

BIOPHARMA

— CREDIT PLC —

Debt Capital for the Life Sciences Industry



COMPANY PRESENTATION – December 2020

For additional information please email: ir@bpccruk.com
or visit BioPharma Credit's website at www.bpccruk.com

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- results can be positively or negatively affected by market conditions beyond the control of Pharmakon or the Company or any other person.
- market conditions at the times covered by the track record information may be different in many respects from those that prevail at present or in the future, with the result that the performance of investment portfolios originated now may be significantly different from those originated in the past.

There may be other additional risks, uncertainties and factors that could cause the returns generated by the Company to be materially lower than the track record information contained herein.

Experienced Management Team

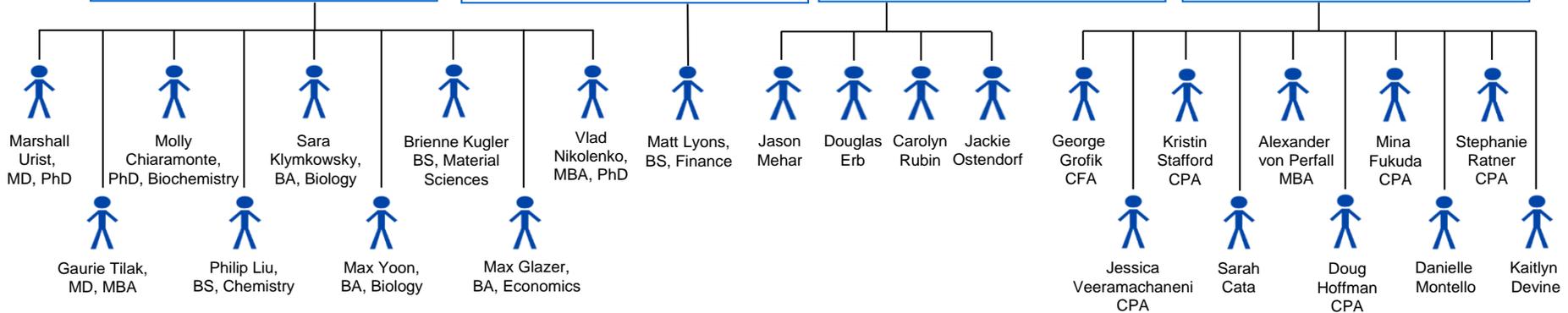
Pharmakon Advisors

<p>Pedro Gonzalez de Cosio <i>Co-Founder, Principal and CEO</i></p> <ul style="list-style-type: none"> ▶ Co-founded Pharmakon in 2009 after 17 years in structured finance investment banking 	<p>Martin Friedman <i>Principal</i></p> <ul style="list-style-type: none"> ▶ Joined Pharmakon in 2011 after 18 years in healthcare finance 	<p>Pablo Legorreta <i>Co-Founder and Principal</i></p> <ul style="list-style-type: none"> ▶ Co-Founded Pharmakon in 2009 ▶ Founded Royalty Pharma in 1996 
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<p>Scott Levitt, BSE, Bioengineering <i>Senior Associate</i></p>	<p>Simon Gruber, PhD, Biophysics <i>Senior Associate</i></p>	<p>Henri Fernandez, BA Public Policy <i>Senior Analyst</i></p>	<p>Patrick Fisher, BA <i>Vice President Investor Relations</i></p>	<p>Jeffrey Caprio, CPA <i>Controller</i></p>	<p>Adriana Benitez, CPA <i>Senior Accountant and Investor Relations</i></p>
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RP Management (Under Shared Services Agreement)

Research Team	Vice Chairman	Legal and Compliance Team	Finance Team
<p>Jim Reddoch, PhD <i>EVP and Head of Research</i></p> <ul style="list-style-type: none"> ▶ Joined in 2008 after 12 years in biotech equity research on Wall Street 	<p>Chris Hite <i>EVP and Vice Chairman</i></p> <ul style="list-style-type: none"> ▶ Joined in 2020 after 24 years advising pharmaceutical and biotech companies on M&A 	<p>George Lloyd <i>EVP and General Counsel</i></p> <ul style="list-style-type: none"> ▶ Joined in 2011 after 25 years in corporate law 	<p>Terrance Coyne <i>Chief Financial Officer</i></p> <ul style="list-style-type: none"> ▶ Joined in 2010 after 4 years in biotech equity research on Wall Street



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 \$180bn in R&D during 2018¹
- ▶ Industry dynamics create new debt investment opportunities
- ▶ No large dedicated lender or specialized debt market

Pharmakon Advisors, LP

An Experienced Investment Manager with a Strong Track Record

- ▶ \$4.7bn invested in 40 transactions backed by cash flows from life sciences products
- ▶ Four private funds expected to generate 10.4% unlevered weighted average annualized net returns²
- ▶ Core team has over twenty years' experience investing in life sciences debt and royalties
- ▶ Currently manages BioPharma Credit Investments V (“BioPharma-V”), a private fund with \$742 million in commitments
- ▶ Attractive investment pipeline with a long runway of investment opportunities

