Risk Factors Comparison 2024-02-15 to 2023-02-15 Form: 10-K

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Described below are certain risks that we believe apply to our business. You should carefully consider the following information about these risks, together with the other information contained in this Annual Report on Form 10- K, including the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and our consolidated financial statements and related notes. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business. Summary of Risk Factors Our business is subject to a number of risks, including risks that may adversely affect our business, financial condition ~~and~~ **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 ~~risks~~ 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 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; • governmental regulation of the biopharmaceutical industry; • interest rate risk, foreign exchange fluctuations and inflation; • our reliance on the Manager for all services we require and 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; • the assumptions underlying our business model; • our reliance on a limited number of products; • the competitive nature of the biopharmaceutical industry; Risks Relating to Our Organization and Structure • our organizational structure, including our status as a holding company; 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; and General Risk Factors • **cyber- attacks or** ~~the~~ **other** ~~impact~~ **failures in telecommunications or information technology systems; • the future outbreak** of **any infectious or contagious diseases, such as** COVID- 19 ~~, or the future outbreak of any other infectious or contagious diseases,~~ on our operations. Biopharmaceutical products are subject to sales risks. 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, changes in the marketer' s strategic priorities, obsolescence, lack of acceptance by government healthcare programs ~~and~~ **or** private insurance plans, loss of patent protection, government regulations ~~, the impact of the COVID- 19 global pandemic~~ 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, declining sales or litigation. As a result, payments of our royalties may be reduced or ~~cease~~ **ceased** . In addition, these payments may be delayed, causing our near- term financial performance to be weaker than expected. The royalty market may not grow at the same rate as it has in the past, or at all, and we may not be able to acquire sufficient royalties to sustain the growth of our business. We have been able to grow our business over time by primarily acquiring royalties. However, we may not be able to identify and acquire a sufficient number of royalties, or royalties of sufficient scale, to invest the full amount of capital that may be available to us in the future, or at our targeted amount and rate of deployment, which could prevent us from executing our growth strategy and negatively impact our **business** ~~results of operations~~ . Changes in the royalty market, including its structure, participants and growth rate, changes in preferred methods of financing and capital raising in the biopharmaceutical industry, or a reduction in the growth of the biopharmaceutical industry, could lead to diminished opportunities for us to acquire royalties, fewer royalties (or fewer royalties of significant scale) being available, or increased competition for royalties. Even if we continue to acquire royalties, they ~~may~~ **generally will** not generate a meaningful return for a period of several years, if at all, due to ~~numerous factors including the structure of the~~ transaction **structures** , ~~or~~ circumstances relating to the underlying products **or other factors** . As a result, we may not be able to continue to **acquire royalties or otherwise** grow **our business** as we have in the past, or at all. Acquisitions of royalties ~~on~~ **from our investments in** development- stage biopharmaceutical product candidates are subject to ~~a number of~~ **additional risks and** uncertainties. We may acquire more royalties on development- stage product candidates that have not yet received marketing approval by any regulatory authority **or been commercialized** . There can be no assurance that the FDA, the Medicines and Healthcare products Regulatory Agency (" MHRA "), the European Medicines Agency (" EMA "), Pharmaceuticals and Medical Devices Agency (" PMDA ") or other regulatory authorities will approve such products or that such products will be brought to market timely or at all, or that the market will be receptive to such products. **We have previously** ~~For example, in June 2021, we~~ acquired ~~from MorphoSys the right to receive~~ royalties ~~and certain milestone payments~~ on **development** ~~gantenerumab, an anti- amyloid- beta monoclonal antibody that~~ **stage product candidates for which clinical development** was **stopped** ~~in Phase 3 development~~ for **a number of reasons** ~~Alzheimer' s disease by Roche. Subsequently on November 30~~ , **including** ~~2022, Roche stated that it would discontinue~~ clinical trials **failing to** ~~of gantenerumab after the GRADUATE I and II studies evaluating gantenerumab in people with early Alzheimer' s disease did not~~ meet their primary ~~endpoint~~ **endpoints** ~~of slowing clinical decline~~ . ~~As a~~ **These failures have** ~~result~~ **resulted in** , ~~we concluded that a~~ **and future failures could lead to,** non- cash impairment ~~charge~~ **charges or** ~~of $ 273. 6 million related to the~~ **other investment write downs** ~~financial royalty asset associated with gantenerumab was required~~ . If the FDA, MHRA, the EMA, PMDA or other regulatory authority approves a development- stage product candidate that generates our royalties, the labeling,

packaging, manufacturing, adverse event reporting, storage, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. The subsequent discovery of previously unknown problems with the product, including adverse events of unanticipated severity or frequency, may result in restrictions on the marketing of the product ~~, including for certain patient populations,~~ and could include withdrawal of the product from the market ~~. Uncertainty relating to development- stage product candidates also make it more difficult to develop precise and accurate assumptions for our internal models relating to any such development- stage product candidate, which can result in reduced royalties compared to estimates~~ . In addition, the developers of these development- stage product candidates may not be able to raise additional capital to continue their discovery, development and commercialization activities, which may cause them to delay, reduce the scope of, or eliminate one or more of their clinical trials or R & D programs. If other product developers introduce and market products that are more effective, safer or less expensive than the ~~relevant~~ products that generate our royalties, or if such developers introduce their products prior to the competing products underlying our royalties, ~~such~~ **the** products **in which we have invested** may not achieve commercial success and thereby result in diminished returns ~~,~~ or ~~potentially~~ reduced royalties for us, adversely affecting our **business, financial condition or** results of operations. Further, the developers of such products may not have sales, marketing or distribution capabilities. If no sales, marketing or distribution arrangements can be made on acceptable terms or at all, the affected product may not be able to be successfully commercialized, which will result in a loss for us. Losses from such assets could adversely affect our business, financial condition ~~and~~ **or** results of operations . While we believe that we can....., is subject to risks and uncertainties . We intend to continue to provide capital to innovators to co- fund clinical development of a product candidate in exchange for a share of the future revenues of that asset and when we do so, we do not control its clinical development. In these situations, the innovators may not complete activities on schedule or in accordance with our expectations or in compliance with applicable laws and regulations ~~. Failure by one or more of these third parties to meet their obligations or our expectations~~ , **which** ~~comply with applicable laws or regulations or any disruption in the relationships between us and these third parties,~~ could delay or prevent the development, approval, manufacturing or commercialization of the development- stage product candidate for which we have provided funding. **Uncertainty relating to development- stage product candidates makes it more difficult to develop accurate assumptions for our internal models,which can result in reduced royalties compared to estimates** . ~~While we believe~~ **There can be no assurance** that ~~we can evaluate~~ **our assumptions around** the likelihood of a development- stage product candidate' s approval ~~and~~ **or** achieving significant sales ~~,there can be no assurance that our assumptions~~ will prove correct,that regulatory authorities will approve such development- stage product candidates,that such development- stage product candidates will be brought to market timely or at all,or that such products will achieve commercial success **or result in royalties consistent with our estimates** . ~~Our strategy of acquiring royalty interests in development- stage product candidates,including by co- funding clinical development and acquiring securities of biopharmaceutical companies,is subject to risks~~ We ~~.We~~ may undertake strategic acquisitions of biopharmaceutical **companies or acquire securities of biopharmaceutical companies.Our failure to realize expected benefits of such acquisitions could adversely affect our business,financial condition or results of operations.We may acquire** companies with significant royalty assets ~~.Our failure to realize expected benefits of such acquisitions or our incurrence of unanticipated liabilities,could adversely affect our business,financial condition and results of operations.We may acquire companies with significant royalty assets~~ or where we believe we could create significant synthetic royalties.These acquired or created royalty assets may not perform as we project.Moreover,the acquisition of operating biopharmaceutical companies will result in the assumption of,or exposure to,liabilities of the acquired business that are not inherent in our other royalty acquisitions,such as direct exposure to product liability claims,high fixed costs ~~and~~ **or** an expansion of our operations and expense structure,thereby potentially decreasing our profitability.The diversion of our management' s attention and any delay or difficulties encountered in connection with any future acquisitions we may consummate could result in the disruption of our on-going business operations.Despite our business,financial and legal due diligence efforts,we have limited experience in assessing acquisition opportunities,and we ultimately may be unsuccessful in ascertaining or evaluating all risks associated with such acquisitions.Moreover,we may need to raise additional funds through public or private debt or equity financing to acquire any businesses or products,which may result in dilution for shareholders or the incurrence of indebtedness.As a result,our acquisition of biopharmaceutical companies could adversely affect our business,financial condition **or results of operations.We may** seek to ~~further~~ expand our market opportunity by acquiring securities issued by biopharmaceutical companies. Where we ~~may~~ acquire equity securities as all or part of the consideration for business development activities, the value of those securities will fluctuate, and may depreciate ~~in value~~ . We will likely not control the ~~company~~ **companies** in which we acquire securities, and as a result, we may have limited ability to determine ~~its~~ management, operational decisions ~~and~~ **or** policies. Further, ~~while we may seek to mitigate the risks and liabilities of~~ such transactions ~~through, among other things, due diligence, there~~ may ~~be~~ **face** risks and liabilities that ~~such~~ due diligence efforts fail to discover, that are not disclosed to us, or that we inadequately assess. In addition, as a result of our activities **,** we **may** receive material non- public information about other companies ~~from time to time~~ . Where such information relates to a company whose equity securities we hold, we may be delayed or prevented from selling such securities when we would otherwise choose to do so, and such delay or prohibition may result in a loss or reduced gain on such securities . We may undertake strategic acquisitions of....., financial condition and results of operations . We use leverage in connection with our capital deployment, which magnifies the potential for loss if the royalties acquired do not generate sufficient income to us. We use borrowed funds to finance a significant portion of our deployed capital. The use of leverage creates an opportunity for an increased return but also increases the risk of loss if our assets do not generate sufficient ~~income~~ **cash flows** to us. The interest expense and other costs incurred in connection with such borrowings may not be covered by our cash flow. In addition, leverage may inhibit our operating flexibility and reduce cash flow available for dividends ~~to our~~ **or** ~~shareholders~~ **to make share repurchases** . The level of our indebtedness could limit our ability to respond to changing business conditions. The various agreements relating to our borrowings may impose operating and financial restrictions on us which

could affect the number and size of the royalties that we may pursue. Therefore, no assurance can be given that we will be able to take advantage of favorable conditions or opportunities as a result of any restrictive covenants under our indebtedness. There can also be no assurance that additional debt financing, either to replace or increase existing debt financing, will be available when needed or, if available, will be obtainable on terms that are commercially reasonable. Additional risks related to our leverage include: • **to the extent that interest rates at which we borrow increase, our borrowing costs will increase and our leveraging strategy will become more costly, which could lead to diminished net profits; • we have to comply with various financial covenants in the agreements that govern our debt, including requirements to maintain certain leverage ratios and coverage ratios, which may affect our ability to achieve our business objectives; • our ability to pay dividends or make share repurchases may be restricted; •** our royalties may be used as collateral for our borrowings; **and** • in the event of a default under secured borrowings, if any, one or more of our creditors or their assignees could obtain control of our royalties and, in the event of a distressed sale, these creditors could dispose of these royalties for significantly less value than we could realize for them ~~; • we have to comply with various financial covenants in the agreements that govern our debt, including requirements to maintain certain leverage ratios and coverage ratios, which may affect our ability to achieve our business objectives; • our ability to pay dividends to our shareholders may be restricted; and • to the extent that interest rates at which we borrow increase, our borrowing costs will increase and our leveraging strategy will become more costly, which could lead to diminished net profits~~ . We do not employ our own personnel and are entirely dependent upon the Manager for all the services we require. Because we are " externally managed, " we do not employ our own personnel, but instead depend upon the Manager, its executive officers and its employees for all of the services we require. The Manager selects and manages the acquisition of royalties **, milestones** and ~~similar payment streams~~ **other contractual receipts and related assets** that meet our investment criteria and provides all our other administrative services. Accordingly, our success is dependent upon the expertise and services of the executive officers and **employees of** ~~other personnel provided to us through~~ the Manager. The Management Agreement has an initial term of ten years, after which it can be renewed for an additional term of three years, unless either we or the Manager provide notice of non- renewal 180 days prior the expiration of the initial term or renewal term. The Manager may not be removed during the initial or any renewal term without cause. While our Management Agreement requires its executives to devote substantially all their time to managing us and any legacy vehicles related to RPI **2019 ICAV** or Old RPI unless otherwise approved by the board of directors, such resources may prove to be inadequate to meet our needs. The success of our business depends upon key members of the Manager' s ~~senior~~ advisory team who may not continue to work for the Manager. We depend on the expertise, skill and network of business contacts of the **key members of the Manager' s** advisory **team** ~~professionals of the Manager~~ , who evaluate, negotiate, structure, execute, monitor and service our assets ~~in accordance with the terms of the Management Agreement~~ . Our future success depends to a significant extent on the continued service and coordination of the advisory ~~professionals~~ **team** of the Manager, particularly Mr. Legorreta. Pursuant to the Management Agreement, executives of the Manager must devote substantially all of their business time to managing us, unless otherwise approved by the board of directors. Despite this, Mr. Legorreta and other key **members of the Manager' s** advisory ~~professionals~~ **team** may have other demands on their time, and we cannot assure you that they will continue to be actively involved in our business. Each of these individuals is an employee of the Manager and is not subject to an employment contract with us **, which means we do not direct the composition of the Manger' s advisory team as well as the compensation or professional development of these individuals** . The departure of any of these individuals or competing demands on their time could adversely affect our business, financial condition ~~and~~ **or** results of operations. The key advisory professionals of the Manager have relationships with participants in the biopharmaceutical industry, financial institutions and other advisory professionals, which we rely upon to source potential asset acquisition opportunities. If the key advisory professionals of the Manager fail to maintain such relationships, or to develop new relationships with other sources, we may not be able to grow our portfolio. In addition, we can offer no assurance that these relationships, even if maintained, will generate ~~asset~~ **royalty** acquisition opportunities for us in the future. There can be no assurance that the policies and procedures we have established to mitigate conflicts of interest will be effective in doing so. **The** ~~Pursuant to the Management Agreement, the~~ Manager cannot manage another entity that invests in or acquires royalties other than any legacy vehicle related to RPI **2019 ICAV** or Old RPI. Every **senior** executive of ~~our~~ **the** Manager is subject to a non- compete agreement that is effective for 18 months following termination of their employment ~~with the Manager~~ for any reason. We are a beneficiary of these agreements. In addition, executives of the Manager must devote substantially all of their time to managing us and any legacy vehicle related to RPI **2019 ICAV** or Old RPI, unless otherwise approved by the board of directors. Despite this, the ability of ~~our~~ **the** Manager and its officers and employees to engage in other business activities, subject to the terms of our Management Agreement, may reduce the amount of time ~~our~~ **the** Manager, its officers or other employees spend managing us. ~~Furthermore, there~~ **There** could be conflicts of interest between us and our advisory personnel. For instance, Mr. Legorreta, our Chief Executive Officer, is also a co- founder of and has significant influence over Pharmakon Advisors, which shares physical premises with the Manager. Pharmakon manages BioPharma Credit PLC (LSE: BPCR) and other investment vehicles that collectively are leading providers of debt capital to the biopharmaceutical industry. Mr. Legorreta has a substantial investment in BioPharma Credit. In addition, Mr. Legorreta serves as the chairperson of the board of directors of ProKidney Corp. and he has founded and participates in foundations that receive and provide medical research funding. Even though he **is involved** ~~has the involvement~~ with Pharmakon, BioPharma Credit PLC, ProKidney Corp. and the foundations described above **, among other organizations** , Mr. Legorreta does not have any material constraints on the time he has available to devote to **the Manager and thereby to** us ~~and the Manager~~ . **While** ~~From time to time,~~ the Manager and Pharmakon may pursue similar investment opportunities ~~for their respective clients~~ , ~~although~~ we believe that actual conflicts of interest are rare due to ~~the~~ differing investment strategies ~~of Pharmakon and us~~ , and the fact that royalty holders ~~, rather than Pharmakon and us,~~ determine the type of transaction they seek. Under arrangements with Pharmakon, the Manager subleases office space to Pharmakon, and the parties may provide research,

