

# 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 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

Annual results announced	February 2019
Payment of interim dividend	March 2019

### INVESTMENT TEAM



Pedro Gonzalez de Cosio  
Investment Manager



Martin Friedman  
Investment Manager



Pablo Legorreta  
Investment Manager

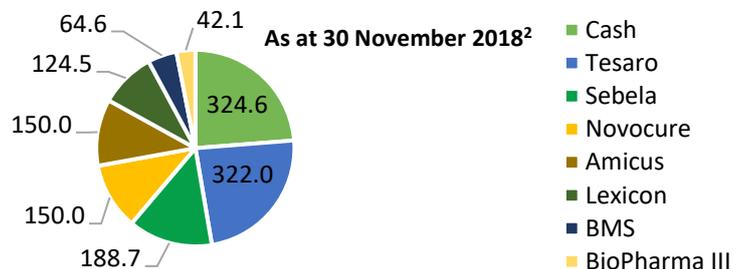
### TRUST FACTS

As at 30 November 2018

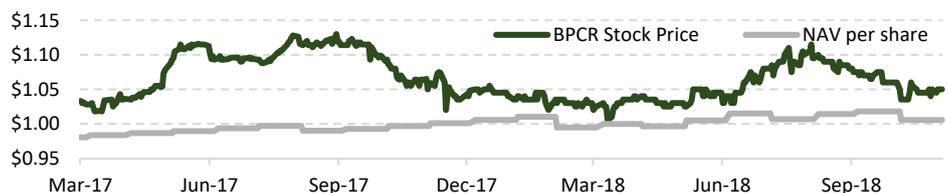
Ordinary shares	Assets		
Share price	\$1.05	Market capitalisation	\$1,442.6m
NAV per share	100.54 cents	Net assets	\$1,381.3m
Premium to NAV	4.44%	Fees	
Shares in issue	1,373.9m	Management fee	1% of NAV per annum
		Performance fee	10% <sup>1</sup>

### RECENT HIGHLIGHTS

- On 15 October 2018, the Company received its final payment of \$20.2 million on the RPS Note, of which \$20.1 million represented repayment of principal. As a result, this investment realized a 12.9 per cent. gross IRR.
- On 17 and 24 October 2018 and 11 December 2018 the Company received \$6.3 million, \$16.6 million and \$35.3 million, respectively from BioPharma III in the form of scheduled distributions to its limited partners. On 11 December 2018, BioPharma III sold its remaining \$73.7 million investment in Depomed notes at a price of 101.25% of par plus accrued interest. As a result, BioPharma III realized a 13.8% gross IRR and a 1.38 times cash on cash return on this investment.
- On 29 October 2018, the Company announced that following the conversion of C Shares into Ordinary Shares, 162,118,260 Ordinary Shares were admitted to trading.
- On 1 November 2018, the Company issued a total of 297.6 million Ordinary Shares at a price of \$1.025 each, raising gross proceeds of \$305 million in an oversubscribed Placing.
- On 4 December 2018, the Company noted an announcement released by GlaxoSmithKline plc ("GSK") regarding the definitive agreement pursuant to which GSK will acquire TESARO Inc ("TESARO"). The Company's largest investment is a two-tranche \$322 million loan to TESARO, which includes a prepayment fee structure of a premium of 3 per cent., 2 per cent., or 1 per cent. if the loan is prepaid before the second, third, or fourth anniversaries of the relevant closing date respectively plus, if the prepayment is made before the second anniversary, a make whole amount equal to the interest payable between the prepayment date and the second anniversary of the relevant closing date. Pharmakon will continue to monitor the situation and update shareholders as appropriate.
- Below is a summary of the Company's closing portfolio balances (\$ in millions) for the period.



### SHARE PERFORMANCE



### Cumulative Performance

	3 month	6 months	12 months	Since launch
Share price	(4.11%)	2.44%	(0.76%)	5.00%
NAV per share <sup>3</sup>	(0.12%)	0.92%	0.87%	2.59%

- The performance fee is calculated as 10% of outperformance above 0% return, subject to High Watermark and a 6% preferred return hurdle with 50% catch up.
- Chart shows total portfolio value as of the month end. The variance between the total portfolio value and the net asset value is due to other short term assets and liabilities.
- 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 opening NAV per share of 98 cents on the date of IPO and C share issuance.

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## CREDIT PLC

### SHAREHOLDER INFORMATION

#### Trust Details

Launch Date	27 March 2017
Year end	31 December
Interim	30 June
Listing	London Stock Exchange, The International Stock Exchange

#### Corporate Contacts

Registered Office	Beaufort House 51 New North Road, Exeter, EX4 4EP
Registrar	Link Asset Services
Lawyer	Herbert Smith Freehills LLP
Auditor	PricewaterhouseCoopers LLP
Joint Brokers	J.P. Morgan Cazenove Goldman Sachs International
Company Secretary	Link Company Matters Limited

#### Board of Directors

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

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