BIOPHARMA — CREDIT PLC —

BioPharma Credit Targets Strong Risk-Adjusted Returns

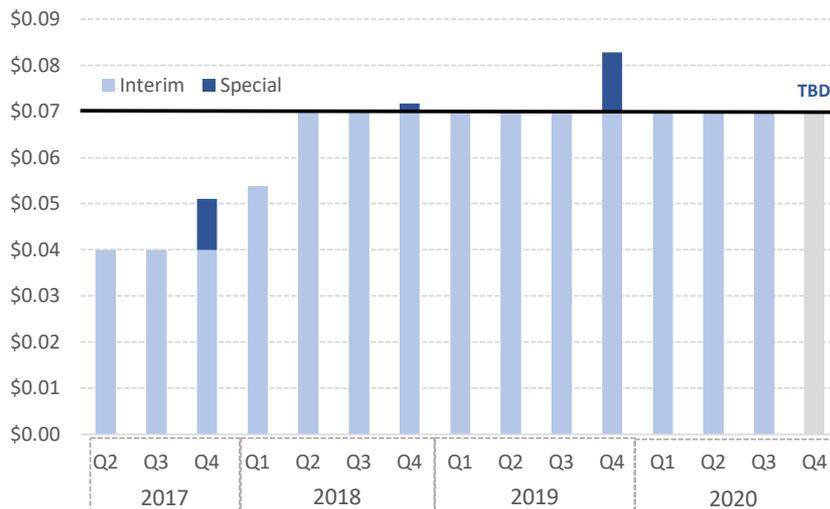
- ▶ Invests in loans, predominantly secured, in companies with approved, commercial stage products.
- ▶ Target total net return on NAV of 8-9% per annum over the medium term²
- ▶ Currently paying and will continue to target US\$0.07 annual dividend plus a variable special dividend paid annually

1. Source: Evaluate Pharma.

2. 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. Past performance is not an indication of future performance.

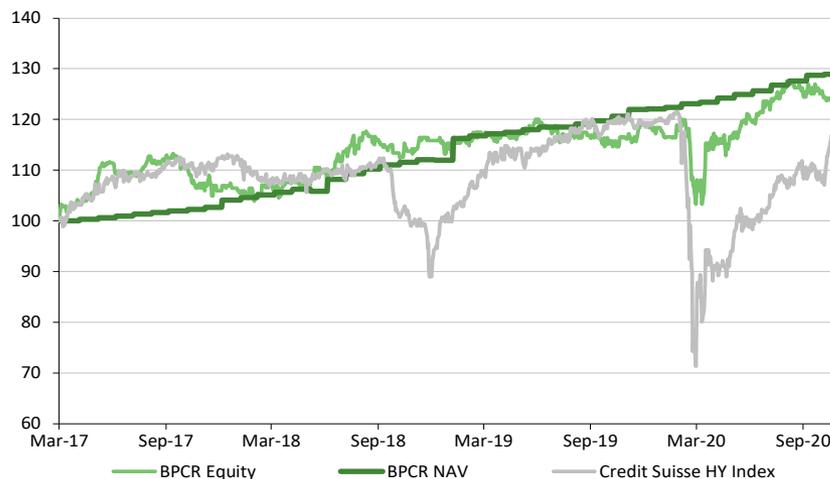
BPCR has generated consistent returns since IPO¹

BPCR annualized² dividends per share in US\$



- ▶ Interim dividend has consistently met the annualized \$0.07 target during the past ten quarters
- ▶ The interim dividend for Q4 is projected to again meet the \$0.07 annualized, while the size of the special dividend is still to be determined

