capital. The fair value related to the Legacy SLP Interest was calculated by the Group using a Monte Carlo simulation method. The Monte Carlo simulation method requires the use of highly subjective assumptions.The Legacy SLP Interests are defined in Note 6 - Investments in associates.

Legacy Interests

The fair value of the Legacy Interests is calculated by management using the Monte Carlo simulation method. The Monte Carlo simulation method requires the use of highly subjective assumptions. The Group's key assumptions in the method include the projected product sales for royalty-bearing products as estimated by sell-side equity research analysts, royalty duration, weighted average cost of capital and volatility. The Group applied ranges, based on peer group development stage, of WACC, sales volatility, and market price of risk, adjusted for operating leverage, to derive the valuations. The fair value of the Legacy Interests is classified as Level 3 within the fair value hierarchy since it is determined based upon inputs that are both significant and unobservable.

Class C Special Interest

The fair value of the Class C Special Interest is calculated using the Monte Carlo simulation method. The Monte Carlo simulation method requires the use of highly subjective assumptions. The Group's key assumptions in the method include the weighted average cost of capital, volatility, operating leverage and market price risk. The fair value of the Class C Special Interest is classified as Level 3 within the fair value hierarchy since it is determined based upon inputs that are both significant and unobservable.

5. Debtors

USD $000	As of December 31,	
	2024	2023
Amounts falling due within one year		
Interest receivable	$ 1,909	$ 1,048
Prepaid expenses	1,171	1,124
Other	1,107	15,868
Total debtors	**$ 4,187**	**$ 18,040**

6. Investments in associates

The Group has investments in certain entities at a level that provide the Group with significant influence. The Group accounts for such investments as *Investments in associates at fair value through profit or loss.*

ApiJect Equity

In April 2022, the Group acquired equity from ApiJect. The ApiJect equity is accounted for at fair value within *Investments in associates at fair value through profit or loss* on the consolidated balance sheets, with changes in fair value recorded in *Loss/(gain) on investments in associates at fair value through profit or loss* on the consolidated statements of profit and loss. The Group is also required to purchase additional common stock from ApiJect if certain milestones are achieved.

The Legacy SLP Interest

In connection with the Exchange Offer, the Group acquired a special limited partnership interest in the Legacy Investors Partnerships (the "Legacy SLP Interest") from the Continuing Investors Partnerships for $303.7 million in exchange for issuing shares in its subsidiary. As a result, the Group became a special limited partner in the Legacy Investors Partnerships. The Legacy SLP Interest entitles the Group to the equivalent of performance distribution payments that would have been paid to the general partner of the Legacy Investors Partnerships and an income allocation on a similar basis. The Legacy SLP Interest is accounted for at fair value within *Investments in associates at fair value through profit or loss* on the consolidated balance sheets and the changes in fair value are recorded within *Loss/(gain) on investments in associates at fair value through profit or loss* on the consolidated statements of profit and loss. The Legacy Investors Partnerships no longer participate in investment opportunities from June 30, 2020 and, as such, the value of the Legacy SLP Interest is expected to decline over time. The Legacy Investors Partnerships also indirectly own a non-controlling interest in Old RPI and RPI ICAV.

The Avillion Entities

The Group accounts for its partnership interests in Avillion Financing I, LP and its related entities ("Avillion I") and BAv Financing II, LP and its related entities ("Avillion II" and, together with Avillion I, the "Avillion Entities") as investments in associates because the Group has the ability to exercise significant influence over the Avillion Entities. Investments in associates are initially recorded at fair value, with subsequent changes in fair value recorded within *Loss/(gain) on investments in associates at fair value through profit or loss.*

On December 19, 2017, the FDA approved a supplemental New Drug Application for Pfizer's Bosulif. Avillion I is eligible to receive fixed payments from Pfizer based on this approval under its co-development agreement with Pfizer. The only operations of Avillion I are the collection of cash and unwinding of the discount on the series of fixed annual payments due from Pfizer. The Group received distributions from Avillion I of $13.4 million and $13.6 million in 2024 and 2023, respectively.

In May 2018, the Group entered into an agreement with Avillion II, which was subsequently amended, to fund a total of $155 million over multiple years for a portion of the costs of Phase 2 and 3 clinical trials to advance Airsupra, formerly known as PT027, which was approved by the FDA in January 2023. Avillion II is a party to a co-development agreement with AstraZeneca to develop Airsupra for the treatment of asthma in exchange for royalties, a series of success-based milestones and other potential payments. In the first quarter of 2023, AstraZeneca notified Avillion II that it elected to pay a fee of $80 million to Avillion II to exercise an option to commercialize Airsupra in the United States and the Group received its pro rata portion of the exercise fee of $34.8 million from Avillion II. In 2024, the Group received distributions of $1.0 million from Avillion II related to the Airsupra royalty. In the fourth quarter of 2024, Airsupra met the primary endpoint in the Phase 3 clinical trial, triggering a milestone payment of $55 million from AstraZeneca to Avillion II. In January 2025, the Group received from Avillion its pro rata portion of this milestone of approximately $27.4 million.

As of December 31, 2024 and 2023, the Group had unfunded commitments related to the Avillion Entities of $10.3 million and $16.3 million, respectively.

7. Cash and cash equivalents

USD $000	As of December 31,	
	2024	2023
Cash and cash equivalents		
Cash deposits held at banks	$ 360,709	$ 319,590
Money market funds	568,317	157,420
Total Cash and cash equivalents	**$ 929,026**	**$ 477,010**

8. Borrowings

The terms and conditions of the outstanding borrowings consist of the following:

USD $000			As of December 31,	
Type of Borrowing	Date of Issuance	Maturity	2024	2023
$1,000,000, 1.20% (issued at 98.875% of par)	09/2020	09/2025	$ 1,000,000	$ 1,000,000
$1,000,000, 1.75% (issued at 98.284% of par)	09/2020	09/2027	1,000,000	1,000,000
$500,000, 5.15% (issued at 98.758% of par)	06/2024	09/2029	500,000	—
$1,000,000, 2.20% (issued at 97.760% of par)	09/2020	09/2030	1,000,000	1,000,000
$600,000, 2.15% (issued at 98.263% of par)	07/2021	09/2031	600,000	600,000
$500,000, 5.40% (issued at 97.872% of par)	06/2024	09/2034	500,000	—
$1,000,000, 3.30% (issued at 95.556% of par)	09/2020	09/2040	1,000,000	1,000,000
$1,000,000, 3.55% (issued at 95.306% of par)	09/2020	09/2050	1,000,000	1,000,000
$700,000, 3.35% (issued at 97.565% of par)	07/2021	09/2051	700,000	700,000
$500,000, 5.90% (issued at 97.617% of par)	06/2024	09/2054	500,000	—
Unamortized debt discount and issuance costs			(187,574)	(164,715)
Total notes payable			**7,612,426**	**6,135,285**
Less: amounts falling due within one year			(997,773)	—
Total notes payable falling due after one year			**$ 6,614,653**	**$ 6,135,285**

Senior Unsecured Notes

In June 2024, the Group issued $1.5 billion of senior unsecured notes (the “2024 Notes”). The 2024 Notes were issued at a total discount of $28.8 million and the Group capitalized approximately $12.9 million in debt issuance costs primarily composed of underwriting fees. The 2024 Notes were issued with a weighted average coupon rate and a weighted average effective interest rate of 5.48% and 5.92%, respectively.

