

BIOPHARMA

— CREDIT PLC —

Debt Capital for the Life Sciences Industry



COMPANY PRESENTATION – March 2018

For additional information please email: ir@bpccruk.com

or visit BioPharma Credit's website at www.bpccruk.com

Disclaimer

THIS PRESENTATION IS BEING PROVIDED TO YOU SOLELY FOR YOUR INFORMATION. THIS PRESENTATION IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, INTO OR WITHIN THE UNITED STATES, CANADA, AUSTRALIA, JAPAN OR THE REPUBLIC OF SOUTH AFRICA. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF APPLICABLE SECURITIES LAWS.

This presentation, comprising certain written materials/slides (together, the "presentation") has been prepared by BioPharma Credit plc (the "Company") and Pharmakon Advisors, LP ("Pharmakon"). This presentation is based on management beliefs and is subject to updating, revision and amendment.

This presentation is not intended to be an investment advertisement or sales instrument. This presentation does not constitute or form part of any offer for sale or subscription or any solicitation of any offer to buy or subscribe for any securities and neither this document nor any part of it forms the basis of or may be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever. It constitutes neither an offer nor an attempt to solicit offers for the securities described herein.

No part of this presentation may be reproduced, redistributed, published or passed on, directly or indirectly, to any other person or published, in whole or in part, in any manner without the written permission of the Company and Pharmakon. No person has been authorised to give any information or to make any representation not contained in this presentation. The securities described in this presentation may not be eligible for sale in some states or countries and it may not be suitable for all types of investors. This presentation is not intended to form the basis of any credit or other investment decision and should not be considered as a recommendation by the Company, Pharmakon, or any of their respective affiliates to invest. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision.

This presentation was prepared using the financial information available to the Company as at the date of this presentation. This presentation describes past performance, which may not be indicative of future results. Except where otherwise indicated herein, the information provided in this presentation is based on matters as they exist as of the date of preparation and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after the date hereof or to correct any inaccuracies in any such information. This information is believed to be accurate but has not been audited by a third party. Neither the Company nor Pharmakon or any of their respective affiliates accept any liability for actions taken on the basis of the information provided in this presentation.

No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its accuracy, completeness or fairness. No representation or warranty, express or implied, is given by or on behalf of the Company, Pharmakon, or any of their respective affiliates or partners with respect to the accuracy or completeness of the information contained in this presentation or on which this presentation is based or any other information or representations supplied or made in connection with the presentation or as to the reasonableness of any projections which this presentation contains. The aforementioned persons disclaim any and all responsibility and liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this presentation or its contents or otherwise in connection with this presentation. Persons reading this document must make all trading and investment decisions in reliance on their own judgement. No statement in this presentation is intended to be nor may be construed as a profit forecast.

In this notice, "affiliates" includes, in relation to each of the Company, Pharmakon, their respective holding companies, companies under control of such holding companies, and subsidiaries and their respective directors, officers, employees, sub-contractors, agents and representatives.

Nothing in this presentation is, or should be relied on as a promise or representation as to the future. In furnishing this presentation, none of the Company, Pharmakon, nor any of their respective affiliates undertakes to provide the recipient with access to any additional information or to update this presentation or to correct any inaccuracies therein which may become apparent.

Neither this presentation nor any copy of it may be taken, transmitted or distributed, directly or indirectly, in or into the United States, its territories or possessions, or to any US person. The distribution of this presentation and the offering and sale of participation rights or other securities in certain jurisdictions may be restricted by law and therefore persons into whose possession this presentation comes should inform themselves and observe any applicable restrictions. This presentation is not for transmission to, publication or distribution or release in the Canada, Australia, Japan or the Republic of South Africa, or to any other country where such distribution may lead to a breach of any law or regulatory requirement, or to any national, resident or citizen of such jurisdiction.

The Company is not and will not be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act") and, as such, holders of the Company's securities will not be entitled to the benefits of the Investment Company Act. The securities of the Company have not been and will not be registered under the U.S. Securities Act, or under any applicable securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, none of the securities of the Company may be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, into or within the United States or to or for the account or benefit of US Persons (as such term is defined in Regulation S). There has been and will be no public offer of the securities of the Company in the United States. Distribution of this presentation may be prohibited in the United States. You are required to inform yourself of, and comply with, all such restrictions or prohibitions and none of the Company, Pharmakon, another of their affiliates or any other person accepts liability to any person in relation thereto.

Certain statements in this presentation constitute forward-looking statements. All statements that address expectations or projections about the future, including statements about operating performance, market position, industry trends, general economic conditions, expected expenditures and financial results, are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects", "anticipates", "targets", "continues", "estimates", "plans", "intends", "projects", "indicates", "believes", "may", "will", "should", "would", "could", "outlook", "forecast", "plan", "goal" and similar expressions (or negatives and variations thereof). Any statements contained herein that are not statements of historical fact are forward-looking statements. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Accordingly, actual results or the performance of Pharmakon, the Company or their respective subsidiaries or affiliates may differ significantly, positively or negatively, from forward-looking statements made herein. Due to various risks and uncertainties, actual events or results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. As a result, you should not rely on such forward-looking statements in making any investment decision. No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-looking statements. Nothing in this presentation should be relied upon as a promise or representation as to the future. Certain figures contained in this presentation have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this presentation may not conform exactly to the total figure given.

The information with respect to any projections presented herein is based on a number of assumptions about future events and is subject to significant economic and competitive uncertainty and other contingencies, none of which can be predicted with any certainty and some of which are beyond the control of the Company and Pharmakon. There can be no assurances that the projections will be realised, and actual results may be higher or lower than those indicated. None of the Company, Pharmakon, or any of their respective affiliates, assumes responsibility for the accuracy of the projections presented herein.

This presentation includes track record information regarding certain investments made and/or managed by Pharmakon, any of its affiliates and/or certain other persons. Such information is not necessarily comprehensive and potential investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this document relates. The past performance of Pharmakon or its affiliates is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company.

The track record information included herein relates to business activities that are not directly comparable with the Company's investment objective and therefore are not indicative of the returns the Company will, or is likely to, generate going forward. The Company will not make the same investments reflected in the track record information included or referred to herein. Any investment in the Company would be speculative, involve a high degree of risk, and could result in the loss of all or substantially all of their investment.

The information provided in this material should not be considered a recommendation to buy, sell or hold any particular security.