business development, legal, compliance, financial and administrative services to one another. The Manager and Pharmakon reimburse each other to the extent that one of them provides materially more services to the other than they receive in return. In **addition** ~~consideration of the support provided to Pharmakon by the Manager~~ , certain employees of the Manager **may** receive compensation from Pharmakon. **The** ~~In addition, the structure of our~~ Manager' s compensation arrangements may have unintended consequences. We have agreed to pay ~~our~~ **the** Manager or its affiliates quarterly operating and personnel expenses (the " Operating and Personnel Payments "), ~~a portion of which is~~ based on **Portfolio Receipts and** the mark- to- market value of security investments ~~, including equity securities and derivative financial instruments,~~ at the end of each quarter ~~and is payable to the Manager~~ regardless of whether we realize any gain on **our** ~~the security~~ investments ~~when sold~~ . Consequently, the Manager may be incentivized to have us make ~~security~~ investments regardless of our expected gain on such investments, which may not align with our or our shareholders' interests. To service our indebtedness and meet our other ongoing liquidity needs, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control. If we cannot generate the required cash, we may not be able to make the required payments under our indebtedness. As of December 31, ~~2022~~ **2023** , our total principal amount of senior unsecured notes outstanding was $ ~~7~~ **6** . 3 billion. In addition, we have up to $ 1. ~~5~~ **8** billion of available revolving commitments under our ~~unsecured revolving credit facility (the "~~ Revolving Credit Facility ~~"~~ **(as defined below**). Except for RP Holdings, our subsidiaries that do not guarantee the senior unsecured notes will have no obligation, contingent or otherwise, to pay amounts due under the senior unsecured notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. We cannot assure you that our business will generate sufficient cash flow from operations to enable us to pay our indebtedness or to fund our other liquidity needs. Absent sufficient cash flow and the ability to refinance, we could also be forced to sell assets to make up for any shortfall in our payment obligations. However, the terms of the agreements that govern our existing outstanding debt limit ~~,~~ our and our subsidiaries' ability to sell assets and also restrict the use of proceeds from such a sale. Accordingly, we may not be able to sell assets quickly enough or for sufficient amounts to enable us to meet our obligations on our indebtedness. Our business is subject to interest rate, foreign exchange ~~and~~ **,** inflation **and banking industry** risk. We are subject to interest rate fluctuation exposure through any borrowings under our Revolving Credit Facility and our investments in money market accounts and marketable securities, the majority of which bear a variable interest rate. In addition, the discontinuation, modification or other reform of **any** ~~the London Interbank Offered Rate (" LIBOR "), or the replacement of LIBOR with a different~~ reference rate, such as the Secured Overnight Financing Rate (" SOFR "), could create uncertainty ~~regarding the nature of potential changes to and future utilization of specific reference rates~~ , require us to amend certain agreements or increase our interest expense. To the extent that interest rates generally increase, our borrowing costs ~~will~~ **may** increase and our ~~leveraging~~ **leverage** strategy will become more costly, leading to diminished net profits. Certain products pay royalties in currencies other than U. S. dollars, which creates foreign currency risk primarily with respect to the Euro, Canadian dollar, British pound, Swiss franc and Japanese yen, as our functional and reporting currency is the U. S. dollar. In addition, 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. 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 U. S. dollars using a quarterly average exchange rate. Therefore, cash received may differ from the estimated receivable based on fluctuations in currency. We are also subject to ~~foreign exchange rate risk~~ **risks and uncertainties** caused by significant events with macroeconomic impacts, including, but not limited to **geopolitical events** , **including** the Russia- Ukraine ~~war~~ **conflict** , **conflicts in the Middle East, rising** ~~COVID- 19 pandemic and actions taken by central banks to counter~~ inflation **and interest rates, monetary policy changes, financial services sector instability, recessions, global pandemics and foreign currency fluctuations** . Changes in the value of currencies relative to the U. S. dollar, or high inflation in countries using a currency other than the U. S. dollar, can impact our revenues, costs and expenses and our financial guidance **. Other events that affect the banking industry may adversely affect the banking institutions that hold our cash. Our primary operating accounts significantly exceed the Federal Deposit Insurance Corporation limits. In the event of a bank insolvency or failure, we may be considered a general creditor of the bank, and we might lose some or all of the cash deposited with the bank. Even where it is recognized that a bank might be in danger of insolvency or failure, we might not be able to withdraw or transfer our cash from the bank in time to avoid any adverse effects of the insolvency or failure** . Information about the biopharmaceutical products underlying the royalties we buy available to us may be limited and therefore our ability to analyze each product and its potential future cash flow may be similarly limited. We may have limited information concerning the products generating the royalties we are evaluating for acquisition. Often, the information we have regarding products following our acquisition of a royalty may be limited to the information that is available in the public domain. Therefore, there may be material information that relates to such products that we would like to know but do not have and may not be able to obtain. For example, we do not always know the results of studies conducted by marketers of the products or others or the nature or amount of any complaints from doctors or users of such products. In addition, the market data that we obtain independently may also prove to be incomplete or incorrect. Due to these and other factors, the actual cash flow from a royalty may be significantly lower than our estimates. Our future income is dependent upon numerous royalty- specific assumptions and, if these assumptions prove not to be accurate, we may not achieve our expected rates of returns. Our business model is based on multiple- year internal and external forecasts regarding product sales and numerous product- specific assumptions in connection with each royalty acquisition, including where we have limited information regarding the product. There can be no assurance that the assumptions underlying our financial models, including those regarding product sales or competition, patent expirations, exclusivity terms, license terms or license terminations for the products underlying our portfolio, are accurate. These assumptions involve a significant element of subjective judgment and may be, and in the past have been, adversely affected by post- acquisition changes in market conditions and other factors

affecting the underlying product. The risks relating to these assumptions may be exacerbated for development- stage product candidates due to the uncertainties around their development, labeling, regulatory approval, commercialization timing, manufacturing and supply, competing products or related factors. Our assumptions regarding the financial stability or operational or marketing capabilities of the partner obligated to pay us royalties may also prove, and in the past have proven, to be incorrect. Due to these and other factors, the assets in our current portfolio or future assets may not generate expected returns or returns in line with our historical financial performance or in the time periods we expect or at all, which could adversely affect our **business,** financial condition ~~and~~ **or** results of operation. We make assumptions regarding the royalty duration for terms that are not contractually fixed, and a shortened royalty term could result in a reduction in the effective interest rate, a decline in income from royalties, significant reductions in royalty payments compared to expectations, or a permanent impairment. In accordance with generally accepted accounting principles in the United States (" GAAP "), we classify most royalty assets that we acquire as financial assets that are measured at amortized cost using the prospective effective interest method described in ASC 835- 30. The effective interest rate is calculated by forecasting the expected cash flows to be received over the life of the asset relative to the initial invested amount, net of any purchased receivables. A critical component of such forecast is our assumptions regarding duration of the royalty. The royalty duration is important for purposes of accurately measuring interest income over the life of a royalty. In making assumptions around the royalty duration for terms that are not contractually fixed, we consider the strength of existing patent protection, expected entry of generics, geographical exclusivity periods and potential patent term extensions tied to the underlying product. The duration of a royalty usually varies on a country- by- country basis and can be based on a number of factors, such as patent expiration dates, **whether the product is sold singly or in combination,** regulatory exclusivity, years from first commercial sale of the patent- protected product, the entry of competing generic or biosimilar products, or other terms set out in the contracts governing the royalty. It is common for royalty durations to expire earlier or later than anticipated due to unforeseen positive or negative developments over time, including with respect to the granting of patents and patent term extensions, the invalidation of patents, **claims of patent misuse,** litigation between the party controlling the patents and third party challengers of the patents, the ability of third parties to design around or circumvent valid patents, the granting of regulatory exclusivity periods or extensions, timing for the arrival of generic or biosimilar competitor products, changes to legal or regulatory regimes affecting intellectual property rights or the regulation of pharmaceutical products, product life cycles, and industry consolidations. If an unexpected shortening of a royalty term were to occur, it could result in a reduction in the effective interest rate **for the asset** , a decline in income from royalties, and a significant reduction in royalty payments compared to expectations, or a permanent impairment. Most of our royalties are classified as financial assets that are measured at amortized cost using the effective interest method as a result of which our GAAP results of operations can be volatile and unpredictable. In accordance with GAAP, most of the royalty assets we acquire are treated as investments in cash flow streams and are thus classified as financial assets. Under this classification, our financial royalty assets are treated as having a yield component that resembles loans measured at amortized cost under the effective interest accounting methodology. Under this accounting methodology, we calculate the effective interest rate on each financial royalty asset using a forecast of the expected cash flows to be received over the life of the financial royalty asset relative to the initial acquisition price. The yield, which is calculated at the end of each reporting period and applied prospectively, is then recognized via accretion into our income at the effective rate of return over the expected life of the financial royalty asset. As a result of the non- cash charges associated with the application of the effective interest method accounting methodology, our income statement activity in respect of many of our royalties can be volatile and unpredictable. Small declines in sell- side equity research analysts' consensus sales forecasts over a long time horizon can result in an immediate non- cash income statement expense recognition, even though the applicable cash inflows will not be realized for many years into the future. For example, in late 2014 we acquired the cystic fibrosis franchise, which is classified as a financial royalty asset. Beginning in the second quarter of 2015, declines in near- term sales forecasts of sell- side equity research analysts caused us to recognize non- cash provision expenses to the income statement and build up a corresponding cumulative allowance which reduced the gross balance for this financial royalty asset. Over the course of 10 quarters, we recognized non- cash provision expenses as a result of these changes in forecasts, including a non- cash expense of $ 743. 2 million in 2016, ultimately reaching a peak cumulative allowance of $ 1. 30 billion by September 30, 2017 related to this financial royalty asset. With the approval of the Vertex triple combination therapy, Trikafta, in October 2019, sell- side equity research analysts' consensus sales forecasts increased to reflect the larger addressable market and the extension of the expected duration of the Trikafta royalty. While small reductions in the cumulative allowance for the cystic fibrosis franchise were recognized as provision income in 2017 and 2018, there remained a $ 1. 10 billion cumulative allowance that was fully reduced by recognizing non- cash provision income of $ 1. 10 billion in 2019 as a result of an increase in sell- side equity research analysts' consensus sales forecasts associated with the Trikafta approval. The financial statement impact caused by the application of the effective interest accounting methodology could result in a negative perception of our results in a given period. Our reliance on a limited number of products may adversely affect our business, financial condition and results of operation. While our current asset portfolio includes royalties relating to over 35 marketed products ~~and 12 development- stage product candidates~~ , the top five product franchises accounted for ~~69~~ **66** % of our royalty receipts in the year ended December 31, ~~2022~~ **2023** . In addition, our asset portfolio may not be fully diversified by geographic region or other criteria. Any significant deterioration in the cash flows from the top products in our asset portfolio could adversely affect our business, financial condition ~~and~~ **or** results of operations. We face competition in acquiring royalties and locating suitable royalties to acquire. There are a limited number of suitable and attractive opportunities to acquire high-quality royalties ~~available in the market~~ . Therefore, competition to acquire such royalties is intense and may increase. We compete with other potential acquirers for these opportunities, including companies that market the products on which royalties are paid, **investment vehicles and other pools of capital,** financial institutions **, institutional investors (including sovereign wealth and pension funds)** and others. These competitors may be able to access lower cost capital, may be larger than us, may