The Group issued $1.3 billion and $6.0 billion of senior unsecured notes in 2021 (the "2021 Notes") and 2020 (the "2020 Notes" and, collectively with the "2021 Notes" and "2024 Notes", the "Notes"), respectively. The 2021 Notes and 2020 Notes were issued at a total discount of $176.4 million and the Group capitalized approximately $52.7 million in debt issuance costs primarily composed of underwriting fees. The 2021 Notes were issued with a weighted average coupon rate and a weighted average effective interest rate of 2.80% and 3.06%, respectively. The 2020 Notes were issued with a weighted average coupon rate and a weighted average effective interest rate of 2.13% and 2.50%, respectively. In September 2023, the Group repaid $1.0 billion of the 2020 Notes upon maturity.

Interest on each series of the Notes accrues at the respective rate per annum and is payable semi-annually in arrears on March 2 and September 2 of each year. The first interest payment date for the 2024 Notes will be March 2, 2025.

The Notes may be redeemed at the option of the Group at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis at the treasury rate, plus a make-whole premium as defined in the indenture. In each case, accrued and unpaid interest is also required to be redeemed to the date of redemption.

Upon the occurrence of a change of control triggering event and downgrade in the rating of the Notes by two of three credit agencies, the holders may require the Group to repurchase all or part of their Notes at a price equal to 101% of the aggregate principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any, to the date of repurchase.

The Group's obligations under the Notes are fully and unconditionally guaranteed by RP Holdings, a non-wholly-owned subsidiary of Royalty Pharma plc. The Group is required to comply with certain covenants under the Notes and as of December 31, 2024, the Group was in compliance with all applicable covenants.

Senior Unsecured Revolving Credit Facility

RP Holdings, as borrower, initially entered into to the Amended and Restated Revolving Credit Agreement (the "Credit Agreement") on September 15, 2021, which provides for an unsecured revolving credit facility (the "Revolving Credit Facility"). Amendment No. 3 to the Credit Agreement, which was entered into on December 22, 2023, increased the borrowing capacity to $1.8 billion for general corporate purposes with $1.69 billion of the revolving commitments maturing on December 22, 2028 and the remaining $110.0 million of revolving commitments maturing on October 31, 2027. On January 24, 2024, the Group entered into Amendment No. 4 to the Credit Agreement to make certain technical modifications. As of December 31, 2024 and 2023, there were no outstanding borrowings under the Revolving Credit Facility.

The Revolving Credit Facility is subject to an interest rate, at the option of the Group, of either (a) a base rate determined by reference to the highest of (1) the administrative agent's prime rate, (2) the federal funds rate plus 0.5% and (3) Term SOFR plus 1% or (b) Daily SOFR, Term SOFR, the Alternative Currency Term Rate or the Alternative Currency Daily Rate (each as defined in the Credit Agreement), plus in each case, the applicable margin. The applicable margin for the Revolving Credit Facility varies based on the Group's public debt rating. Accordingly, the interest rates for the Revolving Credit Facility fluctuate during the term of the facility based on changes in the applicable interest rate and future changes in the Group's public debt rating.

The Credit Agreement that governs the Revolving Credit Facility contains certain customary covenants, that among other things, require the Group to maintain (i) a consolidated leverage ratio at or below 4.00 to 1.00 (or at or below 4.50 to 1.00 following a qualifying material acquisition) of consolidated funded debt to Adjusted EBITDA, each as defined and calculated as set forth in the Credit Agreement, (ii) a consolidated coverage ratio at or above 2.50 to 1.00 of Adjusted EBITDA to consolidated interest expense, each as defined and calculated as set forth in the Credit Agreement and (iii) a consolidated Portfolio Cash Flow Ratio at or below 5.00 to 1.00 (or at or below 5.50 to 1.00 following a qualifying material acquisition) of consolidated funded debt to Portfolio Cash Flow, each as defined and calculated as set forth in the Credit Agreement. All obligations under the Revolving Credit Facility are unconditionally guaranteed by the Group. Noncompliance with the leverage ratio, portfolio cash flow ratio and interest coverage ratio covenants under the Credit Agreement could result in the Group's lenders requiring it to immediately repay all amounts borrowed. The Credit Agreement includes customary covenants for credit facilities of this type that limit the Group's ability to engage in certain activities, such as incurring additional indebtedness, paying dividends, making certain payments and acquiring and disposing of assets. As of December 31, 2024, the Group was in compliance with these covenants.

Changes in net debt

The changes in net debt during 2024 resulted from the following:

USD $000

	As of January 1, 2024	Cash flows	Other non-cash changes [1]	As of December 31, 2024
Cash and cash equivalents	$ 477,010	$ 452,016	$ —	$ 929,026
Notes payable	(6,135,285)	(1,458,619)	(18,522)	(7,612,426)
Net debt	**$ (5,658,275)**	**$ (1,006,603)**	**$ (18,522)**	**$ (6,683,400)**

(1) Amortization of debt discount and loan issuance costs.

Principal payments on the Notes

The future principal payments of the Group's borrowings over the next five years and thereafter are as follows:

USD $000

Year	Principal Payments
2025	$ 1,000,000
2026	—
2027	1,000,000
2028	—
2029	500,000
Thereafter	5,300,000
Total [1]	**$ 7,800,000**

(1) Excludes unamortized debt discount and issuance costs of $187.6 million as of December 31, 2024, which are amortized through interest expense over the remaining life of the underlying debt obligations.

9. Called-up share capital and reserves

The Company was incorporated with 2 Class B ordinary shares issued at $1.00 and 50,000 redeemable shares issued at GBP 1.00.

The Company has two classes of voting shares: Class A ordinary shares with a par value of $0.0001 and Class B ordinary shares with a par value of $0.000001, each of which has one vote per ordinary share. The Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of shareholders, except as otherwise required by applicable law. The Company's Class B ordinary shares are not publicly traded and holders of Class B ordinary shares only have limited rights to receive a distribution equal to their nominal value upon a liquidation, dissolution or winding up. As of December 31, 2024 and 2023, the Company had 445,985 thousand and 446,692 thousand Class A ordinary shares outstanding, respectively. As of December 31, 2024 and 2023, the Company had 143,128 thousand and 150,743 thousand Class B ordinary shares outstanding, respectively.