BioPharma Credit – The Team



Pedro Gonzalez de Cosio
Co-Founder & CEO, Pharmakon (2009 to Present)

Prior Experience

- ▶ 17 years in Structured Finance with leading global banks
 - Deutsche Bank, JP Morgan, Nomura Securities, Société Générale
- ▶ 2 years coordinating the issuance of external debt for the Mexican Ministry of Finance (Mexico)



Martin Friedman
Principal, Pharmakon (2011 to Present)

Prior Experience

- ▶ 16 years in Health Care Finance with leading global banks
 - Bank of America / Merrill Lynch, Credit Suisse, JP Morgan
- ▶ 2 years as Head of M&A and Collaborations at Novartis AG based in Switzerland



Pablo Legorreta
Co-Founder and Principal, Pharmakon (2009 to Present)
Founder & CEO, Royalty Pharma (1996 to Present)

Prior Experience

- ▶ 10 years in Investment Banking with Lazard Freres

Member Board of Governors of the New York Academy of Sciences, Boards of Trustees of the Hospital for Special Surgery, the Pasteur Foundation, The Open Medical Institute. Chairman of Alianza Médica para la Salud (AMSA)

Summary of Key Terms

Company	<ul style="list-style-type: none"> ▶ BioPharma Credit PLC, a UK investment trust listed on Specialist Fund Segment in March 2017 (Ticker: BPCR LN)
Investment objective and policy	<ul style="list-style-type: none"> ▶ Generate long-term shareholder returns, predominantly in the form of sustainable income distributions from exposure to the life sciences industry ▶ Specifically, BioPharma Credit PLC invests in <ul style="list-style-type: none"> ▪ (a) <i>Senior Secured Debt</i> issued by life sciences companies; ▪ (b) <i>Royalty Debt Instruments</i>, loans backed by pharmaceutical royalties; ▪ (c) <i>Priority Royalty Tranches</i>, capped royalties on pharmaceutical products; ▪ (d) <i>Unsecured Debt</i>, including convertible and second lien debt, issued by life sciences companies; and ▪ (e) <i>Equity and Equity Like</i> investments in life sciences companies
Target returns	<ul style="list-style-type: none"> ▶ Target total net return of 8-9% per annum in the medium term, with dividend yield of 7% on issue price¹
Management	<ul style="list-style-type: none"> ▶ Independent board of four non-executive Directors ▶ Experienced investment manager in Pharmakon Advisors <ul style="list-style-type: none"> ▪ Management fee of 1% of NAV ▪ Performance fee equal to 10% of all returns after satisfying a 6% annual return hurdle (with manager “catch up”)²
Investment limits	<ul style="list-style-type: none"> ▶ Single borrower – 30% of GAV (other than RPS note) (31 Dec 17: nil) ▶ Unsecured Debt – 35% of GAV (31 Dec 17: nil) ▶ LifeSci equity securities – 15% of GAV (31 Dec 17: nil) ▶ Gearing – 25% of NAV² (31 Dec 17: nil)
Discount control	<ul style="list-style-type: none"> ▶ Continuation vote after 5 years and every 3 years thereafter ▶ Ability to buyback up to 14.99% of initial issued share capital ▶ If the Company’s shares are trading at a discount to NAV, 50% of investment manager’s incentive compensation will be paid in shares acquired by the company in the market for cash ▶ If the Company’s shares trade at a discount to NAV greater than 5% during a rolling 3 month period, it will use 50% of capital and income proceeds to repurchase Shares ▶ If the Company’s shares trade at a discount to NAV greater than 10% during a rolling 6 month period, it will use 100% of capital and income proceeds to repurchase Shares

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.

² Performance fee is also subject to certain high-water marks that may require amendments/clarifications which the investment manager and the board may propose to shareholders at the next AGM.

BioPharma Credit – Overview



- ▶ Listed on the LSE in Mar-2017, raising initial gross proceeds of \$762m including \$339m of seed assets
- ▶ In Dec-2017, the Company completed a successful follow-on placing, raising gross proceeds of \$154m
- ▶ Since IPO, the Company has made five investments, deploying \$514m with a further \$339.5m¹ in future commitments subject to certain conditions
- ▶ As at 31-Jan-2018, the Company held \$919m in investments, including \$362m in cash (~\$258m after Novocure investment in February)
- ▶ In Mar-2018, BioPharma Credit announced its third quarterly dividend of \$0.01, alongside a special dividend of \$0.011 relating to additional consideration received on some investments in the form of structuring fees

¹ Assumes \$150m investment in the Bristol Myers Squibb royalty (mid-point of the expected range).

BioPharma Credit – Update on Investments

- ▶ Following IPO, the Company has announced four major investments:

Date	Counterparty	Description	Transaction Size	BPCR Investment
21 Nov 17	 TESARO	Senior Secured Loan	\$500m	Up to \$370m
04 Dec 17	 Lexicon pharmaceuticals	Senior Secured Loan	\$150 + \$50m	Up to \$166m
08 Dec 17	 Bristol-Myers Squibb	Purchase of payments linked to sales of two diabetes drugs marketed by Astra Zeneca	\$280-\$320m	\$140-\$160m
07 Feb 18	 novocure	Senior Secured Loan	\$150m	\$150m

- ▶ The Company also purchased unsecured convertible notes issued by **Depomed** between Sep 2017 and Oct 2017 at a face value of \$23.5m for a total consideration of \$17.2m
 - ▶ Sold in Dec 2017 generating a net gain of \$2.5m and an IRR of 154%
- ▶ The Company has an **attractive pipeline of potential future investments** and is currently evaluating a number of opportunities for further deployment of capital

BioPharma Credit – Update on Existing Portfolio

Portfolio Snapshot – as at 31-Jan-2018

Ordinary Shares

Share Price	\$1.04
NAV per Share	100.56 cents
Premium to NAV	2.92%
Shares in Issue	914.3m

Assets

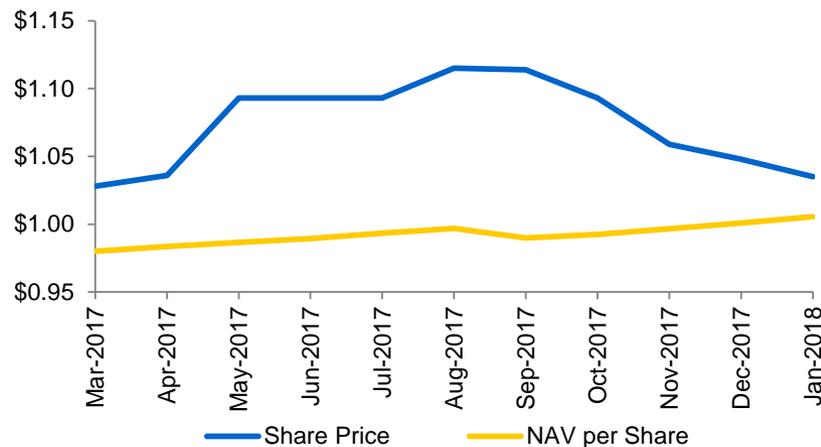
Market Capitalisation	\$946.3m
Net Assets	\$919.4m

Fees

Management Fee	1% of NAV per annum
Performance Fee	10% ¹

Performance Since IPO

	1 Month	2 Months	3 Months	Since Launch
Share Price	(1.15)%	(2.17)%	(5.22)%	3.50%
NAV per Share ²	0.48%	0.89%	1.33%	2.61%



Current Investments and Commitments

Assets	Current Investments	Additional Commitments	Total
Tesaro	\$222.0m	\$148.0m	\$370.0m
Lexicon	\$124.5m	\$41.5m	\$166.0m
BioPharma III	\$120.5m	-	\$120.5m
RPS Note	\$87.5m	-	\$87.5m
Bristol Myers Squibb	-	\$150.0m ³	\$150.0m
Other	\$3.0m	-	\$3.0m
Cash	\$361.9m	\$(339.5)m ³	\$22.4m
Total (as at 31-Jan-18)	\$919m	-	\$919m

