

# BIOPHARMA

## CREDIT PLC

### INVESTMENT OBJECTIVES AND STRATEGY

- 1 BioPharma Credit's objective is to generate long-term shareholder returns, predominantly in the form of sustainable income distributions from exposure to the life sciences industry.
- 2 The Company primarily invests in corporate and royalty debt secured by cash flows derived from sales of approved life sciences products.
- 3 Pharmakon Advisors, the Investment Manager, seeks to build a diversified portfolio with downside protection, high visibility and stability of cash flows.
- 4 Once substantially invested, BioPharma Credit will target an initial dividend yield of 7% and net total return on NAV of 8% to 9% per annum in the medium term.

### Upcoming Events

Half yearly results announced	21 September 2017
Annual results announced	April 2018

### INVESTMENT TEAM



**Pedro Gonzalez de Cosio**  
Investment Manager



**Martin Friedman**  
Investment Manager



**Pablo Legorreta**  
Investment Manager

### TRUST FACTS

As at 31 July 2017

Ordinary shares	Assets		
Share price	<b>\$1.09</b>	Market capitalisation	<b>\$832.0m</b>
NAV per share	<b>99.34 cents</b>	Net assets	<b>\$756.9m</b>
Premium to NAV	<b>9.93%</b>	<b>Fees</b>	
Shares in issue	<b>761.9m</b>	Management fee	<b>1% of NAV per annum</b>
		Performance fee	<b>10%<sup>1</sup></b>

### HIGHLIGHTS FOR THE QUARTER

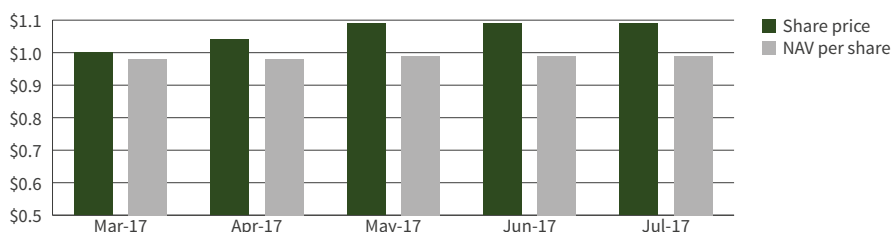
- On 27 July 2017, BioPharma Credit PLC (the "Company") received a scheduled payment of \$11.1 million from RPS BioPharma Investments, LP on the RPS Note, a senior secured loan backed by royalties on 21 products, of which \$6.1 million represented repayment of principal. As of 31 July 2017, the outstanding balance on the RPS Note was \$130.8 million and the Company continues to believe the RPS Note will be fully repaid by the end of 2018.
- On 31 July 2017, Vivus paid 53.3% of its outstanding balance on its loan with BioPharma III. BioPharma Credit holds 46% of the Vivus capped royalty through its limited partnership interest in BioPharma III.
- On 1 August 2017, the Company received \$12.6 million from BioPharma III in the form of a scheduled distribution to its limited partners.
- On 7 August 2017, Depomed reiterated its intention to refinance its senior secured loan by 30 September. The Company's remaining balance on the Depomed loan was \$45.6 million as at 31 July 2017.
- Below is a summary of the Company's opening and closing portfolio balances for the period, excluding accrued interest on the RPS Note.

Cash (\$m)	BioPharma III (\$m)	RPS Note (\$m)
487.2	141.3	130.8
478.8	139.2	136.9
■ 31/7/2017 ■ 30/6/2017		

### PERFORMANCE

#### Cumulative Performance

	1 month	2 months	3 months	Since launch
Share price	0.00%	0.00%	5.41%	9.20%
NAV per share <sup>2</sup>	0.41%	0.69%	1.00%	1.37%



1. The performance fee is calculated as 10% of outperformance above 0% return, subject to a 6% preferred return hurdle with 50% catch up.
2. As set out in the Prospectus, the Initial Expenses to be borne by the Company were capped at 2% of the Gross Issue Proceeds. The cumulative NAV performance since launch reflects the Company's performance against the expected opening NAV per share of 98 cents on the date of IPO.

## SHAREHOLDER INFORMATION

### Trust Details

Launch Date	<b>27 March 2017</b>
Year end	<b>31 December</b>
Interim	<b>30 June</b>
Listing	<b>London Stock Exchange, Channel Islands Securities Exchange</b>

### Corporate Contacts

Registered Office	<b>Beaufort House 51 New North Road, Exeter, EX4 4EP</b>
Registrar	<b>Capita Asset Services</b>
Lawyer	<b>Herbert Smith Freehills LLP</b>
Auditor	<b>PricewaterhouseCoopers LLP</b>
Company Secretary	<b>Capita Company Secretarial Services Limited</b>

### Board of Directors

Jeremy Sillem (Chairman)	
Colin Bond	
Duncan Budge	
Harry Hyman	
ISIN	<b>GB00BDGKMY29</b>
SEDOL	<b>BDGKMY2</b>
Bloomberg	<b>BPCR LN</b>

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