Price and NAV TR performance³ since IPO



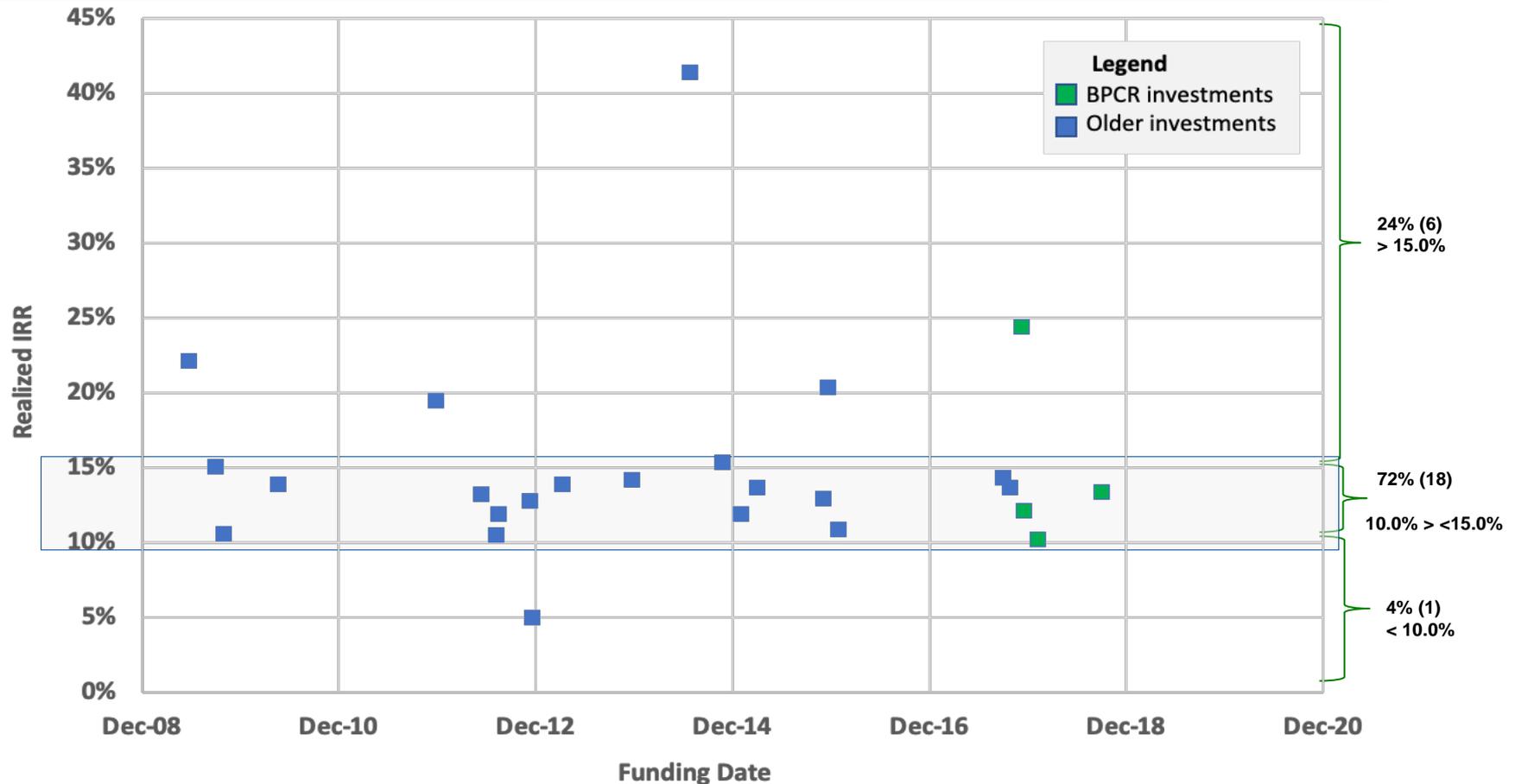
- ▶ A consistent dividend has led to a steady increase in NAV total return
- ▶ BPCR's predictable cash flows has allowed it to enjoy relatively low volatility

1. Past performance is not an indication of future performance.
 2. (Interim Dividend x 4) + Special Dividend if applicable.
 3. Source: Edison Research

Investment track record of mostly singles and doubles

– Emphasis on consistency and reduced risk

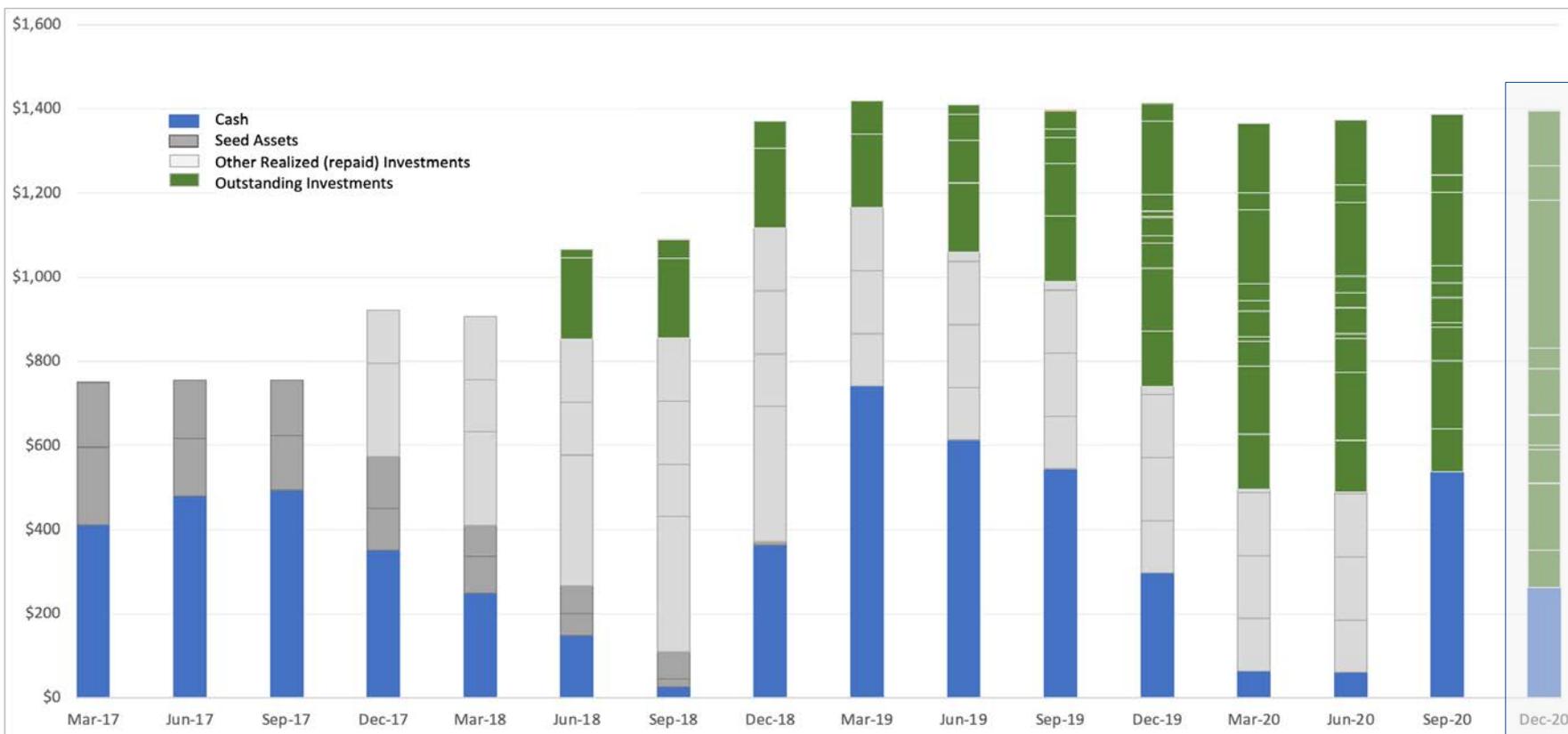
96% of past Pharmakon transactions have generated returns > 10%
(25 Realized Transactions)¹