Further Developments Since 31-Jan-2018

NovoCure (as at 08-Feb-18)	\$150.0m	-	\$150.0m
Cash	\$(150.0)m	-	\$(150.0)m

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

³ Assumes \$150m investment in the Bristol Myers Squibb royalty (mid-point of the expected range)

\$500m senior secured loan to Tesaro

Tesaro Corporate Overview

- ▶ **Description:** TESARO, Inc. (TSRO) is an oncology-focused biopharmaceutical company focused on in-licensing and developing oncology-related product candidates, including niraparib, rolapitant and product candidates under their immuno-oncology platform
- ▶ **Market Cap:** \$3.3bn as of 15 Feb 18
- ▶ **Main Product:** ZEJULA (niraparib) approved in the US in March 2017 and the EU in November 2017
- ▶ **Most recent ZEJULA sales (2017):** \$109m

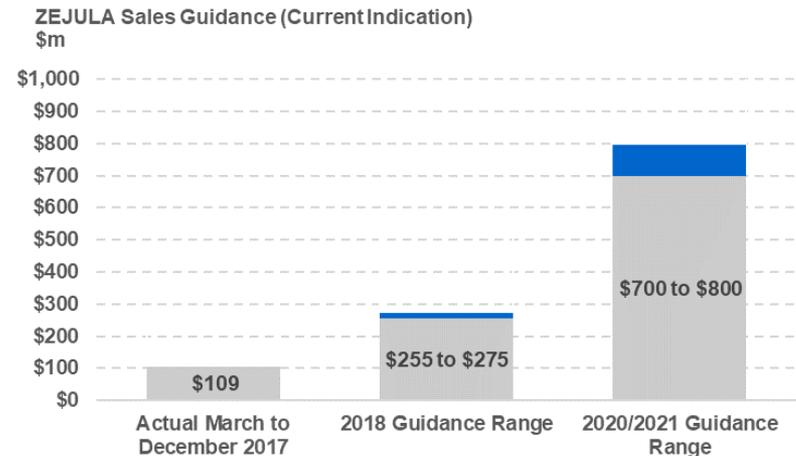
Key terms of Loan

- ▶ **Size of facility:** \$500m to be funded in two tranches
 - ▶ Tranche A: \$300m at closing (BPCR \$220m)
 - ▶ Tranche B: \$200m prior to 20 Dec 18 (BPCR \$150m)
- ▶ **Funding fee:** 2% of Tranche A + 2% of Tranche B (draw)
- ▶ **Interest rate:**
 - ▶ Tranche A: L+8.0% (subject to a floor and cap)
 - ▶ Tranche B: L+7.5% (subject to a floor and cap)
- ▶ **Amortization:** 2-year interest only then 3% quarterly
- ▶ **Duration:** 7 years
- ▶ **Make-whole:** 2 year
- ▶ **Prepayment:** 3% before 2nd anniversary, 2% before 3rd anniversary, and 1% before 4th anniversary of Tranche A

Description of key products

- ▶ **ZEJULA (niraparib)** – is a once-daily orally active poly (ADP-ribose) polymerase, or PARP, inhibitor available for the maintenance of women with recurrent ovarian, fallopian tube, or primary peritoneal cancer who are in response to platinum-based chemotherapy

ZEJULA Net Sales



\$150m senior secured loan to Lexicon with potential \$50m second tranche

Lexicon Corporate Overview

- ▶ **Description:** Lexicon Pharmaceuticals, Inc. (LXRX) is a biopharmaceutical company focused on developing drugs for cancer, diabetes, and pain including XERMELO for the treatment of Carcinoid Syndrome diarrhea and sotagliflozin for Type 1 and Type 2 diabetes
- ▶ **Market Cap:** \$840m as of 15 Feb 18
- ▶ **Most recent product sales:**
 - ▶ **XERMELO (2017):** \$15.1m
 - ▶ US approval February 2017 & EU approval September 2017
- ▶ **License agreement:**
 - ▶ \$300m upfront from Sanofi for worldwide rights to Sotagliflozin and up to \$430m for development and regulatory milestones and up to \$990m for sales milestones
 - ▶ Sanofi expected to file for US registration Q1 2018

Key terms of Loan

- ▶ **Size of facility:** \$200m to be funded in two tranches
 - ▶ Tranche A: \$150m
 - ▶ Tranche B: \$50m (20 Mar 19 subject to previous quarter sales being greater than \$25m)
- ▶ **Funding Fee:** Not disclosed
- ▶ **Interest rate:** 9.0%
- ▶ **Amortization:** Principal amount 5 years post funding date
- ▶ **Duration:** 5 years
- ▶ **Prepayment:** 2% prior to 4th anniversary of Tranche A closing date and 1% after the fourth anniversary of the Tranche A closing date but prior to the 5th anniversary
- ▶ **Make-whole:** 3 years

Description of key products

- ▶ **XERMELO (telotristat ethyl)** - an oral treatment that works with somatostatin analog (SSA) therapy to reduce the overproduction of serotonin hormone to control Carcinoid Syndrome diarrhea. SSA injections are used to slow the release of serotonin in the body (outside the tumor) while XERMELO functions inside the neuroendocrine tumor to reduce the overproduction of serotonin. Lexicon granted Ipsen commercial rights to telotristat ethyl outside the US & Japan
- ▶ **Sotagliflozin (LX4211)** – an orally-delivered phase 3 compound for Type 1 and Type 2 diabetes that inhibits both sodium-glucose cotransporter type 2, or SGLT2, a transporter responsible for glucose reabsorption performed by the kidney and sodium-glucose cotransporter type 1, or SGLT1, a transporter responsible for glucose and galactose absorption in the gastrointestinal tract

Median Analyst consensus estimates



Source: Pharmakon Advisors, Lexicon public disclosures, Sanofi public disclosures, Bloomberg

\$150m senior secured loan to Novocure

Novocure Corporate Overview

- ▶ **Description:** Novocure is a commercial stage oncology company developing a profoundly different cancer treatment utilizing a proprietary therapy called TTFIELDS
- ▶ **Market Cap:** \$1.9bn as of 15 Feb 18
- ▶ **Approvals:** FDA approval in December 2011 for use as a monotherapy treatment for adult patients with GBM following confirmed recurrence after chemotherapy. In October 2015, received FDA approval for the treatment of adult patients with newly diagnosed GBM in combination with temozolomide
 - ▶ Also approved in Germany, Switzerland, Japan and others.
- ▶ **Most recent product sales:**
 - ▶ On 9 Jan 18, Novocure reported unaudited revenues of US\$53.7 million for the fourth quarter of 2017 and US\$177 million for the full year ended 31 Dec 17.