have relationships that provide them access to opportunities before us, or may be willing to acquire royalties for lower projected returns than we are. Biopharmaceutical products are subject to substantial competition. The biopharmaceutical industry is a highly competitive and rapidly evolving industry. The length of any product' s commercial life cannot be predicted with certainty. **One** ~~There can be no assurance that one~~ or more products on which we are entitled to a royalty **may** ~~will not~~ be rendered obsolete or non- competitive by new or alternate products or improvements **made to existing products** on which we are not entitled to a royalty ~~made to existing products~~ , either by the current marketer of such products or by another marketer. Current marketers of products may undertake these development efforts in order to improve their products or to avoid paying our royalty. Adverse competition, obsolescence or governmental and regulatory action or healthcare policy changes could significantly affect the revenues, including royalty- related revenues, of the products which generate our royalties. Competitive factors affecting the market position and success of each product include: • ~~effectiveness; •~~ safety ~~and~~ **,** side effect profile **, effectiveness and market acceptance** ; • price, including third- party insurance reimbursement policies; • timing, introduction and marketer support of the product; • efficacy and execution of marketing and commercialization strategy; • market acceptance; • manufacturing, supply and distribution; • governmental regulation, including price caps; • availability of lower- cost generics or biosimilars; • intellectual property protection and exclusivity; • treatment innovations that eliminate or minimize the need for a product; and • product liability claims. Products ~~for~~ **on** which we have a royalty receivable or other interest may be rendered obsolete or non- competitive by new or alternate products, including generics or biosimilars, improvements on existing products, marketing or commercialization strategies, or governmental or regulatory action. In addition, as biopharmaceutical companies increasingly devote significant resources to innovate next- generation products and therapies, products on which we have a royalty may become unattractive to commercialize or obsolete. If a product' s market acceptance is diminished or it is withdrawn from the market, continuing payments with respect to biopharmaceutical products ~~, including royalty payments and payments of interest on and repayment of the principal,~~ may not be made on time or at all, which may affect our ability to realize the benefits of the royalty receivable or other interest in such product and may result in us incurring asset impairment charges. Further, any product for which we have a royalty receivable or other interest that competes with an approved product must demonstrate compelling advantages in efficacy, convenience, tolerability and safety in order to overcome price competition and to be commercially successful. Many approved drugs are well established therapies and are widely accepted by physicians, patients and third- party payors. Insurers and other third- party payors may also encourage the use of generic products. Any of these developments could adversely affect products ~~for~~ **on** which we have a royalty, and consequently could adversely affect our business, financial condition ~~and~~ **or** results of operations. Marketers of products that generate our royalties are outside of our control. In the case of our royalty receivables, our cash flow consists primarily of payments supported by royalties paid by marketers. These marketers may have interests that are different from our interests. For example, these marketers may be motivated to maximize **their overall** income by allocating resources to other products and, in the future, may decide to focus less attention on the products generating our royalties or by allocating resources to develop products that do not generate royalties to us. There can be no assurance that any marketer or person with whom the marketer has a working relationship has adequate resources or motivation to continue to produce, market and sell the products generating our royalties. Aside from any limited audit rights relating to the activities of the marketers that we may have in certain circumstances pursuant to the terms of our arrangements with the licensor, we do not have oversight rights with respect to the marketers' operations and do not have rights allowing us to direct their operations or strategy nor do our agreements contain performance standards for their operations. The calculation of the royalty payments is subject to and dependent upon the adequacy and accuracy of our counterparties' sales and accounting functions. While we may be able to receive certain information relating to sales of products through the exercise of audit rights and review of royalty reports we receive from the licensor, such information may be received many months following our recognition of the royalty revenue, may require us to adjust our royalty revenues in later periods and may require expense on our part. We have limited information on the marketers' operations. We will not have the right to review or receive certain information relating to products that the marketers may have, including the results of any studies conducted by the marketers or others, or complaints from doctors or users of products. The market performance of the products generating our royalties may therefore be diminished by any number of factors relating to the marketers that are outside of our control. The marketers of biopharmaceutical products are, generally, entirely responsible for the ongoing regulatory approval, commercialization, manufacturing and marketing of products. Generally, the holders of royalties on products have granted exclusive regulatory approval, commercialization, manufacturing and marketing rights to the marketers of such products. The marketers have full control over those efforts and sole discretion to determine the extent and priority of the resources they will commit to their program for a product. Accordingly, the successful commercialization of a product depends on the marketer' s efforts and is beyond our control. If a marketer does not devote adequate resources to the ongoing **development,** regulatory approval, commercialization and manufacture of a product, or if a marketer engages in illegal or otherwise unauthorized practices, the product' s sales may not generate sufficient royalties, or the product' s sales may be suspended, and consequently, could adversely affect our business. In addition, if marketers of biopharmaceutical products decide to discontinue product programs or we believe the commercial prospects of assets have been reduced, we may recognize material non- cash impairment charges related to the financial royalty asset associated with those programs or assets. License agreements relating to products may, in some instances, be unilaterally terminated or disputes may arise which may affect our royalties. License agreements relating to the products generating our royalties may be terminated, which may adversely affect sales of such products and therefore the payments we receive. For example, under certain license agreements, marketers retain the right to unilaterally terminate the agreements with the licensors. When the last patent covering a product expires or is otherwise invalidated in a country, a marketer may be economically motivated to terminate its license agreement, either in whole or with respect to such country, in order to terminate its payment and other obligations. In the event of any such termination, a licensor may no longer receive all of the payments it expected to receive from the licensee and may also be unable to find another company to continue

developing and commercializing the product on the same or similar terms as those under the license agreement that has been terminated. In addition, license agreements may fail to provide significant protection for the licensor in case of the licensee' s failure to perform or in the event of disputes. License agreements which relate to the products underlying our royalties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what the licensor believes to be the scope of its rights to the relevant intellectual property or technology, or decrease the licensee' s financial or other obligations under the relevant agreement, any of which could in turn impact the value of our royalties and adversely affect our business, financial condition ~~and~~ **or** results of operations. If a marketer were to default on its obligations under a license agreement, the licensor' s remedy may be limited either to terminating certain licenses related to certain countries or to generally terminate the license agreement with respect to such country. In such cases, we may not have the right to seek to enforce the rights of the licensor and we may be required to rely on the resources and willingness of the licensor to enforce its rights against the licensee. In any of these situations, if the expected payments under the license agreements do not materialize, this could result in a significant loss to us and adversely affect our business, financial condition ~~and~~ **or** results of operations. The insolvency of a marketer could adversely affect our receipt of cash flows on the related royalties that we hold. If a marketer were to become insolvent and seek to reorganize under Chapter 11 of Title 11 of the U. S. Code, as amended, or the Bankruptcy Code, or liquidate under Chapter 7 of the Bankruptcy Code (or foreign equivalent), such event could delay or impede the payment of the amounts due under a license agreement, pending a resolution of the insolvency proceeding. Any unpaid royalty payments due for the period prior to the filing of the bankruptcy proceeding would be unsecured claims against the marketer, which might not be paid in full or at all. While royalty payments due for periods after the filing may qualify as administrative expenses entitled to a higher priority, the actual payment of such post- filing royalty payments could be delayed for a substantial period of time and might not be in the full amount due under the license agreement. The licensor would be prevented by the automatic stay **in the bankruptcy proceeding** from taking any action to enforce its rights without the permission of the bankruptcy court. In addition, the marketer could elect to reject the license agreement, which would require the licensor to undertake a new effort to market the applicable product with another distributor. Such proceedings could adversely affect the ability of a payor to make payments with respect to a royalty, and could consequently adversely affect our business, financial condition ~~and~~ **or** results of operations. Unsuccessful attempts to acquire new royalties could result in significant costs and negatively impact subsequent attempts to locate and acquire other assets. The investigation of each specific target royalty and the negotiation, drafting and execution of relevant agreements ~~, disclosure and other documents~~ requires substantial management time and attention and results in substantial costs for accountants, attorneys and others. If a decision is made not to complete a specific acquisition, the costs incurred for the proposed transaction would not be recoverable from a third party. Furthermore, even if an agreement is reached relating to a specific target asset, we may fail to consummate the acquisition for any number of reasons, including, in the case of an acquisition of a royalty through a business combination with a public company, approval by the target company' s public shareholders. Multiple unsuccessful attempts to acquire new royalties could hurt our reputation, result in significant costs and an inefficient use of the Manager' s time. The opportunity cost of diverting management and financial resources could negatively impact our ability to locate and acquire other assets. The products that generate our royalties are subject to uncertainty related to healthcare reimbursement policies, managed care considerations, pricing pressures and the regulation of the healthcare industry. In both U. S. and non- U. S. markets, sales of biopharmaceutical products, and the success of such products, depends in part on governmental regulation and the availability and extent of coverage and reimbursement from third- party payors, including government healthcare programs in addition to private insurance plans. In the United States, pharmaceutical product pricing is subject to enhanced government regulation, public scrutiny and calls for reforms. For example, **the drug pricing provisions of** ~~in August 2022, President Biden signed into law~~ the Inflation Reduction Act (" IRA "), which **was signed into law in August 2022 and began** ~~includes significant drug pricing provisions, including (i) inflation rebates, where drug manufacturers must pay a rebate~~ to ~~the government if the prices of~~ **be implemented in 20203 with implementation efforts to continue over** ~~their~~ -- **the next several years. In August 2023,** ~~covered single- source drugs and biologies rise faster than~~ the ~~rate~~ **Biden Administration unveiled the first round** of ~~inflation; (ii)~~ **medicines subject to the "** Medicare ~~Part D redesign where beneficiaries' out- of- pocket costs are capped, payment obligation for initial coverage is redistributed with drug~~ **Drug Price** ~~manufacturers paying 10 % on all drugs and the coverage gap is eliminated, as well as requiring Part D plans to pay a larger portion of the catastrophic phase with drug manufacturers covering 20 % of the costs; and (iii) Medicare negotiation~~ **Negotiation Program** , **"** which requires **manufacturers** ~~the Department~~ of **select drugs** ~~Health and Human Services (" HHS ")~~ to ~~negotiate~~ **engage in a process with the U. S. Federal government to set new Medicare** prices **which** ~~for certain drugs covered by Medicare Part B and Part D through a drug price negotiation program. In October 2022, President Biden signed an executive order that instructs HHS to consider whether to select for testing new health care payment and delivery models that~~ would **go into effect** ~~lower drug costs and promote access to innovative drug therapies for beneficiaries enrolled~~ in **2026** ~~the Medicare and Medicaid programs~~ . In addition, the U. S. Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (the " ACA ") was enacted by Congress in March 2010 and established a major expansion of healthcare coverage, financed in part by **several** ~~a number of~~ new rebates, discounts and taxes that had a significant effect on the expenses and profitability on the companies that manufacture the products that generate our royalties. These companies and their products face uncertainty due to federal legislative and administrative efforts to repeal, substantially modify or invalidate some or all of the provisions of the IRA and the ACA. Other U. S. federal or state legislative or regulatory action or policy efforts could adversely affect the healthcare industry, including, among others, additional transparency and limitations related to product pricing, review the relationship between pricing and manufacturer patient programs, general budget control actions, changes in patent laws **, changing interpretations of competition law, exercise by the government of march- in rights in respect of government funded innovations** , the importation of prescription drugs from outside the United States at prices that are regulated by