1. Realized Internal Rate of Return to the Funds (Gross Returns). Excludes trading in convertible bonds. Past performance is not an indication of future performance.

New investments have allowed BPCR to broaden its diversification and deploy cash from capital raises and loan repayments

Evolution of BPCR Portfolio since IPO¹ (US\$m)



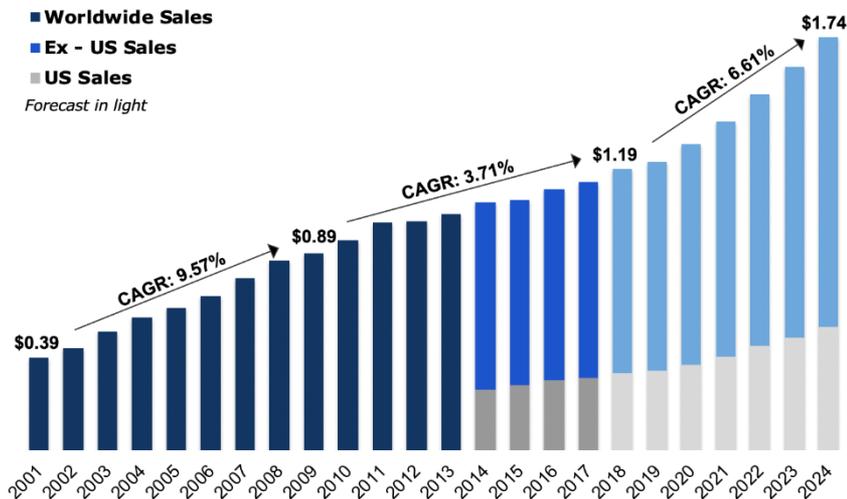
Seed Assets	\$340
Other realized	\$747
Amortizations	\$110
Total repayments	\$1,200

Total invested by BPCR since IPO **\$2,033**

1. Values represent principal amount outstanding at quarter end. December 2020 estimates include tranches funded after September 30 and assume no new investments or prepayments before year-end.

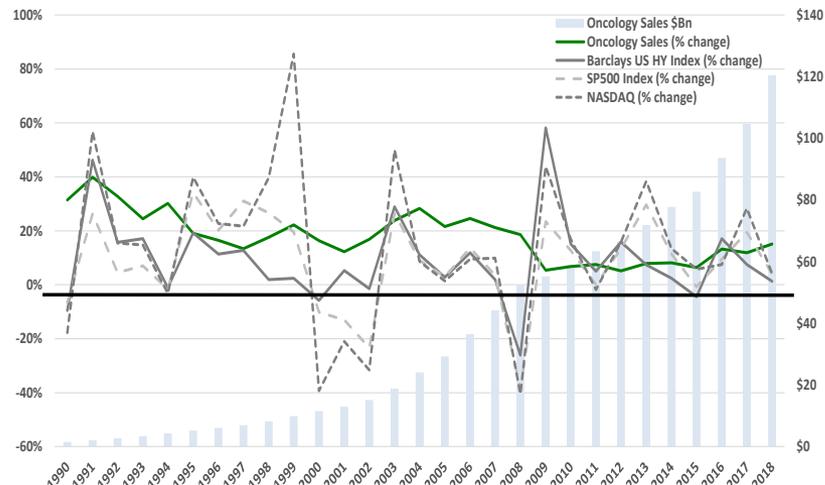
Life Sciences is a Large, Vital Industry with Sales that are Uncorrelated and Unaffected by Economic Cycles

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



Sources: IQVIA, EvaluatePharma
*Data for US Sales and Ex-US Sales unavailable 2001-2013