An exchange agreement entered into by, among others, the Company, RP Holdings, the Continuing Investors Partnerships, RPI International Partners 2019, LP, RPI US Feeder 2019, LP, RPI International Feeder 2019, LP and EPA Vehicle (as amended from time to time, the "Exchange Agreement") governs the exchange of RP Holdings Class B Interests indirectly held by the Continuing Investors Partnerships for the Company's Class A ordinary shares. Pursuant to the Exchange Agreement, RP Holdings Class B Interests are exchangeable on a one-for-one basis for the Company's Class A ordinary shares on a quarterly basis. Each such exchange also results in the re-designation of the same number of the Company's Class B ordinary shares as deferred shares. Such deferred shares are non-voting and do not confer a right to participate in the profits of the Group or any right to receive dividends. As of December 31, 2024 and 2023, the Company had 392,255 thousand and 384,640 thousand deferred shares outstanding, respectively.

In addition, the Company has in issue 50 thousand Class R redeemable shares, which do not entitle the holder to voting or dividend rights. As required by the Companies Act 2006, the Class R redeemable shares were issued to ensure Royalty Pharma Limited had sufficient sterling denominated share capital upon its re-registration in 2020 as Royalty Pharma plc, a public company. The Class R redeemable shares may be redeemed at the Company's option in the future. Any such redemption would be at the nominal value of £1 each. As of December 31, 2024 and 2023, the Company had 50 thousand Class R redeemable shares outstanding.

The holders of Class A ordinary shares are entitled to receive dividends subject to approval by the Board of directors. The holders of Class B ordinary shares do not have any rights to receive dividends; however, RP Holdings Class B Interests are entitled to dividends and distributions from RP Holdings. In the year ended December 31, 2024, the Company declared and paid four quarterly cash dividends of $0.21 per Class A ordinary share in an aggregate amount of $376.5 million to holders of the Company's Class A ordinary shares.

The share capital represents the nominal value of the Company's ordinary shares.

The share premium reserve contains the premium arising on issue of equity shares.

Other reserves consist of share-based compensation expense recognized in the respective period related to the share-based awards issued to the Company's directors.

In March 2023, the Board of directors authorized a share repurchase program under which the Company may repurchase up to $1.0 billion of Class A ordinary shares. The repurchases may be made in the open market or in privately negotiated transactions. In 2024, the Company repurchased and retired 8.4 million shares at a cost of approximately $229.9 million. In 2023, the Company repurchased and retired 9.8 million shares at a cost of approximately $304.8 million. As of December 31, 2024, approximately $465.3 million remained available under the share repurchase program.

In connection with the Internalization as discussed in Note 18–Subsequent Events, the Company's Board of directors authorized a new share repurchase program in January 2025 under which the Company may repurchase up to $3.0 billion of its Class A ordinary shares. This new share repurchase program replaces the unused capacity under the previous share repurchase program that was authorized in March 2023. The repurchases may be made in the open market or in privately negotiated transactions. The authorization for the new share repurchase program expires June 23, 2027.

In order to make share repurchases or pay dividends, the Company is required under UK law to have available "Distributable Reserves." In addition to ongoing profits, distributable reserves may be created through a reduction in share capital approved by the High Court of Justice in England. On August 25, 2020, the Company completed a reduction in share capital to create distributable reserves in excess of $15 billion to support the payment of possible future dividends or future share repurchases, if and to the extent declared by the directors in compliance with their duties under UK law.

The profit and loss account includes the share repurchases as described above, cumulative profits or losses, dividends paid and share issuance costs.

The non-controlling interest represents the Continuing Investors Partnerships' indirect ownership in RP Holdings. The Continuing Investors Partnerships hold the number of the Company's Class B ordinary shares equal to the number of RPH Holdings Class B Interests indirectly held by them. As the Continuing Investors Partnerships exchange RP Holdings Class B Interests indirectly held by them for Class A ordinary shares, the Continuing Investors Partnerships' indirect ownership in RP Holdings decreases. The Company operates and controls the business affairs of RP Holdings through its ownership of RP Holdings Class A Interests and RP Holdings Class B Interests. In connection with the repurchase of Class A ordinary shares that began in the second quarter of 2023, RP Holdings also began to retire RP Holdings Class A Interests held by the Company, which reduces the Company's ownership in RP Holdings. The change in RP Holdings ownership between the Continuing Investors Partnerships and the Company as a result of (1) the exchanges of RP Holding Class B Interests for Class A ordinary shares and (2) retirement of RP Holdings Class A Interests is reflected through *Other exchanges* in the consolidated statements of changes in equity.

As of December 31, 2024, the Continuing Investors Partnerships indirectly owned approximately 24% of RP Holdings with the remaining 76% owned by the Company. As of December 31, 2023, the Continuing Investors Partnerships indirectly owned approximately 25% of RP Holdings with the remaining 75% owned by the Company.

10. Earnings per Share

In 2024 and 2023, Class B ordinary shares contingently issuable to EPA Vehicle were evaluated and were determined not to have any dilutive impact.

The following table sets forth the reconciliation of the numerator and denominator used to calculate basic and diluted earnings per Class A ordinary share for 2024:

USD $000, except per share amounts	For the year ended December 31, 2024
Numerator	
Consolidated (loss)/profit	$ 288,943
Less: (Loss)/profit attributable to non-controlling interests	70,835
(Loss)/profit attributable to Royalty Pharma plc - basic	218,108
Add: Reallocation of (loss)/profit attributable to non-controlling interest from the assumed conversion of Class B ordinary shares	70,835
(Loss)/profit attributable to Royalty Pharma plc - diluted	$ 288,943
Denominator	
Weighted average Class A ordinary shares outstanding - basic	448,185
Add: Dilutive effects as shown separately below	
Class B ordinary shares exchangeable for Class A ordinary shares	143,128
Unvested RSUs	37
Weighted average Class A ordinary shares outstanding - diluted	591,350
(Loss)/profit per Class A ordinary share - basic	$ 0.49
(Loss)/profit per Class A ordinary share - diluted	$ 0.49

Class B ordinary shares in issue were evaluated under the if-converted method for potential dilutive effects and were determined to be anti-dilutive for 2023, and therefore were excluded from the computation of diluted earnings per shares of Class A ordinary share. The following table sets forth reconciliations of the numerators and denominators used to calculate basic and diluted earnings per Class A ordinary share for 2023:

USD $000, except per share amounts	For the year ended December 31, 2023
Numerator	
Consolidated (loss)/profit	$ 2,321,100
Less: (Loss)/profit attributable to non-controlling interests	596,665
(Loss)/profit attributable to Royalty Pharma plc - basic and diluted	$ 1,724,435
Denominator	
Weighted average Class A ordinary shares outstanding - basic	447,601
Add: Dilutive effect of unvested RSUs	38
Weighted average Class A ordinary shares outstanding - diluted	447,639
(Loss)/profit per Class A ordinary share - basic	$ 3.85
(Loss)/profit per Class A ordinary share - diluted	$ 3.85

11. Taxation

In 2024 and 2023, the tax charge was lower than the standard rate of corporation tax of 25% and 23.5%, respectively, due to the Group's profit not being subject to corporation tax. The factors affecting tax charges are as follows:

USD $000	For the years ended December 31,	
	2024	2023
(Loss)/profit on ordinary activities before tax	$ 288,943	$ 2,321,100
(Loss)/profit before tax multiplied by rate of corporation tax in the UK of 25%	72,236	545,459
Effect of:		
Fair value adjustments not subject to taxation	92,487	737,523
Current year expense not utilized	(164,723)	(1,282,981)
Total tax charge	**$ —**	**$ —**

The Company has losses carried forward of $266.8 million and $57.2 million in 2024 and 2023, respectively. No deferred tax assets have been recognized on the balance sheets in either year due to the uncertainty that future taxable profit will be generated that can be offset against such losses.

12. Subsidiary Undertakings

The table below provides details of the Company's subsidiary undertakings as of December 31, 2024. The Company has three direct subsidiaries; RP Holdings, incorporated on February 10, 2020, RPI US Feeder SPV, LLC and RPI International Feeder SPV, LLC, both formed on August 25, 2020, and a number of indirect subsidiaries, as outlined in the table below:

Name	Nature of business	Equity held	Voting rights held	Country of registration	Registered office
Royalty Pharma Holdings Ltd[(1)]	Holding company	75.70%	100%	England and Wales	The Pavilions, Bridgwater Road, Bristol, England, BS13 8AE
RPI US Feeder SPV, LLC[(1)]	Special purpose vehicle facilitating bond offerings	—%	100%	USA - Delaware	251 Little Falls Drive, New Castle County, Wilmington, Delaware 19808
RPI International Feeder SPV, LLC[(1)]	Special purpose vehicle facilitating bond offerings	—%	100%	USA - Delaware	251 Little Falls Drive, New Castle County, Wilmington, Delaware 19808
Royalty Pharma Investments 2019 ICAV	Investments in life sciences royalties, securities and similar rights/assets	75.70%	100%	Ireland	70 Sir John Rogerson's Quay, Dublin 2, Ireland
Royalty Pharma Development Funding, LLC	Investments in life sciences securities, debt, synthetic royalties and similar rights/assets	75.70%	100%	USA - Delaware	251 Little Falls Drive, New Castle County, Wilmington, Delaware 19808
Royalty Pharma Finance Corporation	Investments in life sciences royalties, securities and similar rights/assets	75.70%	100%	USA - Delaware	251 Little Falls Drive, New Castle County, Wilmington, Delaware 19808
Royalty Pharma USA, Inc.	Holding company	75.70%	100%	USA - Delaware	251 Little Falls Drive, New Castle County, Wilmington, Delaware 19808
Royalty Pharma USA, LLC	Life sciences index methodology services	75.70%	100%	USA - Delaware	251 Little Falls Drive, New Castle County, Wilmington, Delaware 19808
Royalty Pharma Investments 2023 ICAV	Investments in life sciences royalties, securities and similar rights/assets	75.70%	100%	Ireland	70 Sir John Rogerson's Quay, Dublin 2, Ireland
RPI 2019 Intermediate Finance Trust	Investments in life sciences royalties, securities and similar rights/assets	75.70%	100%	USA - Delaware	Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890[(2)]
ImmuNext, LLC	Holds life sciences royalty and related assets	75.70%	100%	USA - Delaware	251 Little Falls Drive, New Castle County, Wilmington, Delaware 19808
Royalty Pharma Investments ICAV	Investments in life sciences royalties, securities and similar rights/assets	62.40%	100%	Ireland	70 Sir John Rogerson's Quay, Dublin 2, Ireland
RPI Acquisitions (Ireland) Limited	Investments in life sciences royalties, securities and similar rights/assets	62.40%	100%	Ireland	70 Sir John Rogerson's Quay, Dublin 2, Ireland
Royalty Pharma Investments	Investments in life sciences royalties, securities and similar rights/assets	62.40%	100%	Ireland	70 Sir John Rogerson's Quay, Dublin 2, Ireland
RPI Finance Trust	Investments in life sciences royalties, securities and similar rights/assets	62.40%	100%	USA - Delaware	Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890[(2)]
Royalty Pharma Collection Trust	Investments in life sciences royalties, securities and similar rights/assets	65.06%	100%	USA - Delaware	Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890[(2)]
RP IP HoldCo (Ireland) Limited	Investments in life sciences royalties, securities and similar rights/assets	65.06%	100%	Ireland	70 Sir John Rogerson's Quay, Dublin 2, Ireland

(1) Held directly by Royalty Pharma plc. All other subsidiaries are indirectly held.
(2) Being the registered office of the Trustee.

13. Remuneration of auditors and directors

The following table shows the fees payable to the Group's auditor, Ernst & Young, for services rendered by the Group during the year:

USD $000	For the years ended December 31, 2024	2023
Audit of the annual financial statements	$ 3,273,718	$ 2,260,708
Audit of the internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 and the review of the financial statements included in the quarterly reports on Form 10-Q	990,015	981,937
Tax compliance services	373,375	337,239
Tax advisory services	1,061,463	271,635
Other assurance services	—	100,000
Other non-audit services	175,200	—
Total	**$ 5,873,771**	**$ 3,951,519**

Information regarding directors' remuneration and interests in shares in the Group is included within the Directors' Remuneration Report in this UK Annual Report and Accounts.

14. Commitments and Contingencies

Cytokinetics Funding Commitments

As of December 31, 2024, $350 million remained available under the Cytokinetics Funding Commitments, of which Cytokinetics is required to draw a minimum of $50 million. The Group received notice in March 2025 of Cytokinetics intention to draw mandatory and optional funding in the amount of $75 million, to be funded in April 2025.

Other Commitments

The Group has commitments to advance funds to counterparties through its investment in the Avillion Entities. Please refer to Note 6–Investments in associates for details of these arrangements. The Group also has requirements to make Operating and Personnel Payments (defined below) over the life of the Management Agreement as described in Note 15–Related Party Transactions.

Indemnifications

In the ordinary course of business, the Group may enter into contracts or agreements that contain customary indemnifications relating to such things as confidentiality agreements and representations as to corporate existence and authority to enter into contracts. The maximum exposure under such agreements is indeterminable until a claim, if any, is made. However, no such claims have been made against the Group to date and management believes that the likelihood of such proceedings taking place in the future is remote.