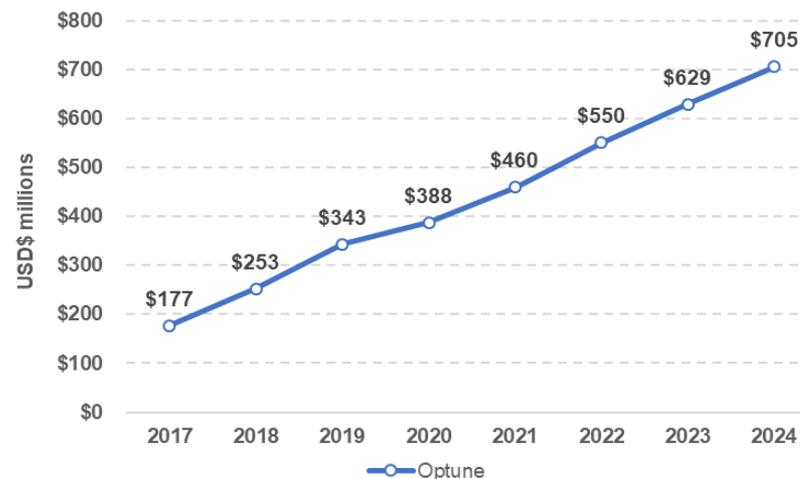
Key terms of Loan

- ▶ **Size of facility:** \$150m to be funded in one tranche
 - ▶ Note: \$100m was used to repay loan held by BioPharma-III resulting in a \$46m distribution to BioPharma Credit
- ▶ **Funding Fee:** None
- ▶ **Interest rate:** 9.0%
- ▶ **Amortization:** Principal amount 5 years post funding date
- ▶ **Duration:** 5 years
- ▶ **Prepayment:** 2% prior to third anniversary and 1% prior to the fourth anniversary
- ▶ **Make-whole:** 2 years

Description of key products

- ▶ **Optune System** – a cancer treatment centered on a proprietary therapy called TTFIELDS, which involves the use of electric fields tuned to specific frequencies to disrupt solid tumor cancer cell division. Optune is currently approved for the treatment of adults with Glioblastoma ("GBM")
- ▶ **Pipeline** – Novocure invests meaningfully in R&D and has late stage trials (Phase III pilot studies) underway for TTFIELDS in brain metastases, non-small cell lung cancer and pancreatic cancer.

Median Analyst consensus estimates



Source: Pharmakon Advisors, Novocure public disclosures, Bloomberg

Example of a Royalty Loan: \$150m loan from BioPharma-IV to Halozyme Secured by Royalties

Background

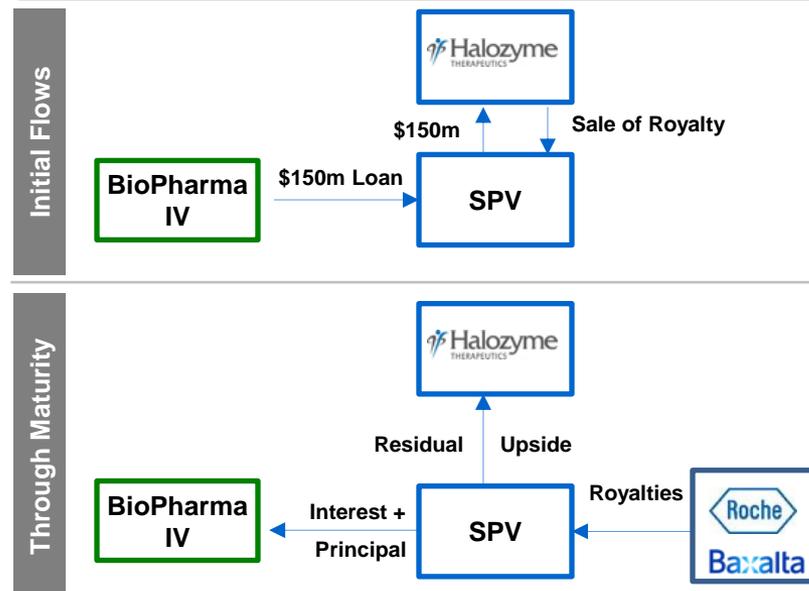
- ▶ Halozyme developed *ENHANZE™* technology that allows for intravenous (IV) infused drugs to be reformulated and delivered via more convenient Sub-Q injection
- ▶ Licensed the technology to Roche and Baxalta in exchange for royalties
- ▶ By the end of 2015, the royalties had a 12 month run rate of \$38m, Halozyme needed to raise \$150m but did not want to raise equity or sell the royalties

	<i>Transformed treatment of lymphoma - 2015 sales: \$7bn</i>  <i>ENHANZE™</i> → 
	<i>Transformed breast cancer treatment - 2015 sales: \$6.5bn</i>  <i>ENHANZE™</i> → 
	<i>Primary Immunodeficiency in adults</i> Immunoglobulin <i>ENHANZE™</i> → 

Pharmakon Solution

- ▶ In Jan'2016 BioPharma IV led a \$150m loan secured with the Roche and Baxalta royalties
- ▶ The loan was structured so that credit exposure was limited to the royalties paid by the large pharmaceutical companies, bypassing smaller Halozyme
- ▶ Halozyme was allowed to retain 100% of the royalties in 2016 and 50% during 2017
- ▶ Loan expires in 2020 and is expected to generate a 10.3% rate of return

Transaction Structure



Update

- ▶ Loan balance increased to \$165m by the end of 2016 and is expected to go back to \$150m by the end of 2017
- ▶ Royalty run rate has increased from \$38m in late 2015 to \$59m currently

Building Continued Momentum – Target Investments

BioPharma Credit will mainly invest in debt secured by rights to approved life sciences products or royalties from sales of approved life sciences products

Debt

- ▶ Investments seek predictable cash flows with downside protection

Secured

- ▶ Product rights or royalties will serve as collateral for the debt

Product Rights

- ▶ Intellectual property, regulatory rights, etc. that give a life sciences company exclusivity on products and methods of treating certain diseases

Royalties

- ▶ Right to receive a pre-determined percentage of product sales derived from a license to product rights