Annual Changes in Sales of Oncology Drugs vs Major Indices



Source: Bloomberg, Evaluate Pharma, Pharmakon Advisors

Growth Drivers

1 Growing Population

2 Ageing Population

3 Growing Demand From Countries in Transition

4 R/D/Innovation Create Large New Markets

Known Diseases:
~30,000

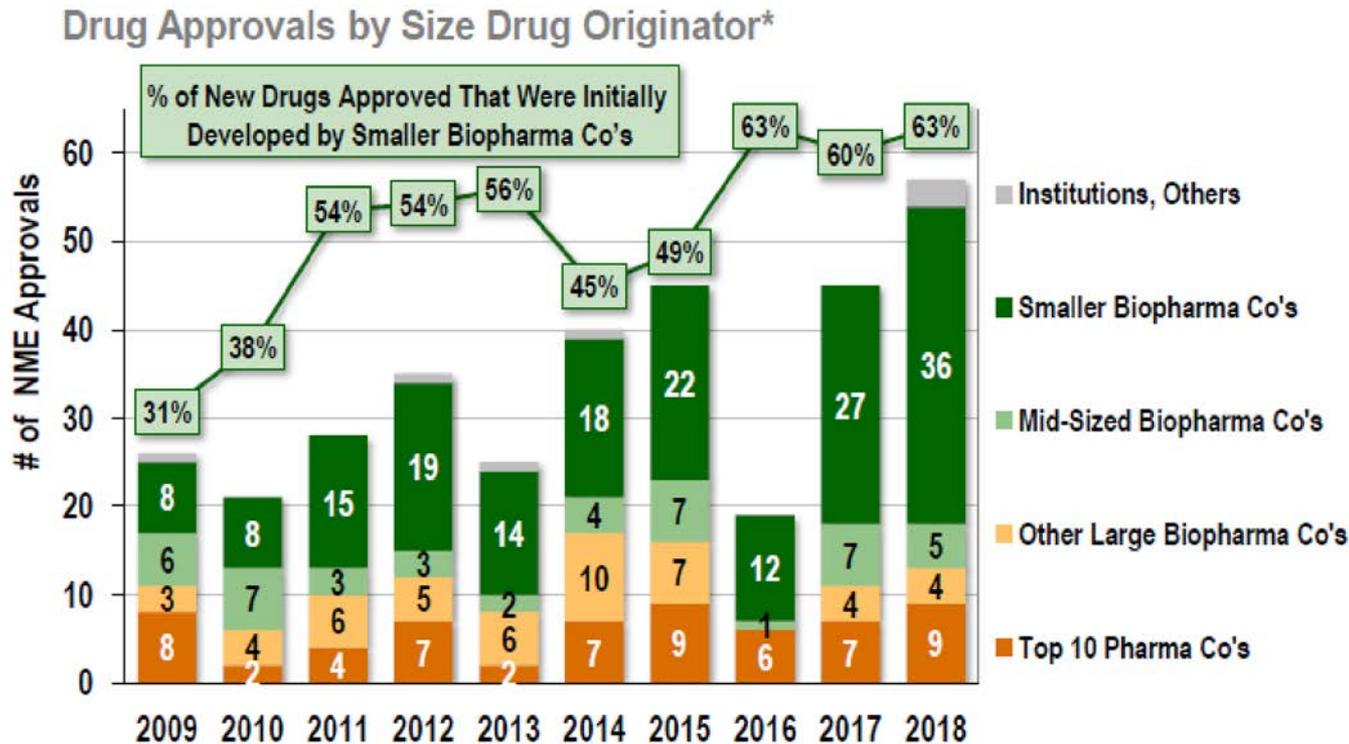
Existing Treatments:
~6,000 (only ~20%)

Correlations

	Barclays High Yield	SP500 Index	NASDAQ Index	Oncology Drugs
Barclays High Yield	100%	64%	60%	12%
SP500 Index	64%	100%	86%	1%
NASDAQ Index	60%	86%	100%	14%
Oncology Drugs (%)	12%	1%	14%	100%

Small and midsize companies (target borrowers) are involved in a majority of newly approved drugs

New product approvals lead to more companies with attractive collateral for BioPharma Credit funds.