Legal Proceedings

The Group is a party to legal actions with respect to a variety of matters in the ordinary course of business. Some of these proceedings may be based on complex claims involving substantial uncertainties and unascertainable damages. Unless otherwise noted, it is not possible to determine the probability of loss or estimate damages, and therefore an accrual has not been established for any of these proceedings on the consolidated balance sheets as of December 31, 2024 and 2023. When it is determined that a loss is both probable and reasonably estimable, a liability is recorded, and, if the liability is material, the amount of the liability reserved is disclosed. Management does not believe the outcome of any existing legal proceedings to which the Group is a party, either individually or in the aggregate, will adversely affect the Group's business, financial condition or results of operations.

15. Related party transactions

The Manager

The Manager is the investment manager of Royalty Pharma plc and its subsidiaries. The managing member of the Manager, Pablo Legorreta, holds an interest in the Group and serves as the Company's Chief Executive Officer and Chairman of its Board of directors.

In connection with the Exchange Offer, the Manager entered into the Management Agreement with the Group and its subsidiaries, the Continuing Investors Partnerships, and with the Legacy Investors Partnerships. Pursuant to the Management Agreement, the Group pays a quarterly operating and personnel payment to the Manager or its affiliates ("Operating and Personnel Payments") equal to 6.5% of the cash receipts from Royalty Investments (as defined in the Management Agreement) for such quarter and 0.25% of the value of the Group's security investments under GAAP as of the end of such quarter. The operating and personnel payment for Old RPI, an obligation of the Legacy Investors Partnerships and for which the expense is reflected on the Group's consolidated statements of profit and loss, is calculated as the greater of $1 million per quarter and 0.3125% of royalties from Royalty Investments (as defined in the limited partnership agreements of the Legacy Investors Partnerships) during the previous twelve calendar months. Additionally, the Group also pays certain costs and expenses of the Manager.

Total operating and personnel payments incurred are recognized within *General and administrative expenses* in the consolidated statements of profit and loss. During 2024 and 2023, total operating and personnel payments incurred were $184.7 million and $200.2 million, respectively.

The Group recognized outstanding balances due to the Manager of approximately $9.5 million recorded within *Accounts payable and accrued expenses* on the consolidated balance sheets as of December 31, 2023.

In January 2025, the Company agreed to acquire the Manager for approximately $1.1 billion in aggregate consideration. Refer to Note 18-Subsequent Events for additional discussion.

Legacy Interests

The current portion of *Financial liabilities at fair value through profit or loss,* represents the contractual cash flows required to be distributed in the subsequent quarter based on the Legacy Investors Partnerships' interest in Old RPI and RPI ICAV.

Acquisition from Bristol Myers Squibb

In November 2017, RPI Acquisitions (Ireland), Limited ("RPI Acquisitions"), a consolidated subsidiary, entered into a purchase agreement with Bristol Myers Squibb ("BMS") to acquire from BMS a percentage of its future royalties on worldwide sales of Onglyza, Farxiga and related diabetes products marketed by AstraZeneca (the "BMS Purchase Agreement"). On December 8, 2017, RPI Acquisitions entered into a purchase, sale and assignment agreement ("Assignment Agreement") with a wholly-owned subsidiary of BioPharma Credit PLC ("BPCR"), an entity related to the Group. Under the terms of the Assignment Agreement, RPI Acquisitions assigned the benefit of 50% of the payment stream acquired from BMS to BPCR in consideration for BPCR meeting 50% of the funding obligations owed to BMS under the BMS Purchase Agreement.

As of December 31, 2024 and 2023, the financial royalty asset of $50 million and $87 million, respectively, on the consolidated balance sheets represented only the Group's right to the future payment streams acquired from BMS.

Other Transactions

In January 2024, the Group acquired a royalty interest in ecopipam which was previously owned by Psyadon Pharmaceuticals, Inc. ("Psyadon"). Errol De Souza, Ph.D., an independent director on the Company's Board of directors, was a shareholder of Psyadon. In connection with this transaction, Dr. De Souza received an upfront payment of $2.5 million and could receive milestone payments of up to $2.22 million in the future.

In December 2023, RPI 2019 ICAV acquired the remaining interest in RPCT held by RPSFT by effectively purchasing the net assets of RPSFT and its parent entities, which primarily consisted of cash and RPSFT's right to receive a portion of royalties received by RPCT. The purchase price of approximately $11.4 million was recorded within *Other current liabilities* on the consolidated balance sheet as of December 31, 2023. The finalized purchase price of approximately $12.5 million, which was subject to post-closing adjustments primarily related to the final determination of net asset values and liquidation costs, was fully paid during 2024. Following this transaction in December 2023, RPSFT no longer holds an economic interest in RPCT.

Henry Fernandez, the lead independent director of the Company's Board of directors, serves as the chairman and chief executive officer of MSCI. On April 16, 2021, the Group entered into an agreement with MSCI with an initial term of seven years to develop thematic life sciences indexes. In return, the Group will receive a percentage of MSCI's revenues from those indexes. No amounts were due from MSCI as of both December 31, 2024 and 2023. The financial impact associated with this transaction has not been material to date.

In connection with the Exchange Offer, the Group acquired the Legacy SLP Interest from the Continuing Investors Partnerships in exchange for issuing shares in one of its subsidiaries. As a result, the Group became a special limited partner in the Legacy Investors Partnerships. The Legacy Investors Partnerships own an economic interest in Old RPI and RPI ICAV, which is accounted for as a financial liability on the consolidated balance sheets. Refer to Note 6–Investments in associates for additional discussion of the Legacy SLP Interest and the Group's investments in other associates.

RPIFT owns 27,210 limited partnership interests in the Continuing Investors Partnerships, whose only substantive operations are their investment in the Group's subsidiaries. The total investment of $4.3 million was recorded as treasury interests, of which $1.1 million were held by non-controlling interests as of December 31, 2024 and 2023.

Each Continuing Investors Partnership pays a pro rata portion based on its ownership percentage of RP Holdings of any costs and expenses in connection with the contemplation of, formation of, listing and ongoing operation of the Group, including any third-party expenses of managing the Group, such as accounting, audit, legal, reporting, compliance, administration (including directors' fees), financial advisory, consulting, investor relations and insurance expenses relating to its affairs.

16. Ultimate controlling party

There is no ultimate controlling party of the Company as ownership is shared among the Company's shareholders.

17. Explanation of Transition to FRS 102

As stated in Note 2, these are the Group's first consolidated financial statements prepared in accordance with FRS 102. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended December 31, 2024, the comparative information presented in these financial statements for the year ended December 31, 2023 and in the preparation of an opening FRS 102 consolidated balance sheet at January 1, 2023 (the Group's date of transition).