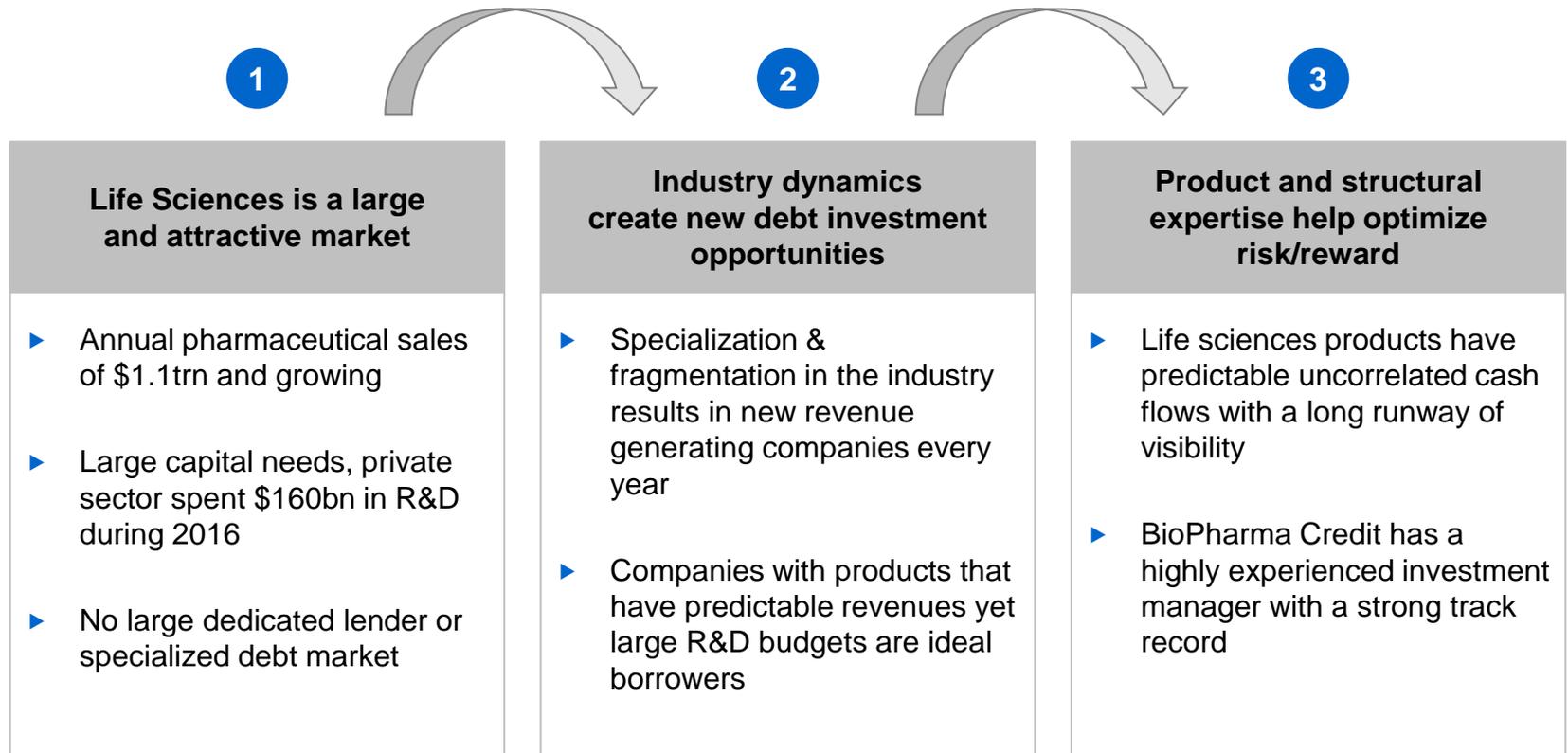
Approved

- ▶ Diminished clinical trial risk or regulatory risk

Life Sciences

- ▶ Products may include pharmaceuticals, bio-pharmaceuticals, medical devices, and clinical diagnostics

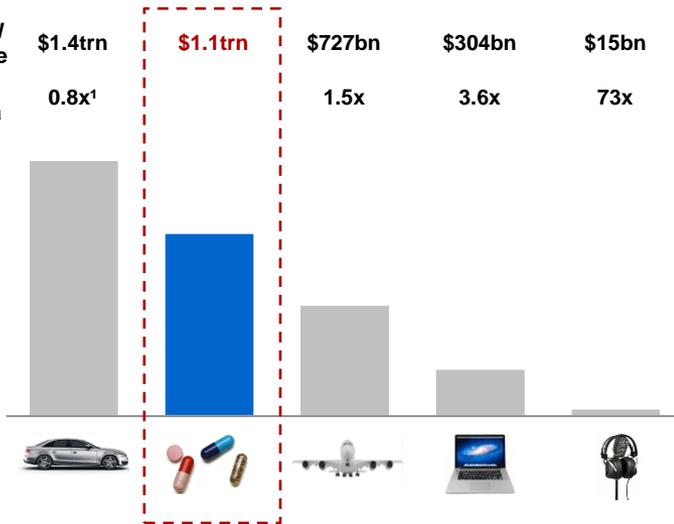
Providing Debt Capital for the Life Sciences Industry is a Unique Investment Opportunity



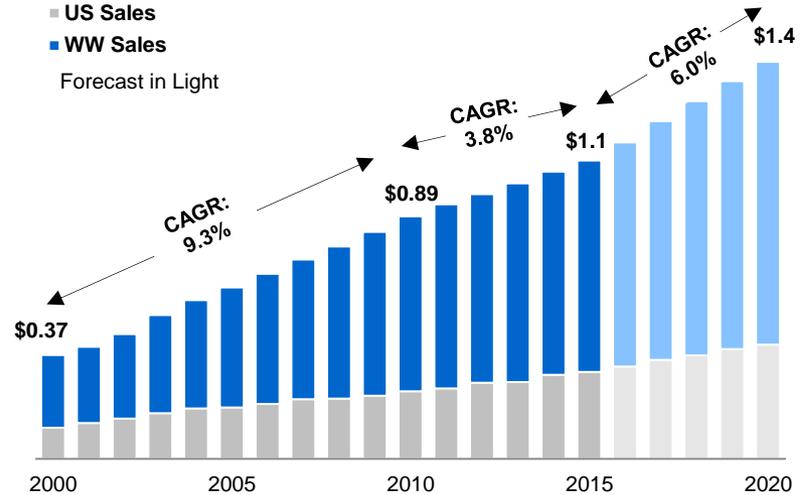
1 Life Sciences is a Large, Vital Industry with Strong, Consistent Growth

WW Pharmaceutical Industry vs. Other Industries

Est. WW Mkt. Size	\$1.4trn	\$1.1trn	\$727bn	\$304bn	\$15bn
Mult. of Pharma	0.8x ¹		1.5x	3.6x	73x



Global Pharmaceutical Sales: Historical & Projected (\$, Trn)



Strong Expected Growth Over Foreseeable Future Fueled by 4 Strong Growth Drivers

1 Growing Population

3.0bn 1960 6.0bn 2000 9.0bn 2050

2 Ageing Population

3 Growing Demand From Countries in Transition

4 R/D/Innovation Create Large New Markets

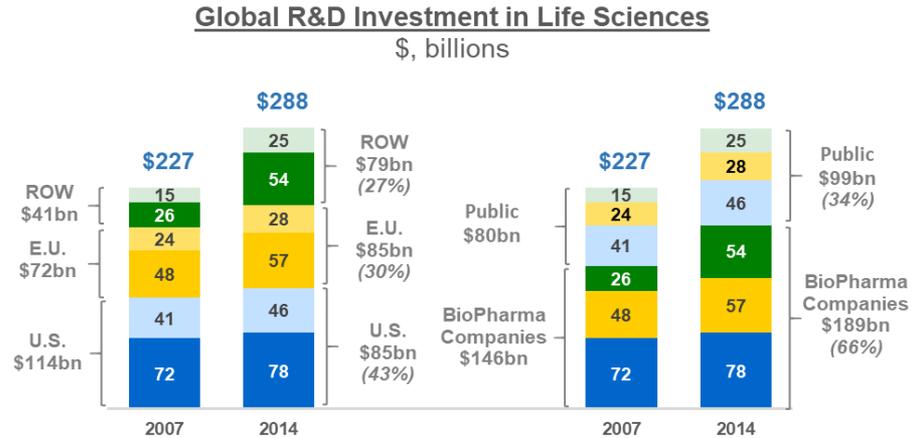
Known Diseases:	~30,000
Existing Treatments:	~6,000 (only ~20%)

Source: World Health Organization, Evaluate Pharma, IFPI, Statista, Ibis World, Rare Disease Foundation, Energy and Commerce Committee, IMS, CIA World Factbook
¹ Includes top 16 auto manufacturers worldwide.