governments of various foreign countries, revisions to reimbursement of biopharmaceutical products under government programs, restrictions on U. S. direct- to- consumer advertising or limitations on interactions with healthcare professionals. No assurances can be provided that these laws and regulations will not adversely affect our business, financial condition ~~and~~ **or** results of operations ~~. The growth of large managed care organizations and prescription benefit managers, as well as the prevalence of generic substitution, has hindered price increases for prescription drugs~~ . Continued intense public scrutiny of the price of drugs, together with government and payor dynamics, may limit the ability of producers and marketers to set or adjust the price of products based on their value. There can be no assurance that new or proposed products will be considered cost-effective or that adequate third- party reimbursement will be available to enable the producer or marketer of such product to maintain price levels sufficient to realize an appropriate return. These pricing pressures may adversely affect our current royalties and the attractiveness of future acquisitions of royalties. Outside the United States, numerous major markets, including the EU, Japan and China, have pervasive government regulation of healthcare and government involvement in funding healthcare, and, in that regard, fix the pricing and reimbursement of pharmaceutical products. Consequently, in those markets, the products generating our royalties are subject to government decision- making and budgetary actions. In addition, many of the products in our portfolio benefit from regulatory exclusivity. If, in an effort to regulate pricing, regulatory exclusivity is not maintained, our business, financial condition ~~and~~ **or** results of operations may be adversely impacted. The biopharmaceutical industry may be negatively affected by federal government deficit reduction policies, which could reduce the value of the royalties that we hold. In an effort to contain the U. S. federal deficit, the biopharmaceutical industry could be considered a potential source of savings via legislative proposals. Government action to reduce U. S. federal spending on entitlement programs, including Medicare, Medicaid or other publicly funded or subsidized health programs, or to lower drug spending, may affect payment for the products that generate our royalties. These and any other cost controls or any significant additional taxes or fees that may be imposed on the biopharmaceutical industry as part of deficit reduction efforts could reduce cash flows from our royalties and therefore adversely affect our business, financial condition ~~and~~ **or** results of operations. Sales of products that generate our royalties are subject to regulatory approvals and actions in the United States and foreign jurisdictions that could harm our business. The procedures to approve biopharmaceutical products for commercialization vary among countries and can involve additional testing and time. Such procedures may include on- site inspections by regulatory authorities at clinical trial sites or manufacturing facilities, which inspections may be delayed by travel restrictions imposed in response to ~~the COVID- 19 pandemic~~ **pandemics** or other ~~pandemics~~ **infectious diseases** . Approval by the FDA does not ensure approval by regulatory authorities in other countries, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries or by the FDA. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval and many include additional risks, such as pricing approval. There can be no assurance that any of these regulatory approvals will be granted or not be revoked or restricted in a manner that would adversely affect the sales of such products and on the ability of payors to make payments with respect to such royalties to us. The manufacture and distribution of a biopharmaceutical product may be interrupted by regulatory agencies or supplier deficiencies. The manufacture of products generating our royalties is typically complex and is highly regulated. In particular, biopharmaceutical products are manufactured in specialized facilities that require the approval of, and ongoing regulation by, the FDA in the United States and, if manufactured outside of the United States, both the FDA and non- U. S. regulatory agencies, such as the MHRA and the EMA. With respect to a product, to the extent that operational standards set by such agencies are not adhered to, manufacturing facilities may be closed or production interrupted until such time as any deficiencies noted by such agencies are remedied. Any such closure or interruption may interrupt, for an indefinite period of time, the manufacture and distribution of a product and therefore the cash flows from the related biopharmaceutical asset may be significantly less than expected. In addition, manufacturers of a product may rely on third parties for selected aspects of product development, such as packaging or to supply bulk raw material used in the manufacture of such product. In the United States, the FDA requires that all suppliers of pharmaceutical bulk materials and all manufacturers of pharmaceuticals for sale in or from the United States adhere to the FDA' s current " Good Manufacturing Practice " regulations and guidelines and similar requirements that exist in jurisdictions outside the United States. ~~Licensees~~ **Marketers of biopharmaceutical products** generally rely on a small number of key, highly specialized suppliers, manufacturers and packagers. Any interruptions, however minimal, in the operation of these manufacturing and packaging facilities could adversely affect production and product sales and therefore adversely affect our business, financial condition ~~and~~ **or** results of operations. Product liability claims may diminish the returns on biopharmaceutical products. The developer, manufacturer or marketer of a product could become subject to product liability claims. A product liability claim, regardless of its merits, could adversely affect the sales of the product and the amount of any related royalty payments ~~,~~ and ~~consequently,~~ could **even** adversely affect the ability of a payor to make payments with respect to a royalty. Although we believe that we will not bear responsibility in the event of a product liability claim against the developer, manufacturer, marketer or other seller of the product that generates our royalty ~~,~~ **. Any** such **product liability** claims **against us** could adversely affect our business, financial condition ~~and~~ **or** results of operations ~~due to the lower than expected cash flows from the royalty~~ . We are typically not involved in maintaining, enforcing and defending patent rights on products that generate our royalties. Our right to receive royalties generally depends on the existence of valid and enforceable claims of registered or issued patents in the United States and elsewhere in the world. The products on which we receive payments are dependent on patent protection and on the fact that the manufacturing, marketing and selling of such products do not infringe, misappropriate or otherwise violate intellectual property rights of third parties. Typically, we have no ability to control the prosecution, maintenance, enforcement or defense of patent rights, but must rely on the willingness and ability of our partners or their marketers to do so. There can be no assurance that these third parties will vigorously prosecute, maintain, enforce or defend such rights. Even if such third parties seek to prosecute, maintain, enforce or defend such rights, they may not be successful. The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and

factual questions and has been the subject of much litigation. Furthermore, changes in patent laws or interpretation of patent laws in the United States and in other jurisdictions could increase the uncertainties surrounding the successful prosecution of patent applications and the successful enforcement or defense of issued patents by our partners, all of which could diminish the value of patent protection relating to the biopharmaceutical assets. As a result, the issuance, scope, validity, enforceability and commercial value of the patent rights of our partners and their marketers are highly uncertain. In addition, such third parties' pending and future patent applications may not result in patents being issued which protect their products, development- stage product candidates and technologies or which effectively prevent others from commercializing competitive products, development- stage product candidates and technologies. Moreover, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if the patent applications our partners and their marketers license or own do issue as patents, they may not issue in a form that will provide them with any meaningful protection, prevent competitors or other third parties from competing with them or otherwise provide them with any competitive advantage. Competitors or other third parties may be able to circumvent patents of our partners and their marketers by developing similar or alternative products in a non- infringing manner. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, which could limit the ability of our partners and their marketers from preventing others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of their products, development- stage product candidates and technologies. Any loss or reduction in the scope or duration of patent protection for any product that generates our royalties, or any failure to successfully prosecute, maintain, enforce or defend any patents that protect any such product may result in a decrease in the sales of such product and any associated royalties payable to us. Any such event would adversely affect the ability of the payor to make payments of royalties to us or may otherwise reduce the value of our ~~royalty~~ **royalties** ~~interest~~ , and could consequently adversely affect our business, financial condition ~~and~~ **or** results of operations. In cases where our contractual arrangements with our partner permit us to do so, we could participate in patent suits brought by third parties but this could result in substantial litigation costs, divert management' s attention from our core business and there can be no assurance that such suits would be successful. The existence of third- party patents in relation to products may result in additional costs for the marketer and reduce the amount of royalties paid to us. The commercial success of a product depends, in part, on avoiding infringement, misappropriation or other violations of the intellectual property rights and proprietary technologies of others. Third- party issued patents or patent applications claiming subject matter necessary **or useful** to manufacture and market a product could exist or issue in the future. Such third- party patents or patent applications may include claims directed to the composition, manufacturing, mechanism of action or other unique features of a product. There can be no assurance that a license would be available to marketers for such subject matter if such infringement were to exist or, if offered, would be offered on reasonable or commercially feasible terms. Without such a license, it may be possible for third parties to assert infringement or other intellectual property claims against the marketer of such product based on such patents or other intellectual property rights. Even if the marketer was able to obtain a license, it could be non- exclusive, thereby giving its competitors and other third parties access to the same technologies. In addition, if a marketer of a product that generates our royalties is required to obtain a license from a third party, the marketer may, in some instances, have the right to offset the licensing and royalty payments to such third party against royalties that would be owed to our partner, which may ultimately reduce the value of our royalty interest. An adverse outcome in infringement or other intellectual property- related proceedings could subject a marketer to significant liabilities to third parties, require disputed rights to be licensed from third parties or require the marketer to cease or modify its manufacturing, marketing and distribution of any affected product, any of which could reduce the amount of cash flow generated by the affected products and any associated royalties payable to us and therefore adversely affect our business, financial condition ~~and~~ **or** results of operations. Disclosure of trade secrets of marketers of products could negatively affect the competitive position of the products underlying our biopharmaceutical assets. The marketers of the products that generate our royalties depend, in part, on trade secrets, know- how and technology, which are not protected by patents, to maintain the products' competitive position. This information is typically protected through confidentiality agreements with parties that have access to such information, such as collaborative partners, licensors, employees and consultants. Any of these parties may breach the agreements and disclose the confidential information or competitors might independently develop or learn of the information in some other way, which could harm the competitive position of the products and therefore reduce the amount of cash flow generated by our ~~royalty~~ **royalties** ~~interest. The internal computer systems of our counterparties may fail or suffer security breaches, which could result in a significant disruption of their ability to operate their business effectively, adversely affect the cash flow generated by the related biopharmaceutical products, and adversely affect our business, financial condition and results of operations. The internal computer systems and cloud- based computing services of our counterparties and those of their current and any future collaborators and other contractors or consultants are vulnerable to damage or interruption from computer viruses, data corruption, cyber- based attacks, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. We have been subject to cyber- based attacks and unauthorized access in the past. If such an event were to occur in the future and cause interruptions in their operations, it could result in a disruption of their development and commercialization programs and business operations, whether due to a loss of trade secrets or other proprietary information or other similar disruptions. To the extent that any disruption or security breach were to result in a loss of, or damage to, a counterparties' data or applications, or inappropriate disclosure of confidential or proprietary information, our partners' operations may be harmed and the development and commercialization of their products, development- stage product candidates and technologies could be delayed. Such an event may reduce the amount of cash flow generated by the related biopharmaceutical products and therefore adversely affect our business, financial condition and results of operations~~ . Our ability to pay periodic dividends to our shareholders or make share

repurchases may be limited by applicable provisions of English law and contractual restrictions and obligations. Under English law, we will only be able to declare dividends, make distributions or repurchase shares (other than out of the proceeds of a new issuance of shares for that purpose) out of profits available for distribution. Profits available for distribution are accumulated, realized profits, to the extent that they have not been previously utilized by distribution or capitalization, less its accumulated, realized losses, to the extent that they have not been previously written off in a reduction or reorganization of capital duly made. The amount of our distributable reserves is a cumulative calculation. We may be profitable in a single financial year but unable to pay a dividend or make share repurchases if our accumulated, realized profits do not offset all previous years' accumulated, realized losses. Additionally, we may only make a distribution if our net assets are not less than the amount of our aggregate called- up share capital and ~~distributable~~ **undistributable** reserves, and if, and to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate. Subject to the terms of our indebtedness or other contractual obligations, the approval and payment of any interim dividends are at the sole discretion of our board of directors, which may change our dividend policy at any time **,** and the payment of any final dividends will be subject to majority approval by holders of our Class A ordinary shares and Class B ordinary shares and in each case will be paid out of profits available for that purpose under English law. Our Articles of Association authorize the board of directors to approve interim dividends without shareholder approval to the extent that such dividends appear justified by profits available for such purpose. The board of directors may also recommend final dividends be approved and declared by shareholders at an annual general meeting. No such dividend may exceed the amount recommended by the board of directors. There can be no assurance that any dividends, whether quarterly or otherwise, will or can be paid or that any shares will or can be repurchased. Whether we pay dividends to our shareholders or make share repurchases depends on a number of factors, including among other things, general economic and business conditions, our strategic plans and prospects, our business and acquisition opportunities, our financial condition ~~and~~ **or** results of operations, working capital requirements and anticipated cash needs, contractual restrictions and obligations, including fulfilling our current and future capital commitments, legal, tax and regulatory restrictions, other restrictions and implications on the payment of dividends by us to our shareholders or making any share repurchases and such other factors as our board of directors may deem relevant. A shareholder who receives a distribution under circumstances where he or she knows or has reasonable grounds for believing that the distribution is unlawful in the circumstances is obliged to repay such distribution (or that part of it, as the case may be) to us. If we were determined to be an investment company under the U. S. Investment Company Act of 1940, applicable restrictions could make it impractical for us to continue our business as contemplated and could adversely affect our business, financial condition ~~and~~ **or** results of operations. We intend to conduct our business so as not to become regulated as an investment company under the U. S. Investment Company Act. An entity generally will be determined to be an investment company for purposes of the U. S. Investment Company Act if, absent an applicable exemption, (i) it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or (ii) it owns or proposes to acquire investment securities having a value exceeding 40 % of the value of its total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis, which we refer to as the ICA 40 % Test. We do not hold ourselves out as being engaged primarily, or propose to engage primarily, in the business of investing, reinvesting or trading in securities, and believe that we are not engaged primarily in the business of investing, reinvesting or trading in securities. We believe that, for U. S. Investment Company Act purposes, we are engaged primarily, through one or more of our subsidiaries, in the business of purchasing or otherwise acquiring certain obligations that represent part or all of the sales price of merchandise. Our subsidiaries that are so engaged rely on Section 3 (c) (5) (A) of the U. S. Investment Company Act, which, as interpreted by the SEC staff, requires each such subsidiary to invest at least 55 % of its assets in " notes, drafts, acceptances, open accounts receivable, and other obligations representing part or all of the sales price of merchandise, insurance, and services, " which we refer to as the ICA Exception Qualifying Assets. In a no- action letter, dated August 13, 2010, to our predecessor, the SEC staff promulgated an interpretation that royalty interests that entitle an issuer to collect royalty receivables that are directly based on the sales price of specific biopharmaceutical assets that use intellectual property covered by specific license agreements are ICA Exception Qualifying Assets under Section 3 (c) (5) (A). We rely on this no- action letter for the position that royalty receivables relating to biopharmaceutical assets that we hold are ICA Exception Qualifying Assets under Section 3 (c) (5) (A) and Section 3 (c) (6), which is described below. To ensure that we are not obligated to register as an investment company, we must not exceed the thresholds provided by the ICA 40 % Test. For purposes of the ICA 40 % Test, the term investment securities does not include U. S. government securities or securities issued by majority- owned subsidiaries that are not themselves investment companies and are not relying on Section 3 (c) (1) or Section 3 (c) (7) of the U. S. Investment Company Act, such as majority- owned subsidiaries that rely on Section 3 (c) (5) (A). We also may rely on Section 3 (c) (6), which, based on SEC staff interpretations, requires us to invest, either directly or through majority- owned subsidiaries, at least 55 % of our assets in, as relevant here, businesses relying on Section 3 (c) (5) (A). Therefore, the assets that we and our subsidiaries hold and acquire are limited by the provisions of the U. S. Investment Company Act and the rules and regulations promulgated thereunder. If the SEC or its staff in the future adopts a contrary interpretation to that provided in the no- action letter to our predecessor or otherwise restricts the conclusions in the SEC staff' s no- action letter such that royalty interests are no longer treated as ICA Exception Qualifying Assets for purposes of Section 3 (c) (5) (A) and Section 3 (c) (6), or the SEC or its staff in the future determines that the no- action letter does not apply to some or all types of royalty receivables relating to biopharmaceutical assets, our business will be materially and adversely affected. In particular, we would be required either to convert to a corporation formed under the laws of the United States or a state thereof (which would likely result in our being subject to U. S. federal corporate income taxation) and to register as an investment company, or to stop all business activities in the United States until such time as the SEC grants an application to register us as an investment company formed under non- U. S. law. It is unlikely that such an application would be granted and, even if it were, requirements imposed by the Investment Company Act, including limitations on our capital structure, our ability to transact business with affiliates and our ability to