In preparing its opening FRS 102 consolidated balance sheet, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with its previous basis of accounting (US GAAP). An explanation of how the transition from US GAAP to FRS 102 has affected the Group's financial performance, financial position and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity:

	Note	As of January 1, 2023	As of December 31, 2023
Equity reported under US GAAP		**$ 9,525,373**	**$ 10,084,289**
Adjustments to equity on transition to FRS 102			
Adjustment to record R&D assets at fair value	a	1,450,949	1,677,595
Adjustment to record equity method investments as investments in associates at fair value	b	152,885	177,588
Adjustment to record financial royalty assets at fair value	c	6,135,283	7,104,907
Adjustment to reclass legacy non-controlling interest to a liability at fair value	d	(2,432,178)	(2,272,434)
Adjustment to record Class C interests as a liability at fair value	e	(424,000)	(819,000)
Equity reported under FRS 102		**$ 14,408,312**	**$ 15,952,945**

Reconciliation of consolidated profit and loss for 2023:

	Note	
Profit for the financial year under US GAAP		**$ 1,134,834**
Adjustments to profit and loss on transition to FRS 102		
Adjustment to record R&D assets at fair value	a	226,646
Adjustment to record equity method investments as investments in associates at fair value	b	24,703
Adjustment to record financial royalty assets at fair value	c	969,587
Adjustment to reclass legacy non-controlling interest to a liability at fair value	d	(32,396)
Adjustment to record Class C interests as a liability at fair value	e	(395,000)
Adjustment to allocate change in net income upon transition to non-controlling interest		(203,939)
Profit and loss reported under FRS 102		**$ 1,724,435**

(a) Under US GAAP, the Group expensed the funded amount of research and development ("R&D") for assets when the Group had the ability to obtain the results of the R&D, the transfer of financial risk was genuine and substantive and, at the time of entering into the transaction, it was not yet probable that the product would receive regulatory approval. Under FRS 102, these assets are recorded at fair value and included in *Financial assets at fair value through profit or loss* and the R&D expense recorded in the income statement for US GAAP was reversed.

(b) Under US GAAP, investments in entities that provide the Group with the ability to exercise significant influence, but not a controlling financial interest, and where the Group is not the primary beneficiary are accounted for under the equity method or as equity securities under the fair value option. Under FRS 102, these investments are recorded at fair value and included in *Investments in associates at fair value through profit or loss* and the equity method pickup recognized in the income statement for US GAAP was reversed.

(c) Under US GAAP, the Group recorded financial royalty assets at amortized cost using the prospective effective interest method. Under FRS 102, these assets are recorded at fair value and included in *Financial assets at fair value through profit or loss* and the income and provision related to the financial royalty assets recorded in the income statement for US GAAP was reversed.

(d) Under US GAAP, the Group recorded the legacy non-controlling interests as a component of equity. Under FRS 102, these legacy interests are treated as a liability recorded at fair value within *Financial liabilities at fair value through profit or loss* and the net income attributable to legacy non-controlling interest recorded in the income statement under US GAAP was reversed.

(e) Under US GAAP, the Class C interest is considered an equity instrument and will be recognized through non-controlling interest when earned and payable. Under FRS 102, the Class C interests is treated as a liability recorded at fair value and included in *Financial liabilities at fair value through profit or loss*.

18. Subsequent events

On March 5, 2025, the Company's Board of directors approved a dividend of $0.22 per Class A ordinary share, which was paid on March 10, 2025.

In January 2025, the Group agreed to acquire its Manager for aggregate consideration of approximately $1.1 billion. The consideration consists of approximately 24.5 million shares of RP Holdings, $380 million of existing debt of the Manager and $200 million of cash less the amount of the Operating and Personnel Payments made to the Manager from January 1, 2025 through the closing of the transaction. The closing of the transaction is subject to the shareholders' approval of the issuance of the share consideration and other customary closing conditions, including required regulatory approvals. The transaction is estimated to close during the second quarter of 2025.

In February 2025, the Company acquired a royalty interest in litifilimab from Biogen for an upfront payment of $50 million and an additional $200 million in quarterly R&D funding through the second quarter of '2026. Litifilimab is unapproved, in Phase 3 clinical trials, for the treatment of lupus. Litifilimab will be recorded as a financial asset at fair value through profit or loss.

ROYALTY PHARMA PLC

PARENT COMPANY FINANCIAL STATEMENTS
for the year ended December 31, 2024

Royalty Pharma plc
Parent Company Balance Sheets

USD $000	Notes	As of 31 December 31, 2024	2023
Non-current assets			
Investments in subsidiaries	4	$ 12,573,902	$ 12,547,565
Notes due from Group companies	5	6,613,747	6,134,383
Total non-current assets		**19,187,649**	**18,681,948**
Current assets			
Notes due from Group companies	5	997,773	—
Debtors	6	219,299	52,211
Prepayments and other receivables		1,096	1,106
Cash at banks		225	208
Total current assets		**1,218,393**	**53,525**
Current liabilities			
Creditors: amounts falling due within one year	7	(1,104,146)	(54,874)
Net current liabilities		**114,247**	**(1,349)**
Total assets less current liabilities		**19,301,896**	**18,680,599**
Non-current liabilities			
Creditors: amounts falling due after one year	5	(6,613,747)	(6,134,383)
Net assets		**$ 12,688,149**	**$ 12,546,216**
Capital and reserves			
Share capital		$ 108	$ 108
Share premium		3,894,039	3,674,733
Other reserves		14,783	12,439
Profit and loss account		8,779,219	8,858,936
Total equity		**$ 12,688,149**	**$ 12,546,216**

During the years ended December 31, 2024 and 2023, the Company reported a profit of $526.7 million and a loss of $5.5 billion, respectively. In addition, the Company elected to take the exemption contained in Section 408 of the Companies Act 2006 allowing it not to publish a separate statement of comprehensive income.

The financial statements were approved by the Board of directors of Royalty Pharma plc (Company Number: 12446913) on April 10, 2025 and are signed on its behalf by:

Pablo Legorreta
Director
April 10, 2025

The accompanying notes form an integral part of these financial statements.