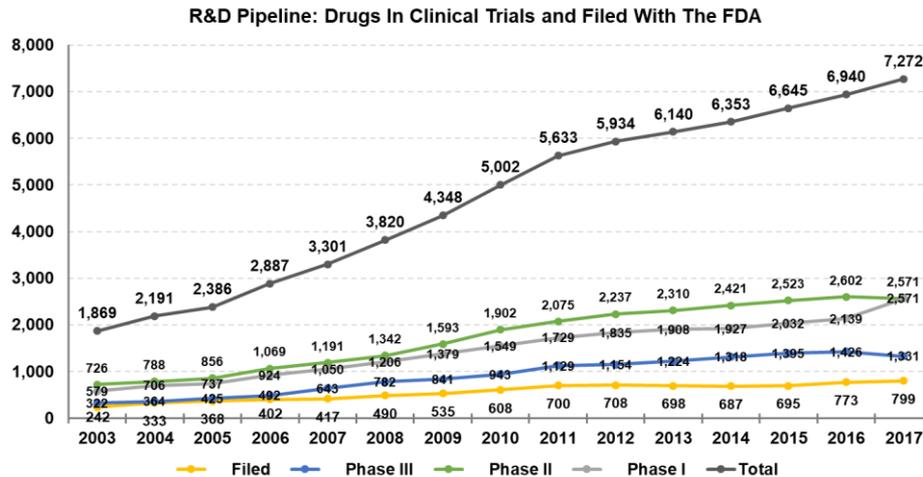
1

Global investment in R&D has been driving drug pipeline development

Global R&D investments between the public and private sector have been in the hundreds of billions of dollars



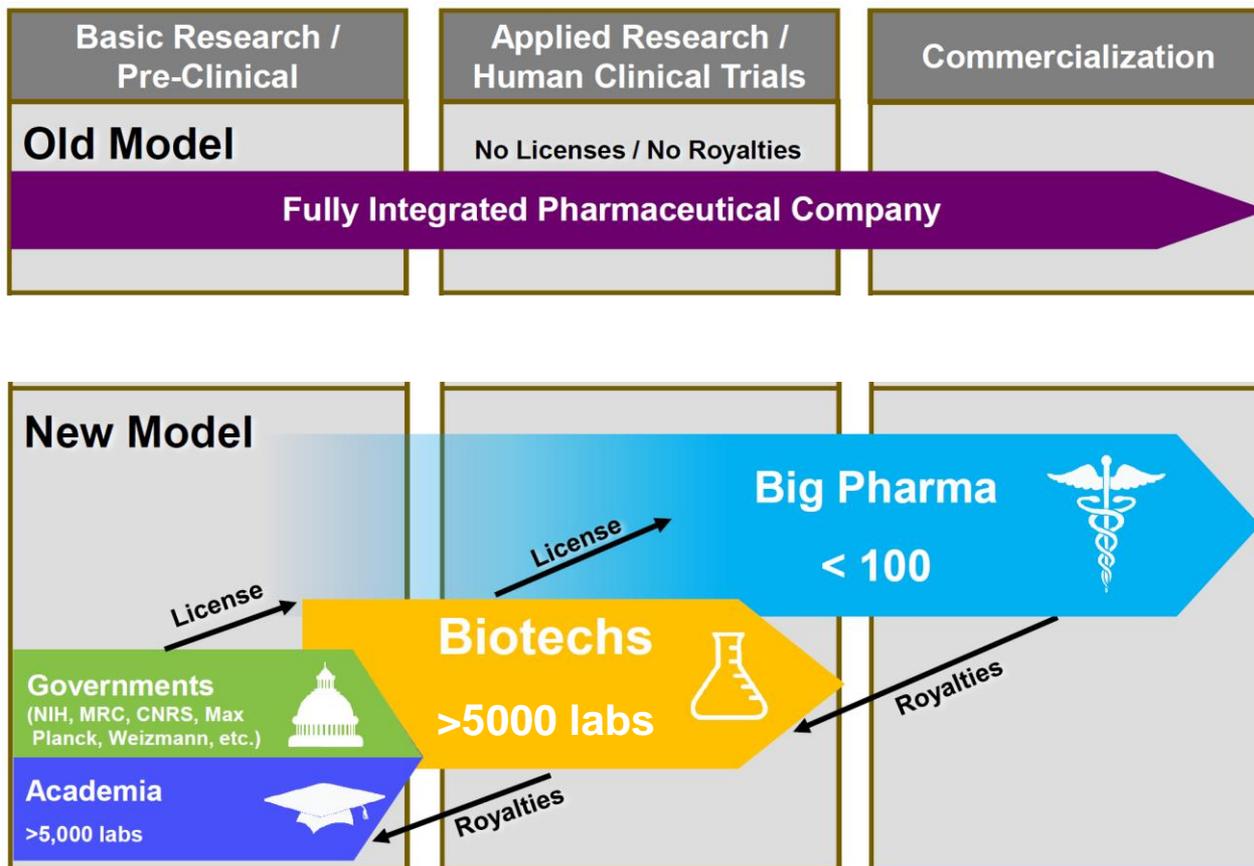
As a result, we have seen a steady increase in the number of drug candidates over time



Source:
NEJM reported global biomedical R&D expenditures by the public sector and private industry through 2012
Evaluate Pharma