compensate key employees, could make it impractical for us to continue our business as currently conducted. Our ceasing to qualify for an exemption from registration as an investment company could materially and adversely affect the value of our Class A ordinary shares and our ability to pay dividends in respect of our Class A ordinary shares. The equity performance awards payable to an affiliate of the Manager may create incentives that are not fully aligned with the interests of our shareholders. Subject to certain conditions, at the end of each fiscal quarter, an affiliate of the Manager is entitled to a distribution in the form of equity 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 right to Equity Performance Awards may create an incentive for the Manager to make riskier or more speculative asset acquisitions. In addition, the Manager may cause us to incur more debt, finance additional asset acquisitions or otherwise use more leverage in connection with asset acquisitions, as generally the use of leverage can increase the rate of return on an investment and therefore our profits. Under certain circumstances, the use of borrowed money may pose higher risks for our business or increase the likelihood of default, which would disfavor our shareholders. In addition, there is no correlation between our profits and the obligation of our board of directors to pay dividends to shareholders. Consequently, shareholders may receive limited or no dividends while an affiliate of the Manager remains entitled to Equity Performance Awards based on our Net Economic Profit. In addition, even though Equity Performance Awards are payable on a portfolio- by- portfolio basis (with portfolios comprised of investments made during sequential two- year periods) in order to reduce the risks that affiliates of the Manager will be paid Equity Performance Awards on individual investments even though our overall portfolio of investments is not performing well, Equity Performance Awards may nevertheless be payable to affiliates of the Manager when our overall portfolio of investments is not performing as well as the individual portfolios that are used as the basis for measuring the Equity Performance Awards. Our board of directors may make decisions with respect to the cash generated from our operations that may result in no dividends paid to our shareholders or no repurchases made of our ordinary shares. Our board of directors is under no obligation to pay dividends, make distributions or repurchase our ordinary shares and it may decide to use cash to fund asset acquisitions or operations in lieu of paying dividends, making distributions or repurchasing our ordinary shares. We will pay Equity Performance Awards to an affiliate of the Manager based on our Net Economic Profit regardless of whether any dividends are paid to our shareholders or any ordinary shares are repurchased. Our board of directors' decisions with respect to our cash may result in no dividends to our shareholders and no ordinary shares repurchased. Furthermore, our board of directors' decisions with respect to dividends or repurchases of ordinary shares may adversely affect the market price of our Class A ordinary shares. **If** ~~In the event that~~ we generate positive income, but pay limited or no dividends, holders of Class A ordinary shares may, if they have made certain elections for U. S. federal income tax purposes with respect to their Class A ordinary shares, have a tax liability on our income in excess of the actual cash dividends received by such holders. If our board of directors decides to approve limited or no dividends or repurchases of ordinary shares, the primary remedy for holders of Class A ordinary shares will be to sell their shares at the prevailing market price, including at a loss, which may be low due to unfavorable or inconsistent dividends or repurchases of our ordinary shares. The royalties that we acquire may fall outside the biopharmaceutical industry, and any such assets, and the cash flows therefrom, may not resemble the assets in our current portfolio. We have discretion as to the types of assets that we may acquire. While we expect the Manager to acquire assets that primarily fall within the biopharmaceutical industry, we are not obligated to do so and may acquire other types of assets that are peripheral to or outside of the biopharmaceutical industry. Consequently, our asset acquisitions in the future, and the cash flows from such assets, may not resemble those of the assets in our current portfolio. **We and the Manager may have limited experience acquiring assets that are peripheral to or outside of the biopharmaceutical industry.** There can be no assurance that assets acquired in the future will have returns similar to the returns expected of the assets in our current portfolio or be profitable at all. The Manager may be the subject of a change of control resulting in a disruption in our operations that could adversely affect our business, financial condition ~~and~~ **or** results of operations. There could be a change of control of the Manager and, in such a case, the new controlling party may have a different philosophy, employ less experienced advisory professionals, be unsuccessful in identifying ~~asset~~ **royalty** acquisition opportunities or have a track record that is not as successful as that of the Manager ~~prior to such a change of control~~ . If the foregoing were to occur, we could experience difficulty in making new asset acquisitions, and the value of our existing assets, our business, financial condition ~~and~~ **or** results of operations could materially suffer. The Manager' s liability is limited under the Management Agreement, and we have agreed to indemnify the Manager against certain liabilities. As a result, we could experience unfavorable operating results or incur losses for which the Manager would not be liable. The Manager does not assume any responsibility other than to render the services called for under the Management Agreement. The Manager and its affiliates (including RPI EPA Holdings, LP (" EPA Holdings ")) and their respective officers, directors, equity holders, members, employees, agents and partners, and any other person who is entitled to indemnification (each, an " Indemnitee ") is not liable to us, any subsidiary of ours, our directors, our shareholders or any subsidiary' s shareholders or partners for acts or omissions performed in accordance with to the Management Agreement, except those resulting from acts constituting fraud, bad faith, willful misconduct, gross negligence (as interpreted under New York law) and a material breach of the Management Agreement that is not cured or a violation of applicable securities laws. In addition, to the fullest extent permitted by law, we have agreed to indemnify the Indemnitees from and against any and all claims, liabilities, damages, losses, penalties, actions, judgments, costs and expenses (including amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated that are incurred by any Indemnitee or to which such Indemnitee may be subject by reason of its activities on behalf of us or any of our subsidiaries to the extent that such Indemnitee' s conduct did not constitute fraud, bad faith, willful misconduct, gross negligence (as interpreted under New York

law), material breach of the Management Agreement that is not cured or a violation of applicable securities laws. As a result, we could experience unfavorable operating results or incur losses for which the Manager would not be liable. Operational risks may disrupt our businesses, result in losses or limit our growth. We rely heavily on the Manager' s financial, accounting, information and other data processing systems and cloud computing services, as well as those of our current and future collaborators, contractors or consultants. Such systems are vulnerable to damage or interruption from computer viruses, data corruption, cyber- ~~based~~ **related** attacks, unauthorized access, natural disasters, pandemics ~~, such as the COVID- 19 pandemic~~ , terrorism, war and telecommunication and electrical failures. If any of these events occur and such systems do not operate properly or are disabled or if there is any unauthorized disclosure of data, whether as a result of tampering, a breach of network security systems, a **cybersecurity vulnerability** ~~cyber- incident~~ or attack or otherwise, we could suffer substantial financial loss, increased costs, a disruption of our business, loss of trade secrets or other proprietary information, liability to us, regulatory intervention or reputational damage. Furthermore, federal, state and international laws and regulations relating to data privacy and protection, such as the European Union' s General Data Protection Regulation, which took effect in May 2018, and the California Consumer Privacy Act, which took effect in January 2020, can expose us to enforcement actions and investigations by regulatory authorities, and potentially result in regulatory penalties and significant legal liability, if our information technology security efforts or data privacy and protection compliance efforts fail. In addition, we operate a business that is highly dependent on information systems and technology. The Manager' s information systems and technology may not continue to be able to accommodate our growth, and the cost of maintaining such systems may increase. Such a failure to accommodate growth, or an increase in costs related to such information systems, could adversely affect our business, financial condition ~~and~~ **or** results of operations. A disaster or a disruption in the public infrastructure that supports our business, including a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, could adversely affect our ability to continue to operate our business without interruption. Our disaster recovery programs and those of the Manager may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses, if at all. In addition, sustaining our growth may require us or the Manager to commit additional management, operational and financial resources to identify new professionals to join the team and to maintain appropriate operational and financial systems to adequately support expansion. **Since** ~~Due to the fact that~~ the market for hiring talented professionals is competitive, we may not be able to grow at the pace we desire. We are subject to the U. K. Bribery Act, the U. S. Foreign Corrupt Practices Act and other anti- corruption laws, as well as export control laws, import and customs laws, trade and economic sanctions laws and other laws governing our operations. Our operations are subject to anti- corruption laws, including the U. K. Bribery Act 2010 (" Bribery Act "), the U. S. Foreign Corrupt Practices Act of 1977, as amended the (" FCPA "), the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, and other anti- corruption laws that apply in countries where we do business. The Bribery Act, the FCPA and these other laws generally prohibit us and our employees and intermediaries from authorizing, promising, offering, or providing, directly or indirectly, improper or prohibited payments, or anything else of value, to government officials or other persons to obtain or retain business or gain some other business advantage. Under the Bribery Act, we may also be liable for failing to prevent a person associated with us from committing a bribery offense. We and the marketers of products that generate our royalties operate in a number of jurisdictions that pose a high risk of potential Bribery Act or FCPA violations, and we participate in collaborations and relationships with third parties whose corrupt or illegal activities could potentially subject us to liability under the Bribery Act, FCPA or local anti- corruption laws, even if we do not explicitly authorize or have actual knowledge of such activities. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted. We are also subject to other laws and regulations governing our international operations, including regulations administered by the governments of the United Kingdom and the United States, and authorities in the European Union, including applicable export control regulations, economic sanctions and embargoes on certain countries and persons, anti- money laundering laws, import and customs requirements and currency exchange regulations, collectively referred to as the " Trade Control laws. " There is no assurance that we will be completely effective in ensuring our compliance with all applicable anti- corruption laws, including the Bribery Act, the FCPA or other legal requirements, including Trade Control laws. If we are not in compliance with the Bribery Act, the FCPA and other anti- corruption laws or Trade Control laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of the Bribery Act, the FCPA, other anti- corruption laws or Trade Control laws by the United Kingdom, United States or other authorities could ~~also have an adverse~~ **adversely affect** ~~impact on~~ our reputation, our business, financial condition ~~and~~ **or** results of operations. Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities or our business arrangements with third parties could be subject to challenge under one or more of such laws. It is possible that governmental authorities will conclude that our business practices or the business practices of the marketers of products that generate our royalties may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations or the operations of the marketers of products that generate are royalties are found to be in violation of any of these laws or any other governmental regulations, we or marketers of products that generate our royalties may be subject to significant criminal, civil and administrative sanctions, including monetary penalties, damages, fines, disgorgement, individual imprisonment and exclusion from participation in government- funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we or marketers of products that generate our royalties become subject to a corporate integrity agreement or similar agreement to resolve allegations of non- compliance with these laws, reputational harm, and we or