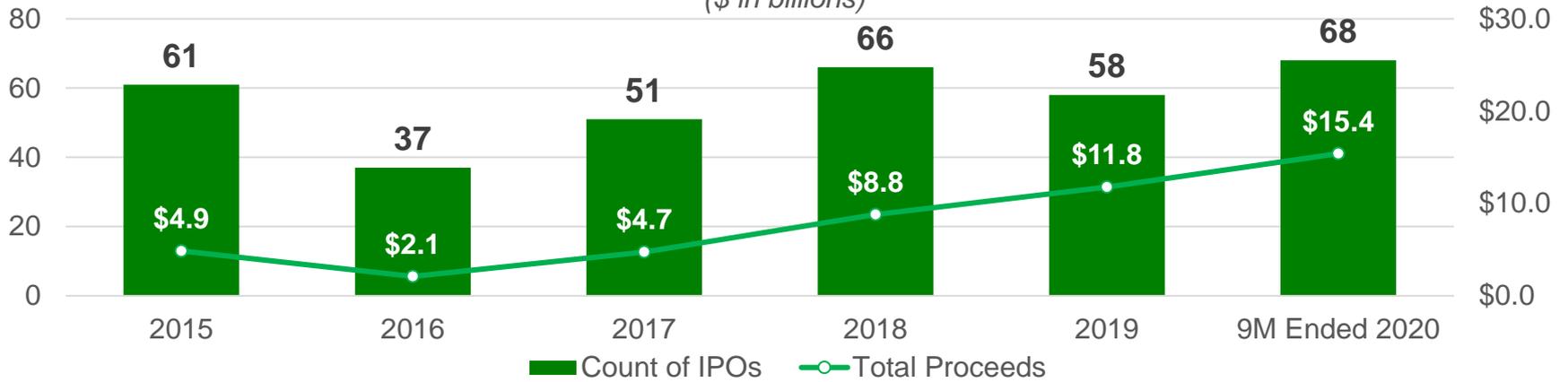
Source: FDA, HBM Analysis

HBM New Drug Approval Report 2019 HBM Partners

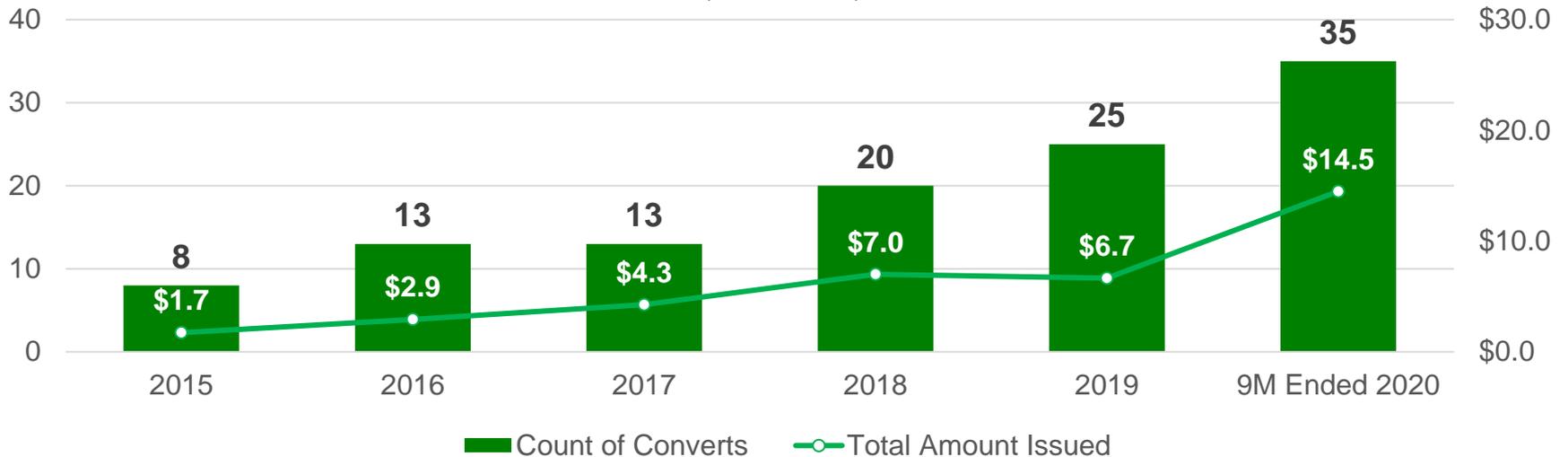
* The "Drug Originator" is the company that discovered the drug or undertook the first serious clinical development effort. Note: A significant number of new drugs were originally discovered at universities or research institutions and then transferred to a biopharma company for initial or further development. We have listed such institutions only as "originators" if the transfer to a company occurred after pre-clinical development.

The life sciences industry has benefited from healthy capital inflows, even in uncertain markets

IPO Proceeds and Count
(\$ in billions)



Converts Amount Issued and Count
(\$ in billions)



Funds managed by Pharmakon Advisors have invested over \$4.7bn across 40 transactions

