

Overview

- BioPharma Credit, a UK investment trust, gives investors exposure to the large and growing life sciences industry through a diversified credit portfolio
- From Admission BioPharma Credit will have initial gross proceeds of up to \$761.9 million, comprising a portfolio of \$338.6 million in seed assets/loans and cash proceeds of \$423.3 million
- BioPharma Credit will seek to become the premier large-scale provider of debt capital to the life sciences industry
- Managed by Pharmakon Advisors, a leading lender to the life sciences industry, investors will benefit from Pharmakon Advisors' unique expertise, proven track record, and access to extensive network in the life sciences community through Royalty Pharma

Why BioPharma Credit

- The life sciences industry requires large amounts of capital, providing ideal opportunities to invest in debt instruments that generate strong, uncorrelated, risk-adjusted returns
- Pharmakon Advisors has 8 years' experience investing in debt backed by life science products and Royalty Pharma has 20 years' experience investing in life-science royalties
- BioPharma Credit will have access to Pharmakon Advisors' extensive, industry-focused knowledge and contacts to source, analyse and structure attractive investment opportunities

Investment Objective

- BioPharma Credit's primary objective is to generate long-term shareholder returns, predominantly in the form of sustainable income distributions from exposure to the life sciences industry

- 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,
- BioPharma Credit seeks to achieve its investment objective primarily through investments in corporate and royalty debt secured by cash flows derived from sales of approved life sciences products

Investment Strategy

- Pharmakon Advisors will select investment opportunities based upon in-depth, rigorous analysis of the life sciences products and legal structure of the investment
- BioPharma Credit will primarily invest in senior secured loans to life sciences companies and loans secured by pharmaceutical royalties, but will also consider alternative structures to provide financing to the life sciences industry
- Pharmakon Advisors will seek to build a diversified portfolio with ample downside protection, high visibility and stability of cash flows

Pharmakon Advisors

- \$1.3 billion invested in 21 transactions backed by cash flows from life sciences products
- 13% weighted average projected gross returns from first three funds¹, 10% net after all fees and expenses
Weighted average annualized gross returns of 13% (10% net) achieved without leverage and zero defaults
- Affiliated with Royalty Pharma - the industry leader in acquiring royalty interests in leading biopharmaceutical products (established in 1996 with total assets of more than US\$17 billion)

¹ This is a target only and not a profit forecast. It is based on estimates of Pharmakon and is subject to change depending on the material risks and market changes. There can be no assurance that this target will be met. The calculation is based on actual and projected returns of BioPharma I, BioPharma II and BioPharma III.

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