Royalty Pharma plc
Parent Company Statements of Changes in Equity

USD $000	Share capital	Share premium	Other reserves	Profit and loss account	Total
Balance as of December 31, 2022	$ 108	$ 3,216,077	$ 10,044	$ 15,019,729	$ 18,245,958
Issuance of Class A Ordinary shares	1	458,656	—	—	458,657
Share-based compensation and related issuances of Class A ordinary shares	—	—	2,395	—	2,395
Dividends paid	—	—	—	(358,327)	(358,327)
Repurchase of shares	(1)	—	—	(304,759)	(304,760)
Loss after taxation	—	—	—	(5,497,707)	(5,497,707)
Balance as of December 31, 2023	**108**	**3,674,733**	**12,439**	**8,858,936**	**12,546,216**
Issuance of Class A Ordinary shares	1	219,306	—	—	219,307
Share-based compensation and related issuances of Class A ordinary shares	—	—	2,344	—	2,344
Dividends paid	—	—	—	(376,465)	(376,465)
Repurchase of shares	(1)	—	—	(229,906)	(229,907)
Profit after taxation	—	—	—	526,654	526,654
Balance as of December 31, 2024	**$ 108**	**$ 3,894,039**	**$ 14,783**	**$ 8,779,219**	**$ 12,688,149**

The accompanying notes form an integral part of these financial statements.

1. General information

Royalty Pharma plc (the "Company" or "Royalty Pharma"), formerly Royalty Pharma Ltd, is a public limited company incorporated on February 6, 2020 and domiciled in England and Wales. On April 22, 2020, the Company re-registered under the Companies Act 2006 as a public company under the name of Royalty Pharma plc. The Company had an initial public offering on June 16, 2020 and is listed on the NASDAQ Global Select Market under the symbol "RPRX."

The registered office of the Company is The Pavilions, Bridgwater Road, Bristol, England, BS13 8AE. The principal activity of the Company is to carry on business as a holding company. It operates and controls the business affairs of Royalty Pharma Holdings Ltd ("RP Holdings"). The Company conducts its business through RP Holdings and its subsidiaries by funding innovation in the biopharmaceutical industry both directly and indirectly - directly by partnering with companies to co-fund late-stage clinical trials and new product launches in exchange for future royalties, and indirectly by acquiring existing royalties from the original innovators.

RP Management, LLC (the "Manager") is an external advisor which provides the Company with all advisory and day-to-day management services.

2. Summary of significant accounting policies

Basis of presentation

These financial statements are prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland as issued by the Financial Reporting Council and the Companies Act 2006.

The Company is included in the consolidated financial statements of Royalty Pharma plc, which are prepared in accordance with FRS 102 and are included within this Annual Report.

The Company has taken advantage of the section 408 of the Companies Act 2006 exemption not to present its individual profit and loss account as it has prepared Group accounts.

The Company meets the definition of a qualifying entity under FRS 102. It has taken advantage of the disclosure exemptions available to it in respect of presentation of a Statement of Cash Flows (Section 7), Financial Instruments (Section 11), Share Based Payments (Section 26) and remuneration of key management personnel (Section 33). This information is included in the consolidated financial statements of Royalty Pharma plc as of December 31, 2024 and 2023.

The financial statements have been prepared on a going concern basis, under the historical cost convention. The following accounting policies have been applied consistently with respect to items that are considered material in relation to the financial statements.

Going concern

After reviewing the Company's performance projections, the directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. As a result they have adopted the going concern basis in preparing the financial statements.

Investments in subsidiaries

Investments are accounted for when acquired. Investments in subsidiaries are recorded at cost less accumulated impairment losses. When there is evidence of impairment at year end, the carrying value of the investment is written down to the greater of its recoverable amount or value in use. If there is a change in economic circumstances in future periods, the impairment loss may be reversed up to the amount of the original impairment.

Foreign currency translation

The functional and reporting currency of the Company is the United States Dollar ("USD or $").

Assets and liabilities denominated in a currency other than the USD are translated into USD at the exchange rates at the dates of the Balance Sheets. Income and expenses denominated in currencies other than USD are translated at the exchange rates on the respective dates of such transactions.

Expenses

All expenses are accounted for on an accrual basis.

Cash at banks

Cash represents cash held at financial institutions.

Dividend income

Dividends receivable on shares are recognized on an ex-dividend basis.

Debtors

Debtors are amounts due from affiliates for professional fees paid on behalf of those affiliates, amounts due from Group companies for dividends declared but not paid, as well as amounts due from Group companies for interest on notes. Debtors are recognized initially at the transaction price and periodically assessed by management for impairment.

Notes due from Group companies

Notes due from Group companies are comprised of notes receivable from subsidiaries, which are initially measured at the transaction price and are subsequently carried at amortized cost using the effective interest method.

Creditors: amounts falling due within one year

Creditors are comprised of amounts due to various counterparties for professional services provided during the ordinary course of business, amounts due for interest on notes payable as well as the portion of the notes payable due within one year.

Amounts due for professional services that are generally payable upon receipt are recognized at the transaction price less amounts settled. Interest is calculated using the effective interest method.

Creditors: amounts falling due after one year

Our creditors for amounts falling due after one year are notes payable, which are initially measured at the transaction price and are subsequently carried at amortized cost using the effective interest method.

3. Critical accounting judgements and key sources of uncertainty

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as of the balance sheet date and the amounts reported for revenues and expenses during the year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. FRS 102 requires management to exercise judgement in the process of applying the accounting policies.

The key source of estimation uncertainty is the valuation of unlisted investments. There is no active market for the shares in private companies and as such the holdings are measured at cost less impairment in accordance with FRS 102, section 9.26. The impairment assessment of investments in subsidiaries involves management's judgement.

4. Investments in subsidiaries

As of December 31, 2024, the Company had three direct subsidiaries, RP Holdings, incorporated on February 10, 2020, RPI US Feeder SPV, LLC and RPI International Feeder SPV, LLC, both formed on August 25, 2020, and a number of indirect subsidiaries, as outlined in Note 12 of the consolidated financial statements.

The Company owns RP Holdings Class A ordinary shares and RP Holdings Class B ordinary shares. Ongoing exchanges of Class B ordinary shares for Class A ordinary shares are permitted, which are initially recognized at fair value, and which result in increases to the Company's investment in RP Holdings. Fair value for non-cash exchanges is equal to the quoted share price at the date the shares are exchanged. Non-cash exchanges occurred quarterly throughout 2024 and 2023. The movement in the investment in subsidiaries balance during 2024 and 2023 was primarily attributable to non-cash exchanges and non-cash impairment charges.

There is no active market for the Company's investment in its subsidiaries. The valuation of its investment in RP Holdings is measured at cost less impairment. During the years ended December 31, 2024 and 2023, the Company recognized non-cash impairment charges of $193.0 million and $6.1 billion, respectively, in the profit and loss account related to its investment in RP Holdings. Management estimated the fair value of the Company's investment in RP Holdings utilizing the Company's quoted share price as a proxy for RP Holdings' fair value. As a result, the declines in Royalty Pharma plc's share price from $28.09 as of December 31, 2023 to $25.51 as of December 31, 2024, and from $39.52 as of December 31, 2022 to $28.09 as of December 31, 2023, triggered related declines in the fair value of RP Holdings. The calculations of the non-cash impairments of the Company's investment in its subsidiary in 2024 and 2023 were entirely driven by the movement in the share price of Royalty Pharma plc during the years multiplied by the Company's ownership level in RP Holdings.