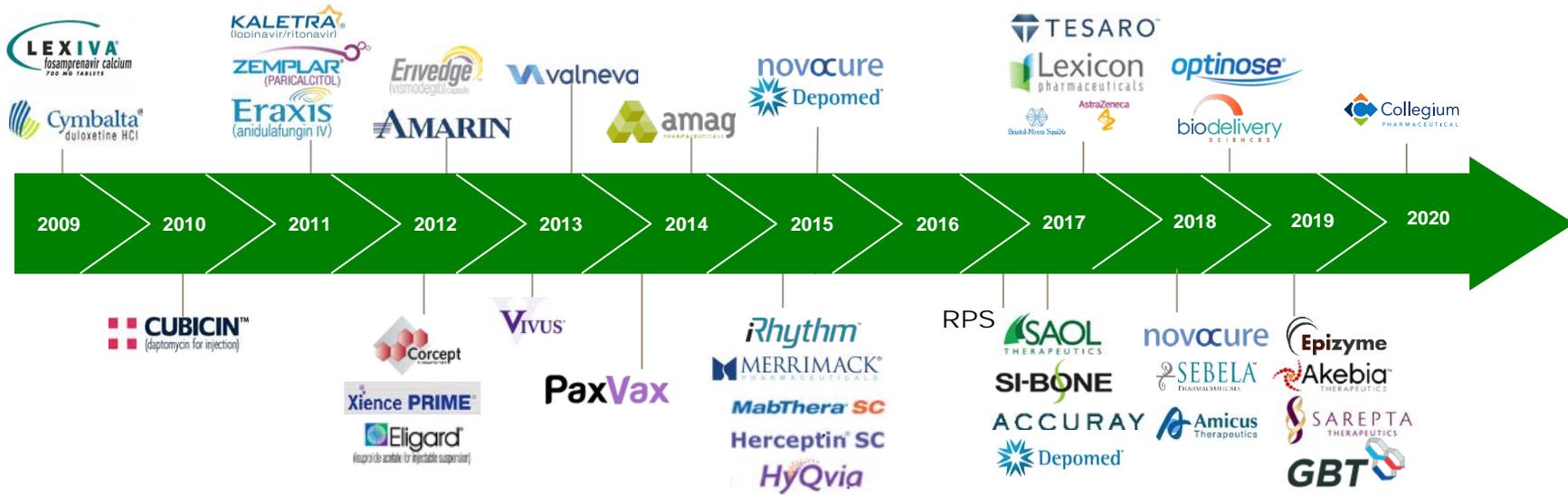
Pharmakon Advisors, LP

- ▶ Founded in 2009; manager of the BioPharma Credit funds
 - ▶ Five private funds and BioPharma Credit PLC, listed in the London Stock Exchange with a \$1.4 billion market cap
- ▶ \$4.7bn committed in 40 transactions
- ▶ 10.4% unlevered weighted average net returns on four private funds after all fees and expenses¹

Historical Investment Performance as of September 2019 (Private Funds)¹

Private Fund	I	II	III	IV	V
Launch Date	June 2009	March 2011	February 2013	December 2015	June 2019
Amount Raised	\$268.9m	\$363.1m	\$500.0m	\$512.9m	\$742.2m
Amount Invested	\$263.7m	\$343.0m	\$463.0m	\$512.0m	\$502.0m
Capital Returned %	130.1%	133.0%	133.1%	116.2%	1.5%
Unlevered Net IRR	11.3%	6.8%	11.3%	11.6%	N/A
Status	Termed	Termed	Termed	Harvesting	Investing

Investment History



1. Projected Internal Rate of Return to investors after fund fees and expenses (weighted average of four previous funds.). Past performance is not an indication of future performance

Appendix



\$150m senior secured corporate loan

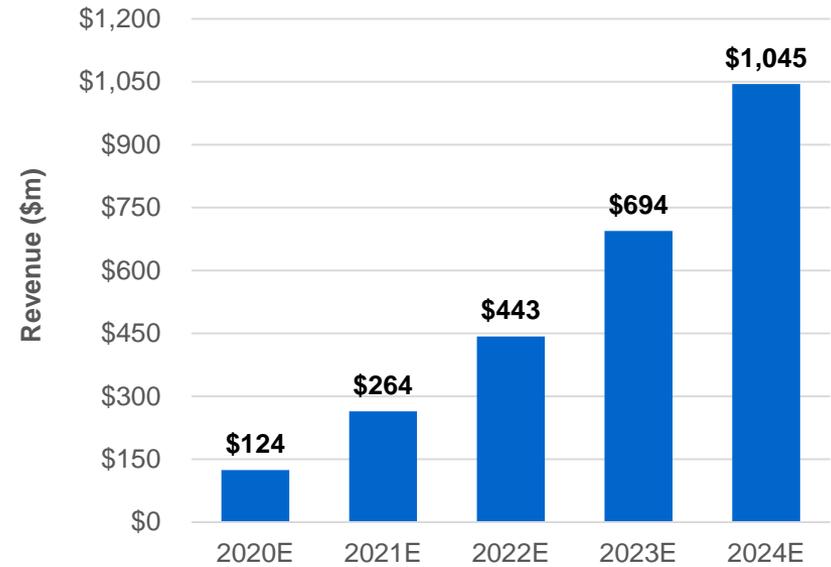


- ▶ **Global Blood Therapeutics:** biopharmaceutical company focused on developing and marketing therapies for sickle cell disease.
- ▶ **Market Cap:** \$3.4bn as of 9/30/20
- ▶ **Cash:** \$535m as of 9/30/20
- ▶ **Main Product:** Oxbryta (voxelotor) approved in November 2019 as an oral, once-daily therapy for patients with sickle cell disease

Investment:	
Investment Date:	December 17, 2019
Structure:	Secured Loan
Borrower:	Global Blood Therapeutics, Inc.
Loan Amount¹:	Up to \$150m Tranche A: \$75m Other tranches: \$75m
BioPharma-V Share:	45.0%
Maturity:	November 2026
Coupon²:	LIBOR + 7.00%
Amortization:	39 months interest only, then quarterly
Fees:	1.75% of commitment plus 2.00% upon repayment
Prepayment Terms:	3 year make whole plus 3%, 2% or 1% if prepaid before 3rd, 4th or 5th anniversary



Oxbryta median Analyst consensus estimate¹



Source: Pharmakon, Global Blood Therapeutics public disclosures, Wall Street Analysts
1 – Analyst estimates as of Q3 2020

¹ Original values. Future tranches may be subject to clinical and/or commercial milestones
² LIBOR loans may be subject to floors and caps