marketers of products that generate our royalties may be required to curtail or restructure operations, any of which could adversely affect our ability to operate our business and our results of operations. The risk of our being found in violation of these laws is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management' s attention from the operation of our business. The shifting compliance environment and the need to build and maintain robust and expandable systems to comply with multiple jurisdictions with different compliance or reporting requirements increases the possibility that a healthcare company may run afoul of one or more of the requirements. The EU directive on alternative investment fund managers (the " AIFM Directive ") may significantly increase our compliance costs. The AIFM Directive has been implemented into the national law of the majority of member states of the European Economic Area and the United Kingdom (each an " AIFM state "). The AIFM Directive sets out minimum conditions related to the marketing of interests in alternative investment funds (such as our Class A ordinary shares) in the AIFM states and may impact our ability to attract investors in the AIFM states and may significantly increase our and the Manager' s compliance costs. Such conditions include requirements for us to register with the competent authority in the relevant AIFM state in order to market the Class A ordinary shares to investors, requirements to file periodic reports with the competent authority in the relevant AIFM state and requirements to comply with disclosure and reporting obligations in respect of investors in the relevant AIFM state. Such reports and disclosures may become publicly available. While such conditions are met in relation to the AIFM states where our Class A ordinary shares will be marketed, there can be no guarantee that this will continue to be the case. The AIFM Directive does not, however, prohibit an investor in such AIFM state from subscribing for our Class A ordinary shares at their own initiative in circumstances where such Class A ordinary shares have not been marketed in such AIFM state and we may issue our Class A ordinary shares to such investors, as long as they have provided us and the Manager with representations that they have done so at their own initiative. In each AIFM state, our Class A ordinary shares may only be offered to investors in accordance with local measures implementing the AIFM Directive. Investors, together with any person making or assisting in the decision to invest in us, who are situated, domiciled or who have a registered office, in an AIFM state where our Class A ordinary shares are not being offered pursuant to private placement rules implementing the AIFM Directive may invest, or effect an investment in our Class A ordinary shares, but only in circumstances where they do so at their own initiative. Any investor acquiring our Class A ordinary shares at their own initiative in such AIFM state should note that as we have not been registered for marketing in that AIFM state, no reports will be filed with the competent authority in the relevant AIFM state by or in respect of us and no investor shall be entitled to receive any disclosure or report that is mandated in respect of an alternative investment fund being marketed pursuant to the AIFM Directive. The United Kingdom implemented the AIFM Directive through the Alternative Investment Managers Regulations 2013 and the Financial Conduct Authority' s Handbook. Following the United Kingdom' s withdrawal the European Union and the expiration of the transitional period, the rules applicable to the marketing of interests in alternative investment funds in the United Kingdom and the other AIFM states remained largely aligned. However, there are now areas of divergence which ~~are likely to grow as the United Kingdom seeks to adopt a new post- Brexit financial services regulatory regime. Such divergence~~ may make it more time consuming and complex for us to market our Class A ordinary shares to investors in the United Kingdom and other AIFM states which, in turn, may significantly increase ~~our and the Manager' s~~ compliance costs. We are a holding company with no operations and rely on our subsidiaries to provide us with the funds necessary to meet our financial obligations and to pay dividends. We are a holding company with no material direct operations. Our principal asset is our controlling equity interest in RP Holdings. As a result, we are dependent on loans, dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations and to pay dividends or make distributions to our shareholders. Our subsidiaries are legally distinct from us and may be prohibited or restricted from providing loans, paying dividends or otherwise making funds available to us under certain conditions. If the cash we receive from our subsidiaries is insufficient for us to fund our financial obligations, we may be required to raise cash through the incurrence of debt, the issuance of equity or the sale of assets to fund. However, there is no assurance that we would be able to raise cash by these means. If the ability of any of our subsidiaries to pay dividends or make distributions or payments to us is materially restricted by regulatory or legal requirements, bankruptcy or insolvency, or our need to maintain our financial strength ratings, or is limited due to operating results or other factors, it could adversely affect our ability to meet our financial obligations and to pay dividends or make distributions to our shareholders. Our structure will result in tax distributions as a result of the RP Holdings Class C Special Interest. RP Holdings is treated as a partnership for U. S. federal income tax purposes and has owners that are subject to U. S. federal income taxation. RP Holdings is required to make cash distributions, or tax distributions, to the direct owner or beneficial owners of the RP Holdings Class C Special Interest, calculated using an assumed tax rate that is generally uniform for all recipients regardless of their tax status. Funds used by RP Holdings to satisfy its tax distribution obligations will not be available for reinvestment in our business **, dividends or share repurchases** . Risks Relating to Our Ordinary Shares The market price of our Class A ordinary shares has been and may in the future be volatile, which could cause the value of our shareholders' investment to decline. The market price of our Class A ordinary shares has been and may be volatile and could be subject to wide fluctuations. Securities markets worldwide experience significant price and volume fluctuations. During the year ended December 31, ~~2022~~ **2023** , the per share trading price of our Class A ordinary shares fluctuated from a low of $ ~~37~~ **26** . ~~46~~ **21** to a high of $ ~~44~~ **39** . ~~65~~ **40** . Market volatility, as well as general economic, market or political conditions, could reduce the market price of Class A ordinary shares in spite of our operating performance. In addition to the factors discussed in this Annual Report on Form 10- K, our operating results could be below the expectations of public market analysts and investors due to a number of potential factors, including: • market conditions in the broader stock market in general, or in our industry in particular; • variations in our quarterly operating results or dividends to shareholders **or share repurchases** ; • additions or departures of key management personnel at the Manager; • timing and rate of capital deployment, including relative to

estimates; • changes in our portfolio mix or acquisition strategy; • failure to meet analysts' earnings estimates; • publication of research reports about our industry; • third- party healthcare reimbursement policies and practices; • litigation and government investigations; • changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business; • no results, or projected results, from marketers of products that generate our royalties; • results from, and any delays to, the clinical trial programs of development- stage product candidates underlying our biopharmaceutical assets or other issues relating to such products, including regulatory approval or commercialization; • adverse market reaction to any indebtedness that we may incur or securities we may issue in the future; • changes in market valuations of similar companies or speculation in the press or investment community; • announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments; • economic and political conditions or events, such as ~~the COVID- 19 pandemic~~ **pandemics** , inflation and ~~rising~~ interest ~~rates~~ **volatility** and global conflicts ~~, including the Russia- Ukraine war~~ ; and • adverse publicity about us or the industries in which we participate or individual scandals. These and other factors may cause the market price of and demand for our Class A ordinary shares to fluctuate significantly, which may limit or prevent our shareholders from reselling their Class A ordinary shares at or above the purchase price. Stock markets in general have from time to time experienced extreme price and volume fluctuations, including in recent months. In addition, in the past, following periods of volatility in the overall market and the market price of a company' s securities, securities class action litigation has often been instituted against public companies. This type of litigation, if instituted against us, could result in substantial costs and a diversion of our management' s attention and resources. Our Articles of Association provide that the courts of England and Wales will be the exclusive forum for the resolution of all shareholder complaints other than complaints asserting a cause of action arising under the Securities Act and the Exchange Act, and that the U. S. federal district courts will be the exclusive forum for the resolution of any shareholder complaint asserting a cause of action arising under the Securities Act and the Exchange Act. Our Articles of Association provide that the courts of England and Wales will be the exclusive forum for resolving all shareholder complaints other than shareholder complaints asserting a cause of action arising under the Securities Act and the Exchange Act, and that the U. S. federal district courts will be the exclusive forum for resolving any shareholder complaint asserting a cause of action arising under the Securities Act and the Exchange Act. This choice of forum provision may limit a shareholder' s ability to bring a claim in a judicial forum that such shareholder finds favorable for disputes with us or our directors, officers or other employees, which may discourage lawsuits. If a court were to find either choice of forum provision contained in our Articles of Association to be inapplicable or unenforceable, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our results of operations and financial condition. U. S. investors may have difficulty enforcing civil liabilities against our company, our directors or members of senior management and the experts named herein. We are a public limited company with our registered office in England and our subsidiaries are incorporated in various jurisdictions, including jurisdictions outside the United States. One of our directors is not a resident of the United States, and a substantial portion of our assets and the assets of this director are located outside the United States. As a result, it may be difficult for investors to effect service of process on this director in the United States or to enforce judgments obtained in U. S. courts against us or this director based on the civil liability provisions of the U. S. securities laws or otherwise. Even if shareholders are successful in bringing an action of this kind, the laws of England may render shareholders unable to enforce a judgment against our assets or the assets of our directors and executive officers. In addition, it is doubtful whether English courts would enforce certain civil liabilities under U. S. securities laws in original actions or judgments of U. S. courts based upon these civil liability provisions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom. An award for monetary damages under the U. S. securities laws would likely be considered punitive if it does not seek to compensate the claimant for loss or damage suffered and is intended to punish the defendant. The enforceability of any judgment in the United Kingdom will depend on the particular facts of the case as well as the laws and treaties in effect at the time. The United States and the United Kingdom do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. As a result of the above, shareholders may have more difficulty in protecting their interest through actions against our management, directors or other shareholders than they would as shareholders of a U. S. public company. The rights of our shareholders may differ from the rights typically offered to shareholders of a U. S. corporation. We are incorporated under English law. The rights of our shareholders are governed by English law, including the provisions of the Companies Act 2006 (the " U. K. Companies Act "), and by our Articles of Association. These rights differ in certain respects from the rights of shareholders in typical U. S. corporations. The U. K. City Code on Takeovers and Mergers (the " Takeover Code ") applies, among other things, to an offer for a public company whose registered office is in the United Kingdom (or the Channel Islands or the Isle of Man) and whose securities are not admitted to trading on a regulated market in the United Kingdom (or the Channel Islands or the Isle of Man) if the company is considered by the Panel on Takeovers and Mergers (the " Takeover Panel ") to have its place of central management and control in the United Kingdom (or the Channel Islands or the Isle of Man). This is known as the " residency test. " Under the Takeover Code, the Takeover Panel will determine whether we have our place of central management and control in the United Kingdom by looking at various factors, including the structure of our board of directors, the functions of the directors and where they are resident. Given that our central management and control is situated outside the United Kingdom (or the Channel Islands or the Isle of Man), we do not anticipate that we will be subject to the Takeover Code. However, if at the time of a takeover offer, the Takeover Panel determines that we have our place of central management and control in the United Kingdom (or the Channel Islands or the Isle of Man), we would be subject to a number of rules and restrictions, including but not limited to the following: (i) our ability to enter into deal protection arrangements with a bidder would be extremely limited; (ii) we might not, without the approval of our shareholders, be able to perform certain actions that could have the effect of frustrating an offer, such as issuing shares or carrying out acquisitions or disposals; and (iii) we would be obliged to provide equality of information to all bona fide competing bidders. Under English law, and whether or

not we are subject to the Takeover Code, an offeror for us that has acquired (i) 90 % in value of; and (ii) 90 % of the voting rights carried by the shares to which the offer relates may exercise statutory squeeze- out rights to compulsorily acquire the shares of the non- assenting minority. However, if an offer for us is conducted by way of a scheme of arrangement the threshold for the offeror obtaining 100 % of Company shares comprises two components (i) approval by a majority in number of each class of Company shareholders present and voting at the shareholder meeting; and (ii) approval of Company shareholders representing 75 % or more in value of each class of Company shareholders present and voting at that meeting. As an English public limited company, certain capital structure decisions will require shareholder approval, which may limit our flexibility to manage our capital structure. We are a public limited company incorporated under the laws of England and Wales. English law provides that a board of directors may only allot shares (or rights to subscribe for or convert into shares) with the prior authorization of shareholders, such authorization stating the aggregate nominal amount of shares that it covers and valid for a maximum period of five years, each as specified in the articles of association or relevant shareholder resolution. We have obtained authority from our shareholders to allot additional shares for a period expiring on May 31, 2025, which authorization will need to be renewed upon expiration (i. e., at least every five years) but may be sought more frequently for additional five- year terms (or any shorter period). English law also generally provides shareholders with preemptive rights when new shares are issued for cash. However, it is possible for the articles of association, or for shareholders to pass a special resolution at a general meeting, being a resolution passed by at least 75 % of the votes cast, to disapply preemptive rights. Such a disapplication of preemptive rights may be for a maximum period of up to five years from the date of adoption of the articles of association, if the disapplication is contained in the articles of association, or from the date of the shareholder special resolution, if the disapplication is by shareholder special resolution. In either case, this disapplication would need to be renewed by our shareholders upon its expiration (i. e., at least every five years). We have obtained authority from our shareholders to disapply preemptive rights for a period expiring on May 31, 2025, which disapplication will need to be renewed upon expiration (i. e., at least every five years) to remain effective, but may be sought more frequently for additional five- year terms (or any shorter period). English law prohibits us from repurchasing our shares by way of " off market purchases " without the prior approval of shareholders by ordinary resolution (i. e., majority of votes cast by our shareholders), and other formalities. Such approval may be for a maximum period of up to five years but may be sought more frequently. English law prohibits us from conducting " on market purchases " as our shares are listed on the NASDAQ and will not be traded on a recognized investment exchange in the United Kingdom. Our shareholders approved the authorization of certain " off market purchases " that will expire five years from June 23, 2022 unless renewed by our shareholders prior to the expiration date. We cannot assure shareholders that situations will not arise where such shareholder approval requirements for any of these actions would deprive our shareholders of substantial capital management benefits. The United Kingdom' s withdrawal from the European Union and differing regulatory regimes may have a negative effect on global economic conditions, financial markets and our business, which could reduce the market price of our Class A ordinary shares. The withdrawal of the United Kingdom from the European Union (commonly referred to as " Brexit ") took effect on January 31, 2020. ~~On December 30~~ **Brexit has caused** , ~~2020~~ **and may continue to cause** , **uncertainty with respect to the future of** the United Kingdom **' s economic** ~~passed legislation giving effect to a trade~~ and **political relationship** ~~cooperation agreement,~~ with the ~~EU~~ **European Union** , which **could increase taxes** ~~became effective on May 1, 2021. The trade~~ and **costs** ~~cooperation agreement covers the general objectives and framework~~ of **business and cause heightened volatility in currency exchange rates and interest rates. Brexit could also adversely affect** the ~~relationship between~~ **political, regulatory, economic or market conditions in** the United Kingdom ~~and ,~~ the European Union ~~, including as it related to trade, transport, visas, judicial, law enforcement~~ and **worldwide** ~~security matters~~ , and **could contribute** ~~provides for continued participation in community programs and mechanisms for dispute resolution. Notably, under the trade and cooperation agreement, U. K. service suppliers no longer benefit from automatic access~~ to **instability in political institutions** ~~the entire EU single market~~ , ~~U. K. goods no longer benefit from the free movement of goods and there is no longer the free movement of people between the United Kingdom and the European Union. Currently, the United Kingdom has implemented EU legislation on the marketing, promotion and sale of medicinal products through the Human Medicines Regulations 2012, as amended. The~~ regulatory **agencies** ~~regime in the United Kingdom therefore mostly aligns with EU regulations, however it is possible that these regimes will diverge in future as the trade~~ and **financial markets, which in turn,** ~~cooperation agreement does not provide for mutual recognition of U. K. and EU pharmaceutical legislation. Brexit and its related effects~~ could adversely affect our operations and the market price of our Class A ordinary shares. If our Class A ordinary shares are not eligible for continued deposit and clearing within the facilities of DTC, then transactions in our securities may be disrupted. The facilities of The Depository Trust Company (" DTC ") are a widely- used mechanism that allow for rapid electronic transfers of securities between the participants in the DTC system, which include many banks and brokerage firms. While our Class A ordinary shares are eligible for deposit and clearing within the DTC system, DTC has discretion to cease to act as a depository and clearing agency for our Class A ordinary shares, including to the extent that any changes in U. K. law change the stamp duty or stamp duty reserve tax ~~(" SDRT ")~~ position in relation to the Class A ordinary shares. If DTC determined that the Class A ordinary shares were not eligible for continued deposit and clearance within its facilities, our Class A ordinary shares may not be eligible for continued listing on the NASDAQ and trading in the Class A ordinary shares would be disrupted. While we would pursue alternative arrangements to preserve our listing and maintain trading, any such disruption could adversely affect the market price of our Class A ordinary shares and our access to the capital markets. The requirements of being a public company may strain our resources, divert management' s attention and affect our ability to attract and retain qualified board members. As a public company, we are subject to the reporting requirements of the Exchange Act, the requirements of the U. S. Sarbanes- Oxley Act of 2002 (" Sarbanes- Oxley Act "), and the requirements of the U. K. Companies Act and, if applicable, the Takeover Code. The requirements of these rules and regulations increase our legal and financial compliance costs, make some activities more difficult, time- consuming or costly and increase demand on our systems and