2

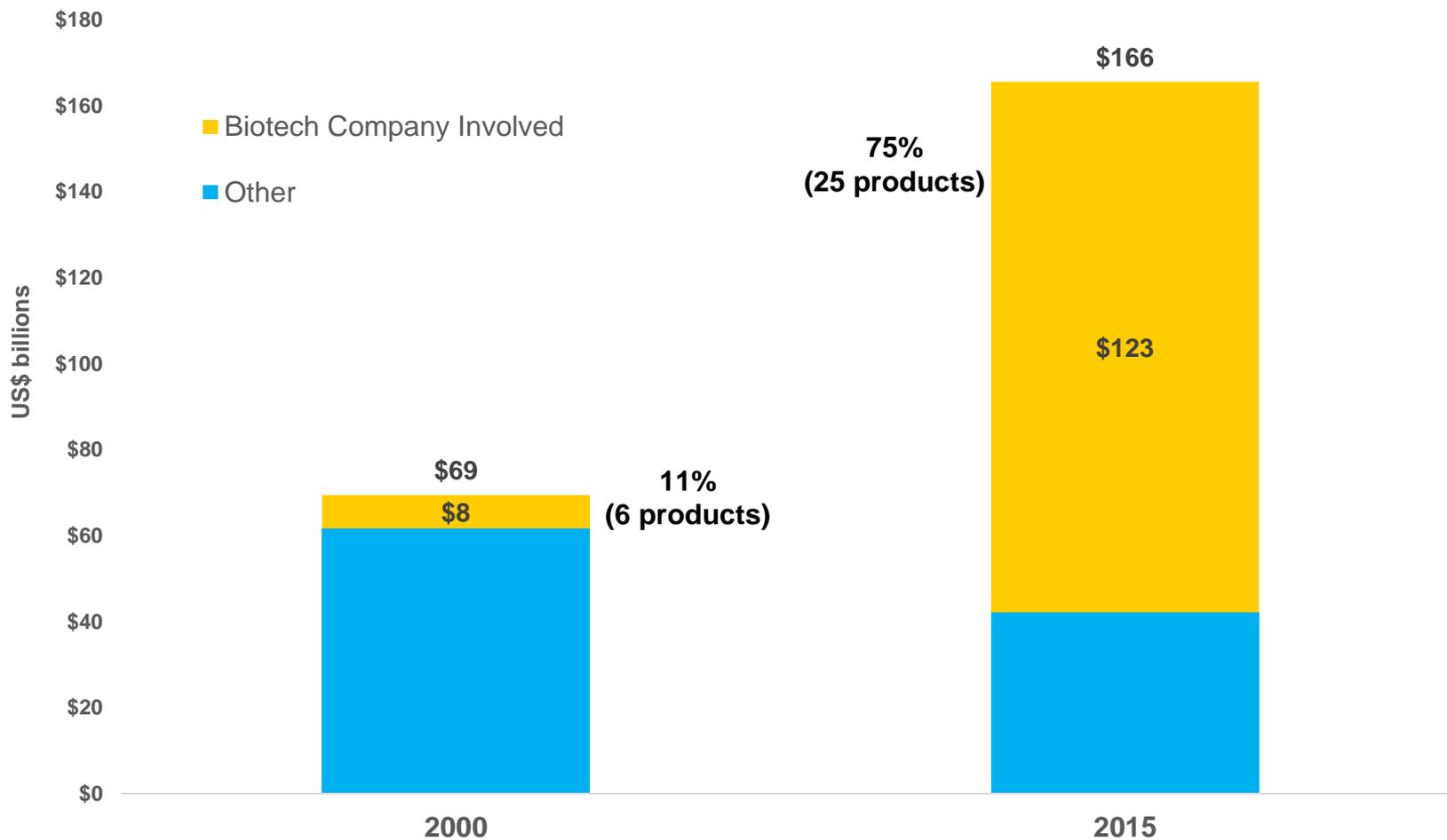
Specialization & Fragmentation of Drug Discovery is Leading to More Lending Opportunities



As new products are approved, more companies are generating rights and royalties from life sciences products, the ideal collateral for BioPharma Credit. Recent trend of Big Pharma selling non-core products to smaller companies also creates new lending opportunities

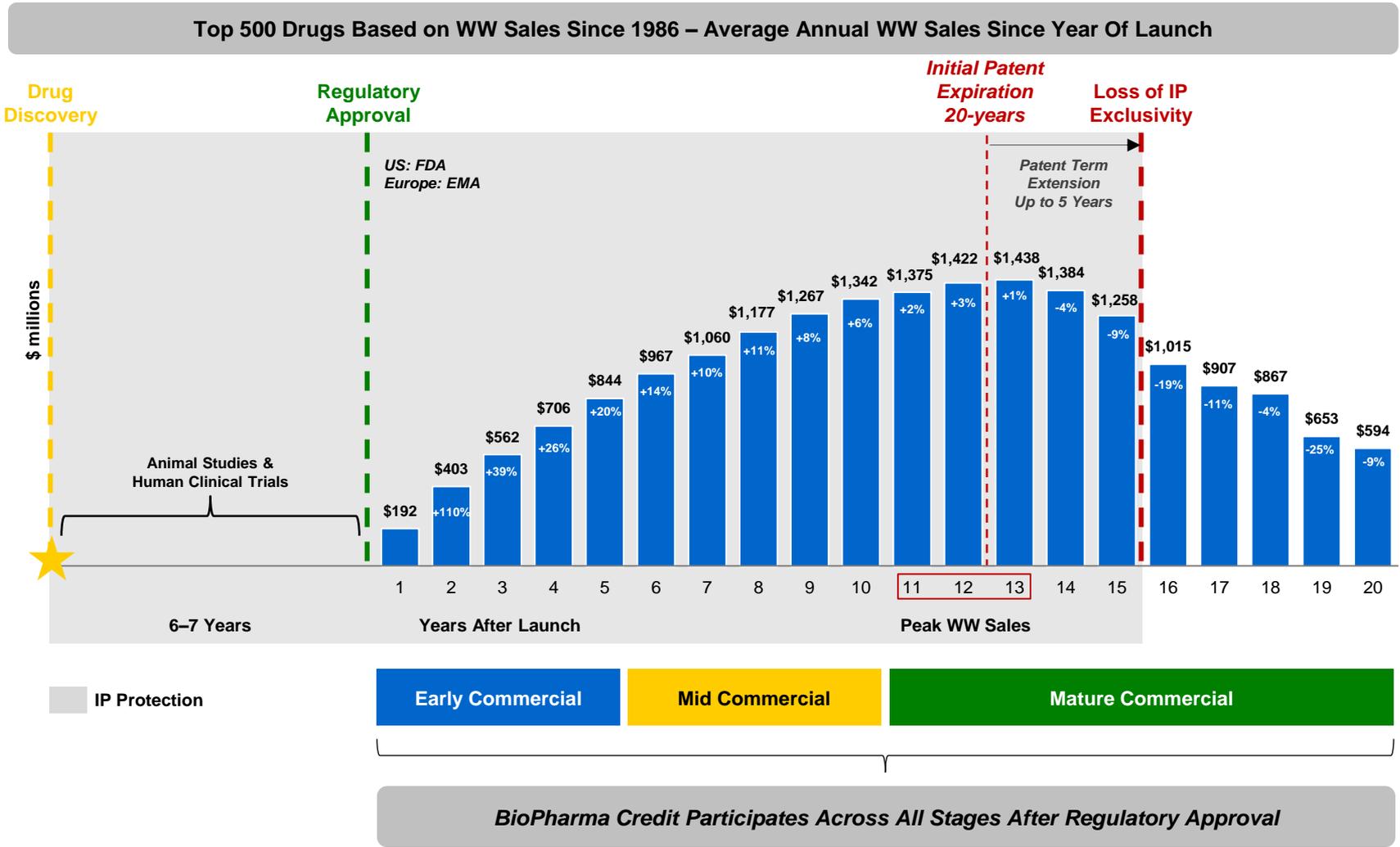
Biotech Companies and Academic Institutions are Driving Industry Innovation and Growth