5. Notes payable and Notes due from Group companies

The Company issued $1.5 billion, $1.3 billion and $6.0 billion of senior unsecured notes in 2024, 2021 and 2020, respectively (the "Notes"). The Company's obligations under the Notes are fully and unconditionally guaranteed by RP Holdings. Interest on each series of the Notes accrues at the respective rate per annum and is payable semi-annually in arrears on March 2 and September 2 of each year. The Notes consist of the following:

USD $000			As of December 31,	
Type of Borrowing	**Date of Issuance**	**Maturity**	**2024**	**2023**
$1,000,000, 1.20% (issued at 98.875% of par)	09/2020	09/2025	$ 1,000,000	$ 1,000,000
$1,000,000, 1.75% (issued at 98.284% of par)	09/2020	09/2027	1,000,000	1,000,000
$500,000, 5.15% (issued at 98.758% of par)	06/2024	09/2029	500,000	—
$1,000,000, 2.20% (issued at 97.760% of par)	09/2020	09/2030	1,000,000	1,000,000
$600,000, 2.15% (issued at 98.263% of par)	07/2021	09/2031	600,000	600,000
$500,000, 5.40% (issued at 97.872% of par)	06/2024	09/2034	500,000	—
$1,000,000, 3.30% (issued at 95.556% of par)	09/2020	09/2040	1,000,000	1,000,000
$1,000,000, 3.55% (issued at 95.306% of par)	09/2020	09/2050	1,000,000	1,000,000
$700,000, 3.35% (issued at 97.565% of par)	07/2021	09/2051	700,000	700,000
$500,000, 5.90% (issued at 97.617% of par)	06/2024	09/2054	500,000	—
Unamortized debt discount and issuance costs			(188,480)	(165,617)
Total notes payable			**7,611,520**	**6,134,383**
Less: amounts falling due within one year			(997,773)	—
Total notes payable falling due after one year			**$ 6,613,747**	**$ 6,134,383**

The Company advanced the proceeds of the Notes to RP Holdings through a series of intercompany notes to RP Holdings, RPI US Feeder SPV, LLC and RPI International Feeder SPV, LLC. Note proceeds received by RPI US Feeder SPV, LLC and RPI International Feeder SPV, LLC were then loaned on an intercompany basis to RP Holdings. The key terms of the intercompany notes align with the terms of the senior unsecured notes. Under the terms of the agreements that govern the intercompany notes, the parties have agreed that RP Holdings will make all payments to the holders of the Notes to satisfy the obligations of Royalty Pharma plc under the Notes and in satisfaction of the payment obligations under all of the intercompany notes. In September 2023, $1.0 billion of the Notes were repaid upon maturity. The Company recorded a current and non-current asset as of December 31, 2024 and a non-current asset as of December 31, 2023 on the Parent Company Balance Sheets in relation to these agreements under Notes due from Group companies.

Changes in net debt

The changes in net debt during 2024 resulted from the following:

USD $000

	As of January 1, 2024	**Cash Flows**	**Other Non-Cash Changes [1]**	**As of December 31, 2024**
Cash and cash equivalents	$ 208	$ 17	$ —	$ 225
Debt	(6,134,383)	(1,458,619)	(18,518)	(7,611,520)
Net Debt	**$ (6,134,175)**	**$ (1,458,602)**	**$ (18,518)**	**$ (7,611,295)**

(1) Amortization of debt discount and loan issuance costs.

6. Debtors

USD $000	As of December 31,	
	2024	2023
Amounts falling due within one year		
Interest receivable on Notes due from Group companies	$ 98,062	$ 51,682
Amounts receivable from affiliates	121,237	529
Total debtors	**$ 219,299**	**$ 52,211**

7. Creditors: amounts falling due within one year

USD $000		As of December 31,	
	Note	2024	2023
Amounts falling due within one year			
Notes payable	5	$ 997,773	$ —
Interest payable		98,062	51,681
Legal and other professional fees		8,211	2,386
Audit and tax fees		100	807
Total creditors falling due within one year		**$ 1,104,146**	**$ 54,874**

8. Taxation

In 2024 and 2023, the tax charge was lower than the standard rate of corporation tax of 25% and 23.5%, respectively, due to the Group's profit not being subject to corporation tax. The factors affecting tax charges are as follows:

USD $000	For the years ended December 31,	
	2024	2023
Profit/(loss) on ordinary activities before tax	$ 526,654	$ (5,497,707)
Profit/(loss) before tax multiplied by rate of corporation tax in the UK	131,664	(1,291,961)
Effect of:		
Dividends not subject to corporation tax	(183,682)	(139,899)
Expenses not deductible for tax purposes	67,250	1,429,740
Current year expenses not utilized	(15,231)	2,120
Total tax charge	**$ —**	**$ —**

The Company has losses carried forward of $(20.0) million and $40.9 million in 2024 and 2023, respectively. No deferred tax assets have been recognized on the balance sheets in either year due to the uncertainty that future taxable profit will be generated that can be offset against such losses.

9. Related party transactions

RPI US Partners 2019, LP and RPI International Partners 2019, LP (together the "Continuing Investors Partnerships") hold the Class B ordinary shares of the Company as of December 31, 2024 and 2023. There was no balance due from the Continuing Investors Partnerships to the Company as of December 31, 2024. A balance of $0.5 million was due from the Continuing Investors Partnerships to the Company as of December 31, 2023.

The Company recorded a dividend receivable of $121.2 million related to Class D dividends that were declared but not yet paid by RP Holdings as of December 31, 2024, as disclosed in Note 6 as amounts receivable from affiliates.

Other balances due to and from related parties as of December 31, 2024 and 2023 relate to the intercompany notes as outlined in Note 5 and interest on these notes as outlined in Note 6 and Note 7.

Other related party transactions are disclosed in the consolidated financial statements. The Company has taken advantage of the exemption under FRS102, not to disclose related party transactions with other companies that are wholly owned within the Group.

10. Ultimate parent undertaking and controlling party

There is no ultimate parent undertaking or controlling party of the Company as ownership is shared among the Company's shareholders.

11. Remuneration of auditors and directors

Information regarding auditors' remuneration is included within the consolidated financial statements.

Information regarding directors' remuneration and interests in shares in the Company is included within the Directors' Remuneration Report contained elsewhere in this UK Annual Report and Accounts.

12. Subsequent events

On March 5, 2025, the Board of directors of the Company approved a dividend of $0.22 per Class A ordinary share, which was paid on March 10, 2025.