resources. We are obligated to file with the SEC annual and quarterly information and other reports that are specified in the Exchange Act, and therefore will need to have the ability to prepare financial statements that are compliant with all SEC reporting requirements on a timely basis. In addition, we are subject to other reporting and corporate governance requirements, including certain requirements of Nasdaq and certain provisions of the Sarbanes- Oxley Act and the regulations promulgated thereunder, which will impose significant compliance obligations upon us. We are required to comply with Section 404 of the Sarbanes- Oxley Act, which requires management assessments of the effectiveness of internal control over financial reporting and disclosure controls and procedures. If we are unable to maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to record, process and report financial information accurately and to prepare financial statements within required time periods could be adversely affected, which could subject us to regulatory consequences, including sanctions by the SEC, negatively affect investor confidence in our financial statements, restrict access to capital markets and adversely impact the market price of our Class A ordinary shares. Our compliance with the requirements under the Exchange Act, the Sarbanes- Oxley Act, the U. K. Companies Act and, if applicable, the Takeover Code and the rules and regulations thereunder increases our legal and financial compliance costs and makes some activities more time consuming and costly. These rules and regulations have made it more difficult and more expensive for us to obtain directors' and officers' liability insurance, and we may in the future be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We may not be able to predict or estimate accurately the amount of additional costs we may incur or the timing of such costs. Our structure involves complex provisions of tax law for which no clear precedent or authority may be available. Our structure also is subject to potential legislative, judicial or administrative change and differing interpretations, possibly on a retroactive basis. Our tax treatment, including Irish, U. K. and U. S. federal income tax treatment, depends in some instances on determinations of fact and interpretations of complex provisions of applicable tax law for which no clear precedent or authority may be available. You should be aware that our tax position is not free from doubt, and that applicable tax rules are generally subject to ongoing review by legislative and administrative bodies and relevant tax authorities, as well as by the Organization for Economic Co- operation and Development (" OECD "), which is continuously considering recommendations for changes to existing tax rules. Furthermore, over ~~130~~ **140** member jurisdictions of the G20 / OECD Inclusive Framework have joined the Two- Pillar Solution to Address the Tax Challenges of the Digitalization of the Economy as part of the OECD' s base erosion and profit sharing project (" BEPS "), which includes a reallocation of taxing rights among market jurisdictions and a global minimum tax rate of 15 % **(" Pillar Two "). As part of the ongoing release of Pillar Two rules by various jurisdictions, the Finance (No. 2) Act 2023 (the " UK Act ") was enacted on July 11, 2023, and implements the OECD' s BEPS Pillar Two income inclusion rule, including a multinational top- up tax and a domestic top- up tax to the minimum effective tax rate of 15 % for accounting periods beginning on or after December 31, 2023. The UK Act also includes a transitional safe harbor election for accounting periods beginning on or before December 31, 2026. Similar legislation was enacted in Ireland on December 18, 2023 (the " Irish Act "). While we do not expect the Pillar Two rules to apply to us, there remains a risk that a tax authority in any relevant jurisdiction implementing Pillar Two could adopt or interpret legislation, statements or guidance in a manner that is inconsistent with our understanding of the UK Act, the Irish Act and OECD' s BEPS Pillar Two model rules and associated commentary** . As proposals to change tax laws and the implementation of the BEPS framework remain subject to further negotiation, we are currently unable to predict the extent to which any changes to tax laws, statutes, rules, regulations or ordinances will occur and, if so, the ultimate impact on our business. These review processes could result in revised interpretations of established concepts, statutory changes, revisions to regulations and other modifications and interpretations. No ruling will be sought from the relevant tax authority regarding any of the tax issues discussed herein, and no assurance can be given that the relevant tax authorities will not challenge any of our tax positions and that such challenge would not succeed. If any such position is successfully challenged, our **tax reporting or** tax liabilities could materially increase, which would adversely affect our profitability and cash flows. There have been significant changes both made and proposed to international tax laws that increase the complexity, burden and cost of tax compliance for all multinational companies. We expect to continue to monitor these and other developments in international tax law. We could be liable for significant taxes due to changes in our eligibility for certain income tax treaty benefits or challenges to our tax positions with respect to the application of income tax treaties. Our subsidiaries expect to receive revenue from both U. S. and non- U. S. sources. We expect that our subsidiaries generally will be eligible for benefits under the applicable income tax treaties between Ireland and the jurisdictions where income is sourced. However, no assurances can be provided in this regard, and it is possible that a taxing authority could successfully assert that any of our subsidiaries does not qualify for treaty benefits as a result of its failure to satisfy the applicable requirements to be eligible to claim treaty benefits. If a taxing authority were to challenge our position regarding the application of an applicable income tax treaty, we could become subject to increased withholding taxes, and such taxes could be significant. Specifically, with respect to certain U. S.- source income, we expect that our subsidiaries will be eligible for benefits under the U. S.- Ireland income tax treaty (the " Treaty "), and, under that Treaty, will not be subject to any U. S. withholding taxes on such U. S.- source payments. Our current treaty position with respect to U. S.- source payments relies in part on U. S. citizens or tax residents (as defined for purposes of the Treaty) owning, directly or indirectly, at least 50 % of the beneficial interest in, or at least 50 % of the aggregate vote and value of, each of our subsidiaries that earns U. S.- source income. Our treaty position is based on the current U. S. status of the majority of the existing indirect investors in RP Holdings and Old RPI. Subject to certain exceptions, the existing indirect U. S. investors in RP Holdings have the right to exchange their interests for our publicly traded Class A ordinary shares. Such publicly traded Class A ordinary shares could be further transferred on the public market to other persons. Therefore, it is possible that over time U. S. persons will own indirectly in the aggregate less than 50 % of the interests in our subsidiaries. We currently expect that our Class A ordinary shares and other existing indirect interests in RP Holdings and

Old RPI in the aggregate will continue to be owned in sufficient amount by U. S. citizens or tax residents, and that we will be able to establish such ownership, for purposes of satisfying the 50 % ownership requirement under the Treaty. However, there is no assurance that RP Holdings and Old RPI will continue to be owned directly or indirectly by sufficient U. S. citizens or residents or that we will be able to establish to the IRS' satisfaction such ownership for purposes of satisfying the 50 % U. S. ownership requirement under the Treaty. It is possible that if the indirect U. S. ownership in our subsidiaries becomes lower than 50 % (or we cannot establish such ownership) we may in the future be able to qualify for another applicable exemption from U. S. withholding under the Treaty, but there can be no assurance in this regard. A substantial portion of our revenue is, and is expected to continue to be, derived from U. S.- ~~source~~ **sourced income, such as** royalties **, interest or " other income " for Treaty purposes** . Therefore, if our subsidiaries failed to qualify for an exemption from U. S. withholding tax under the Treaty (by satisfying either the 50 % U. S. ownership requirement or an alternative Treaty exemption) and such ~~royalties~~ **types of income** were subject to a 30 % U. S. withholding tax, our financial position, profitability and cash flows could be adversely affected. Furthermore, on August 25, 2016, the Irish Department of Finance announced that, in the context of the publication by the United States Treasury Department of a revised U. S. Model Income Tax Convention in February 2016, discussions have begun with the United States Treasury on updating certain elements of the Treaty. It is at this time not clear what elements of the Treaty may be updated, or when any such updates would go into effect. However, certain elements of the revised U. S. Model Income Tax Convention could, if included in an update to the Treaty, result in our subsidiaries being unable to qualify for the benefits of the Treaty or eliminate or reduce the benefits of the Treaty that otherwise would have been available to us. If our subsidiaries are unable to qualify for the benefits of the Treaty, or if any benefits of the Treaty that otherwise would have been available to us are eliminated or reduced, then all or a portion of our income may become subject to increased withholding taxes, and such taxes could be very significant and materially and adversely affect our financial position, profitability and cash flows. If our subsidiaries are considered to be engaged in a U. S. trade or business, we could be liable for significant U. S. taxation. In general, if a foreign corporation, such as Royalty Pharma plc, is considered to be engaged in a U. S. trade or business, such corporation' s share of any income that is effectively connected with such U. S. trade or business will be subject to regular U. S. federal income taxation (currently imposed at a maximum rate of 21 %) on a net basis and, potentially, an additional 30 % U. S. " branch profits " tax on distributions attributable to income that is effectively connected with such U. S. trade or business. In addition, it is possible that such corporation could be subject to taxation on a net basis by state or local jurisdictions within the United States. We intend to conduct our activities, through our subsidiaries, such that no income realized by us will be effectively connected with the conduct of a U. S. trade or business or otherwise subject to regular U. S. federal income taxation on a net basis. If we are able to conduct our activities in this way, income or gains realized by us will not be subject to U. S. net federal income taxation. However, no assurance can be provided in this regard. The proper characterization of our income and gains for U. S. tax purposes is not certain, and it is possible that all or a portion of our income and gains could be characterized as income that is " effectively connected " with the conduct of a U. S. trade or business. If our income and gains were characterized as effectively connected with a U. S. trade or business, we would be subject to significant U. S. taxes plus interest and possible penalties, and our financial position, cash flows and profitability could be materially and adversely affected. We expect to operate, and expect that RP Holdings will operate, so as to be treated solely as a resident of the U. K. for tax purposes, but changes to our management and organizational structure or to the tax residency laws of other jurisdictions where we operate may cause the relevant tax authorities to treat us or RP Holdings as also being a resident of another jurisdiction for tax purposes. Under current U. K. tax law, a company that is incorporated in the U. K. is regarded as resident for tax purposes in the U. K. unless (i) it is concurrently treated as resident for tax purposes in another jurisdiction (applying the rules of that other jurisdiction for determining tax residency) that has a double tax treaty with the U. K. and (ii) there is a residency tie- breaker provision in that tax treaty which allocates tax residence to that other jurisdiction. Based upon our anticipated management and organizational structure, we believe that we and RP Holdings should be regarded as tax resident solely in the U. K. However, because this analysis is highly factual and may depend on future changes in our management and organizational structure, as well as future changes in the tax residency laws of other jurisdictions where we operate, there can be no assurance regarding the determination of our tax residence in the future. As U. K. tax resident companies, we and RP Holdings will be subject to U. K. corporation tax on our worldwide taxable profits and gains. Should we (or RP Holdings) be treated as resident in a jurisdiction other than the U. K., we (or RP Holdings, as applicable) could be subject to taxation in that jurisdiction and may be required to comply with a number of material and formal tax obligations, including withholding tax or reporting obligations provided under the relevant tax law, which could result in additional costs and expenses. We believe that we should not be subject to material U. K. corporation tax in respect of certain profits of our non- U. K. tax resident subsidiaries as a result of the U. K.' s " controlled foreign companies " rules but it cannot be guaranteed that this will continue to be the case. As U. K. tax resident companies, we and RP Holdings will be subject to the U. K.' s " controlled foreign companies " rules (the " U. K. CFC Rules "). The U. K. CFC Rules, broadly, can impose a charge to U. K. tax on U. K. tax resident companies that have, alone or together with certain other persons, interests in a non- U. K. tax resident company (the " Controlled Foreign Company ") which is controlled by a U. K. person or persons. The charge under the U. K. 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. The types of profits of a Controlled Foreign Company that can potentially be subject to a U. K. corporation tax charge under the U. K. CFC Rules include business profits of the Controlled Foreign Company that are attributable to assets or risks that are managed by activities in the U. K., or certain finance profits of the Controlled Foreign Company that arise from capital or other assets contributed, directly or indirectly, to the Controlled Foreign Company from a connected U. K. tax resident company. Certain non- U. K. entities in which we hold a greater than 25 % interest, including RPI **2019 ICAV** (which is Irish tax resident) and Old RPI (which is Irish tax resident and which is held indirectly by us through our participation in RP Holdings), will be Controlled Foreign Companies for U. K. tax purposes. We and RP Holdings will therefore be required to