Worldwide Sales from Top 30 Products



3

Life Sciences Products Have Stable Cash Flows and Long Runway of Visibility



Source: Evaluate Pharma

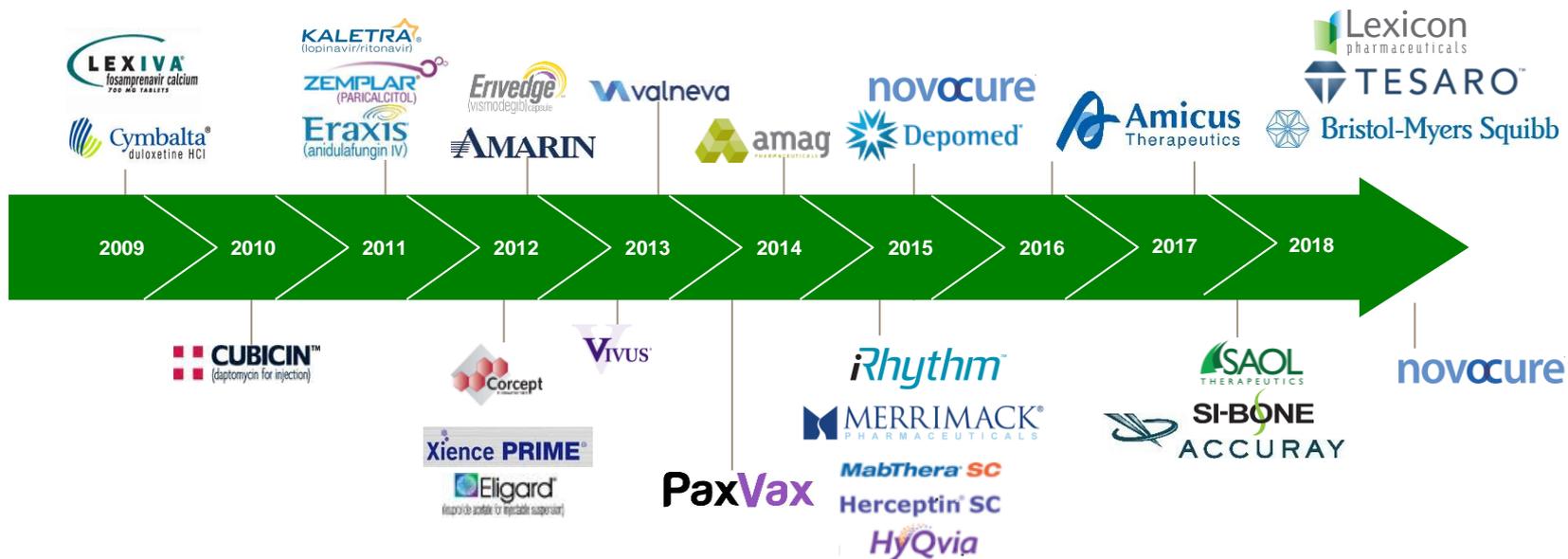
Pharmakon Advisors, LP

- ▶ Founded in 2009; manager of the BioPharma funds
- ▶ \$2.5bn committed in 28 transactions (incl. BPCR)
- ▶ 10% unlevered weighted average net returns on four private funds after all fees and expenses¹
- ▶ No defaults

Historical Investment Performance as of 12/31/17 (Private Funds)

Private Fund	I	II	III	IV
Launch Date	June 2009	March 2011	February 2013	December 2015
Historical Assets				
Invested	\$263.7m	\$343.0m	\$463.0m	\$512.0m
Net Returns				
Unlevered Net IRR	11.3%	6.8%	10.9%	10.0%

Investment History



Source: Pharmakon estimates

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.

Proven Track Record

Experienced Senior Management Team

Pharmakon Advisors

Pedro Gonzalez de Cosio
Co-Founder and Principal
 ▶ Co-founded Pharmakon in 2009 after 17 years in structured finance investment banking

Martin Friedman
Principal
 ▶ Joined Pharmakon in 2011 after 18 years in healthcare finance

Pablo Legorreta
Co-Founder and Principal
 ▶ Co-Founded Pharmakon in 2009
 ▶ Founded Royalty Pharma in 1996

Scott Levitt, BSE
Senior Associate
 ▶ Joined Pharmakon in 2017 after 5 years in healthcare investment banking & equity research

Jeffrey Caprio, CPA
Controller
 ▶ Joined Pharmakon in 2009 after 3 years at Deloitte

Adriana Benitez, CPA
Senior Accountant
 ▶ Joined Pharmakon in 2017 after 2 years at PwC

RP Management (Under Shared Services Agreement)

Research Team

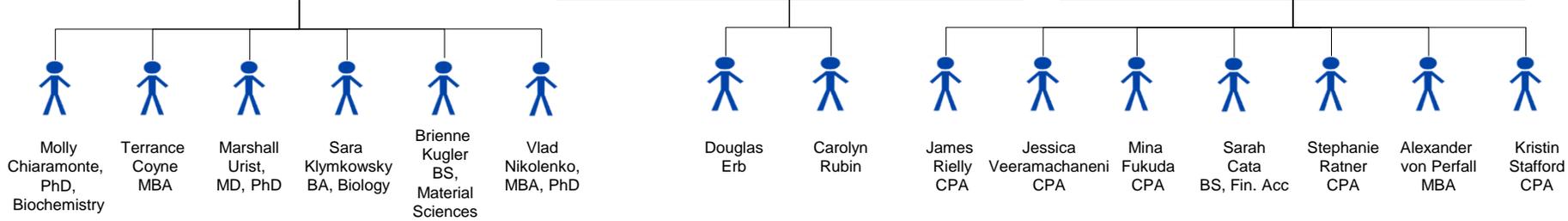
Jim Reddoch, PhD
EVP and Head of Research
 ▶ Joined in 2008 after 12 years in biotech equity research on Wall Street

Legal and Compliance Team

George Lloyd
EVP and General Counsel
 ▶ Joined in 2011 after 25 years in corporate law

Finance Team

Susannah Gray
EVP and Chief Financial Officer
 ▶ Joined in Jan-2005 after 14 years in fixed income investment banking



Management team with extensive healthcare / finance experience and over 20 years of royalty investment experience

Investment Opportunity – Summary



The Life Sciences Debt Market is an Underserved, Large and Growing Opportunity

- ▶ Worldwide \$1.1tn industry growing at 6% per annum
- ▶ Large capital needs, private companies spent \$190bn in R&D during 2014
- ▶ Industry dynamics create new debt investment opportunities
- ▶ No large dedicated lender or specialized debt market

Pharmakon Advisors, LP

BioPharma Credit has an Experienced Investment Manager with a Strong Track Record

- ▶ \$2.5bn invested in 28 transactions backed by cash flows from life sciences products
- ▶ Four private funds expected to generate 10% unlevered weighted average annualized net returns¹
- ▶ Zero defaults
- ▶ Core team has over twenty years' experience investing in life sciences debt and royalties

BIOPHARMA CREDIT PLC

BioPharma Credit Targets Strong Risk-Adjusted Returns

- ▶ Target returns of 8-9% net total return on NAV per annum over the medium term¹
- ▶ 7% target dividend yield on issue price once substantially invested¹
- ▶ Reported NAV Total Return of 3.8% from IPO to 31-Dec-2017, in line with the 4.0% target dividend yield outlined at IPO²

¹ These are targets and not profit forecasts. They are based on estimates of Pharmakon and are subject to change depending on the material risks and market changes.

There can be no assurance that these targets will be met.

² Unaudited figure based on Pharmakon calculation