

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	March 2019
Payment of interim dividend	March 2019

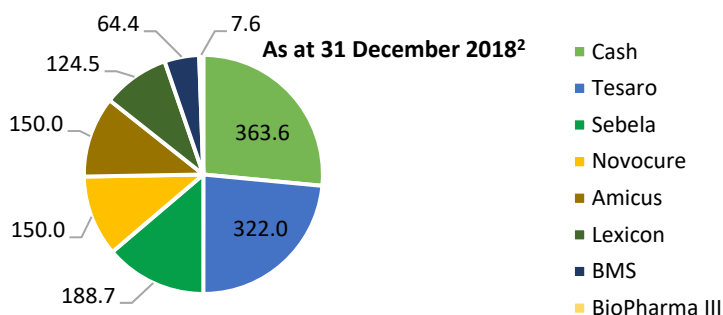
TRUST FACTS

As at 31 December 2018

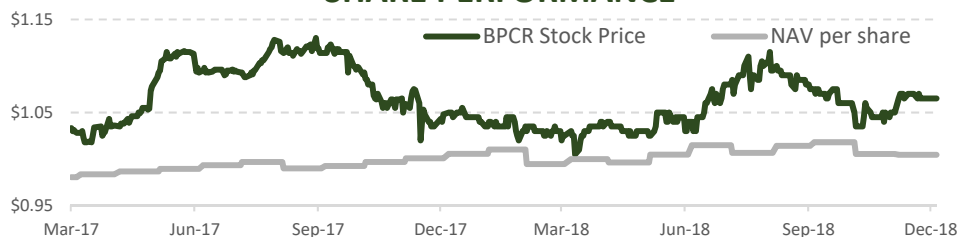
Ordinary shares	Assets		
Share price	\$1.07	Market capitalisation	\$1,463.2m
NAV per share	100.44 cents	Net assets	\$1,380.0m
Premium to NAV	6.03%	Fees	
Shares in issue	1,373.9m	Management fee	1% of NAV per annum
		Performance fee	10% ¹

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 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 that has been previously disclosed. On 22 January 2019, the Company notes an announcement released by GSK regarding the closing of its acquisition of TESARO. As a result of this transaction, TESARO will repay its \$500 million loan together with a make-whole and prepayment premium. The Company is expected to receive a payment of \$369.9 million on 23 January 2019 of which \$322 million is return of principal, \$2.2 million in accrued interest, \$36.0 million in make-whole amount and \$9.7 million in prepayment premium.
- Effective 5 December 2018, Stephanie Leouzon was appointed as a non-executive Director of the Company.
- In Q4 2018, the Company received three distributions amounting to \$58.2 million 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. The final asset held in BioPharma III, the Valneva loan, has been fully repaid and a final distribution to the Company is expected in January 2019.
- 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	(0.93%)	2.40%	1.72%	6.50%
NAV per share ³	(0.96%)	(0.03%)	0.36%	2.49%

- 1 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.
- 2 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.
- 3 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.

INVESTMENT TEAM



Pedro Gonzalez de Cosio
Investment Manager



Martin Friedman
Investment Manager



Pablo Legorreta
Investment Manager

BIOPHARMA

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	Stephanie Leouzon
ISIN	GB00BDGKMY29
SEDOL	BDGKMY2
Bloomberg	BPCR LN

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