apply the CFC Rules in respect of our direct and indirect interests in these entities on an ongoing basis. We do not expect material U. K. corporation tax charges to arise under the U. K. CFC Rules in respect of our royalty assets or our financing arrangements, however no assurances can be given that this will continue to be the case. The U. K. CFC Rules are highly complex and fact- dependent, and changes to, or adverse interpretations of, these rules, or changes in the future activities of RPI **2019 ICAV** or other non- U. K. companies in which we hold an interest, directly or indirectly, may alter this position and could impact our group' s effective tax rate. We believe that dividends received by us and RP Holdings should be exempt from U. K. corporation tax, but it cannot be guaranteed that this will continue to be the case. U. K. tax resident companies are subject to U. K. 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. We believe that dividends received by us 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 U. K. corporation tax. However, a number of conditions must be met in order for such dividends to qualify for this tax exemption, including (in respect of dividends paid by RPI **2019 ICAV** , which ~~are~~ **is** tax resident in Ireland) conditions relating to the application of Irish tax law. As such, it cannot be guaranteed that these conditions for the U. K. tax exemption in respect of distributions will continue at all times to be satisfied. If distributions received by us or by RP Holdings were not to fall within an exempt class, such distributions would likely be subject to U. K. corporation tax at the then prevailing corporation tax rate. Even where distributions fall within an exempt class, certain anti- avoidance and recharacterization rules may also apply. For instance, if RPI **2019 ICAV** were to constitute an " offshore fund " for U. K. tax purposes that has at any time in an accounting period more than 60 % by market value of its investments in debt securities, money placed at interest (other than cash awaiting investment), certain contracts for differences, or in holdings in other offshore funds with, broadly, more than 60 % of their investments similarly invested, RP Holdings' shareholding in RPI **2019 ICAV** may be subject to U. K. corporation tax as a deemed " loan relationship ", with the result that dividends received by RP Holdings from RPI **2019 ICAV** could be subject to U. K. tax as deemed interest and RP Holdings may be subject to U. K. corporation tax on increases in the fair market value of its shareholding in RPI. The term " offshore fund " is defined for U. K. tax purposes through a characteristics- based approach and, broadly, can include arrangements constituted by a non- U. K. resident body corporate in which a reasonable investor would expect to be able to realize their investment entirely, or almost entirely, by reference to net asset value. We believe and have been advised that RP Holdings' shareholding in RPI **2019 ICAV** should not fall within these rules, however no guarantee can be offered that this will continue to be the case. Changes to, or adverse interpretations of, the offshore funds rules, or changes in the nature of our investments, may alter this position and could impact our group' s effective rate. We expect to be classified as a PFIC for U. S. federal income tax purposes, which could subject U. S. holders of our Class A ordinary shares to adverse U. S. federal income tax consequences. Distributions that we pay to individual and other non- corporate U. S. holders will not be eligible for taxation at reduced rates, which could potentially adversely affect the value of our Class A ordinary shares. We generally expect that our income, which consists primarily of passive income, and our assets, which consist primarily of assets that produce passive income, will result in our treatment as a PFIC for the current taxable year and future taxable years. We intend to annually furnish U. S. holders a " PFIC Annual Information Statement " with the information required to allow shareholders to make a qualified electing fund (" QEF ") election for United States federal income tax purposes on our website. U. S. holders who do not make a QEF election with respect to us or a mark- to- market election with respect to our Class A ordinary shares will be subject to potentially material adverse tax consequences, including (i) the treatment of any gain on disposition of our Class A ordinary shares as ordinary income and (ii) the application of a deferred interest charge on such gain and the receipt of certain distributions on our Class A ordinary shares. In addition, regardless of whether a QEF or mark- to- market election is made with respect to us, U. S. holders will be required to file an annual report on IRS Form 8621 containing such information with respect to its interest in a PFIC as the IRS may require. Failure to file IRS Form 8621 for each applicable taxable year may result in substantial penalties and result in audit by the IRS. Further, if we are a PFIC for any taxable year during which a U. S. holder owns our Class A ordinary shares, we generally would continue to be treated as a PFIC with respect to that U. S. holder for all succeeding years during which such person holds our Class A ordinary shares, even if we ceased to meet the threshold requirements for PFIC status, unless the U. S. holder makes a special " purging " election on IRS Form 8621. The effect of these adverse tax consequences could adversely affect our U. S. shareholders and make investment in our Class A ordinary shares less attractive to U. S. investors. Distributions made to non- corporate U. S. holders will not be eligible for taxation at reduced tax rates generally applicable to dividends paid by certain U. S. corporations and " qualified foreign corporations " because of our status as a PFIC. The more favorable rates applicable to qualifying corporate dividends could cause individuals to perceive investment in our Class A ordinary shares to be less attractive than investment in the shares of other corporations because of our PFIC status, and this perception could adversely affect the value of our Class A ordinary shares. **Cybersecurity vulnerabilities** ~~Cyber- attacks~~ or other failures in ~~telecommunications or~~ information ~~technology~~ systems could result in information theft, data corruption and significant disruption of our business operations. **Cybersecurity vulnerabilities, threats, computer viruses and more sophisticated and targeted cyber- related attacks (such as the recent increasing use of " ransomware " and phishing attacks), as well as cybersecurity failures resulting from human error, catastrophic events (such as fires, floods, hurricanes and tornadoes), and technological errors, pose a risk to our systems and data. An attack could result in security breaches, theft, lost or corrupted data, misappropriation of sensitive, confidential or personal data or information, loss of trade secrets and commercially valuable information, operating downtimes and operational disruptions.** We ~~utilize information technology~~ **attempt to mitigate these risks by employing a number of measures, including employee training, monitoring and testing, and maintenance of protective** systems and **contingency plans** ~~networks to process~~ , **but we** ~~transmit and store electronic information in connection with our business activities. As use of digital technologies has increased, cyber incidents, including deliberate attacks and attempts to gain unauthorized access to computer systems and networks, have increased in frequency and sophistication. These threats pose a risk~~

~~to the security of our systems and networks and the confidentiality, availability and integrity of our data. We~~ have been subject to ~~these attacks~~ **cybersecurity vulnerabilities** in the past and expect to be subject to them in the future. There can be no assurance that we will be successful in preventing **cybersecurity vulnerabilities** ~~cyber- attacks~~ or mitigating their effects. Any cyber- **related** attack or ~~destruction~~ **failure** or loss of data could adversely affect our business. In addition, we may suffer reputational harm or face litigation as a result of cyber- **related** attacks or other data security breaches and may incur significant additional expense to implement further data protection measures **. We rely on information technology systems and networks, including cloud and third- party service providers, to process, transmit and store electronic information in connection with our business activities. These information technology systems and networks may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures or computer viruses. If these information technology systems suffer severe damage or disruption and the issues are not resolved in a timely manner, our business, financial condition or operations could be adversely affected. In addition, the use of artificial intelligence- based software (including machine learning) is increasingly being used in our industry. As with many developing technologies, artificial intelligence- based software presents risks that could affect its further development, adoption, and use, and therefore our business. For example, algorithms may be flawed; data sets may be insufficient, of poor quality, or contain biased information; and inappropriate or controversial data practices by data scientists, engineers, and end- users could impair results. If artificial intelligence (" AI ") applications assist in producing deficient or inaccurate analyses, we could be subjected to competitive harm, potential legal liability or reputational harm. AI algorithms may use third- party information with unclear intellectual property rights or interests. If we do not have sufficient rights to use the data or other material or content on which any AI solutions we use rely, we may incur liability through the violation of applicable laws and regulations, third- party intellectual property, privacy or other rights, or contracts. Because AI technology itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to the use of AI. Collaborators, other contractors or consultants in use today or in the future are vulnerable to damage or interruption from these cybersecurity vulnerabilities, other failures in information systems and artificial intelligence- based software risks. If such an event were to occur in the future and cause interruptions in their operations, it could result in a disruption of their development and commercialization programs and business operations, whether due to a loss of trade secrets or other proprietary information or other similar disruptions. To the extent that any disruption or security breach were to result in a loss of, or damage to, a counterparties' data or applications, or inappropriate disclosure of confidential or proprietary information, our partners' operations may be harmed and the development and commercialization of their products, development- stage product candidates and technologies could be delayed. Such an event may reduce the amount of cash flow generated by the related biopharmaceutical products and therefore adversely affect our business, financial condition and results of operations** . Changes in the application of accounting standards issued by the U. S. Financial Accounting Standards Board or other standard- setting bodies may adversely affect our financial statements. Our financial statements are prepared in accordance with GAAP, which are periodically revised, interpreted or expanded. From time to time, we are required to adopt new or revised accounting standards issued by recognized authoritative bodies. It is possible that future accounting standards we are required to adopt may require changes to the current accounting treatment that we apply to our consolidated financial statements and may require us to make significant changes to our systems. Such changes could adversely affect our financial condition ~~and~~ **or** results of operations. COVID- 19, or the future outbreak of any other infectious or contagious diseases, could adversely affect our results of operations, financial condition and cash flows. The outbreak of COVID- 19 and its variants has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. COVID- 19 and other future health outbreaks and pandemics could lead to quarantines, mandating business and school closures and restricting travel, or trigger global economic slowdowns or global recessions. COVID- 19 or another pandemic could adversely affect us due to, among other factors: • a general decline in business activity; • the destabilization of the markets could negatively impact our partners in the biopharmaceutical industry and the sales of products generating our royalties; • difficulty accessing the capital and credit markets on favorable terms, or at all, and a severe disruption and instability in the global financial markets, or deteriorations in credit and financing conditions which could affect our access to capital necessary to fund business operations or address maturing liabilities on a timely basis; • the potential negative impact on the health of our Manager' s highly qualified personnel, especially if a significant number of them are impacted; • a deterioration in our ability to ensure business continuity during a disruption; • interruptions, shortages, delivery delays and potential discontinuation of supply to our partners, which could (i) delay the clinical trials of the development- stage product candidates underlying our assets and result in a loss of our market share for products generating our royalties or development- stage product candidates underlying our assets, if approved, and (ii) hinder our partners' ability to timely distribute products generating our royalties and satisfy customer demand; • travel restrictions, shelter- in- place policies or restrictions and other disruptions, which could cause or continue to cause delays and other direct impacts at our partners' manufacturing sites, which could impact the ability of our partners to manufacture development- stage product candidates underlying our biopharmaceutical assets and products generating our royalties; and • potential interruptions to our partners' clinical trial programs of development- stage product candidates underlying our biopharmaceutical assets, including: (i) the potential diversion of healthcare resources away from the conduct of clinical trials to focus on pandemic concerns; (ii) changes in hospital or research institution policies or government regulations, which could delay or adversely impact our partners' ability to conduct their clinical trials; and (iii) pauses to or delays of trial procedures (particularly any procedures that may be deemed non- essential), patient dosing, shipment of our partners' development- stage product candidates, distribution of clinical trial materials, study monitoring, site inspections and data analysis due to reasons related to the pandemic, each of which could cause or continue to cause a disruption or delay to the development or the approval

of development- stage product candidates underlying our biopharmaceutical assets. ~~To date, certain marketers of some of our portfolio products have commented that the performance of these products have been impacted by the COVID- 19 pandemic. However, the COVID- 19 pandemic has not resulted in a material effect to our results of operations and liquidity and we do not believe it is reasonably likely to in the future. Nevertheless, COVID- 19 and other future health outbreaks and pandemics present material uncertainty which could adversely affect our results of operations, financial condition and cash flows.~~ Legal claims and proceedings could adversely affect our business. We may be subject to a wide variety of legal claims and proceedings. Regardless of their merit, these claims can require significant time and expense to investigate and defend. Since litigation is inherently uncertain, there is no guarantee that we will be successful in defending ourselves against such claims or proceedings, or that our assessment of the materiality of these matters, including any reserves taken in connection therewith, will be consistent with the ultimate outcome of such matters. The resolution of, or increase in the reserves taken in connection with, one or more of these matters could adversely affect our business, financial condition ~~and~~ **or** results of operations. ~~ESG~~ **Corporate responsibility** matters and any related reporting obligations may impact our business. U. S. and international regulators, investors and other stakeholders are increasingly focused on ~~ESG~~ **corporate responsibility** matters. For example, new U. S. and international laws and regulations relating to ~~ESG~~ **corporate responsibility** matters, including human capital, diversity, sustainability, climate change and cybersecurity, are under consideration or being adopted, which may include specific, target-driven disclosure requirements or obligations. Our response will require additional investments and implementation of new practices and reporting processes, all entailing additional compliance risk. In addition, we have announced a number of ~~ESG~~ **corporate responsibility** initiatives and goals, which will require ongoing investment, and there is no assurance that we will achieve any of these goals or that our initiatives will achieve their intended outcomes. Perceptions of our efforts to achieve these goals often differ widely and present risks to our reputation. Any harm to our reputation resulting from **our focus on corporate responsibility matters and goals or** our failure or perceived failure to meet such goals could impact employee retention, the willingness of our partners to do business with us, or investors' willingness to purchase or hold our ordinary shares, any of which could adversely affect our business, financial condition and results of operations. In addition, our ability to implement some initiatives or achieve some goals is dependent on external factors. For example, our ability to meet certain sustainability goals or initiatives may depend in part on third- party collaboration, mitigation innovations or the availability of economically feasible solutions.