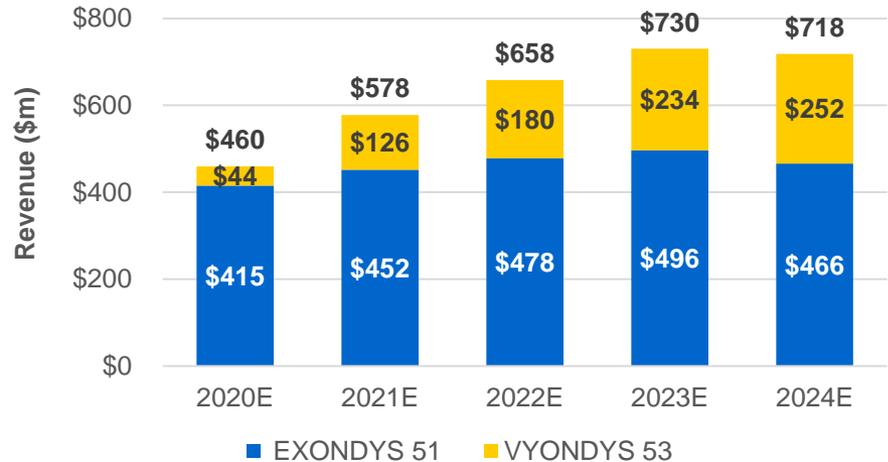
\$550m senior secured corporate loan

A MULTI-PLATFORM APPROACH TO THE PROBLEM



- ▶ **Sarepta Therapeutics:** Biopharmaceutical company focused on therapies for neuromuscular diseases.
- ▶ **Market Cap:** \$11.0bn as of 9/30/20
- ▶ **Cash:** \$1.8bn as of 9/30/20
- ▶ **Main products:** EXONDYS 51 (eterplirsen) approved September 2016 for the treatment of Duchenne muscular dystrophy (DMD) in patients who have a confirmed mutation of the *DMD* gene that is amenable to exon 51 skipping and VYONDYS 53 (golodirsen) approved December 2019 for the treatment of DMD in patients who have a confirmed mutation of the *DMD* gene that is amenable to exon 53 skipping

EXONDYS 51 and VYONDYS 53 median Analyst consensus estimate¹



Source: Pharmakon, Sarepta Therapeutics public disclosures, Wall Street Analysts
1 – Analyst estimates as of Q3 2020

Investment:	
Investment Date:	December 13, 2019
Structure:	Secured Loan
Borrower:	Sarepta Therapeutics, Inc.
Loan Amount¹:	\$550m Tranche A: \$250m Tranche B: \$300m
BioPharma-V Share:	30.0%
Maturity:	December 2024
Coupon²:	8.50%
Amortization:	Bullet
Fees:	1.75% & 2.95% upon drawing plus 2.00% upon repayment
Prepayment Terms:	2 year make whole plus 2% if prepaid before 3rd anniversary



¹ Original values. Future tranches may be subject to clinical and/or commercial milestones
² LIBOR loans may be subject to floors and caps



\$100m senior secured corporate loan

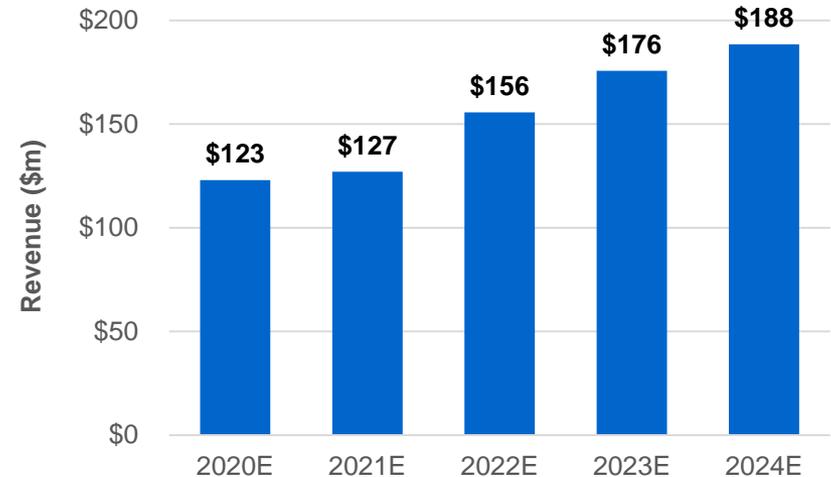


- ▶ **Akebia Therapeutics** is a biopharmaceutical company focused on the development and commercialization of therapeutic for patients with kidney disease.
- ▶ **Market Cap:** \$360m as of 9/30/20
- ▶ **Cash:** \$269m as of 9/30/20
- ▶ **Main product:** Auryxia® approved on September 2014 for Hyperphosphatemia in adult chronic kidney disease (CKD) patients on dialysis, and on November 2017 for iron deficiency anemia in adult patients with CKD not on dialysis. Vadadustat for anemia due to CKD in dialysis-dependent and non-dialysis dependent adult patients (approved in Japan on June 29, 2020).

Investment:	Akebia THERAPEUTICS
Investment Date:	November 11, 2019
Structure:	Secured Loan
Borrower:	Akebia Therapeutics, Inc.
Loan Amount¹:	Up to \$100m Tranche A: \$80m Other tranches: \$20m
BioPharma-V Share:	50.0%
Maturity:	November 2024
Coupon²:	LIBOR + 7.50%
Amortization:	33 months interest only, then quarterly
Fees:	2.00% of commitment
Prepayment Terms:	2 year make whole plus 2% or 1% if prepaid before 3rd or 4th anniversary



Auryxia median Analyst consensus estimate¹

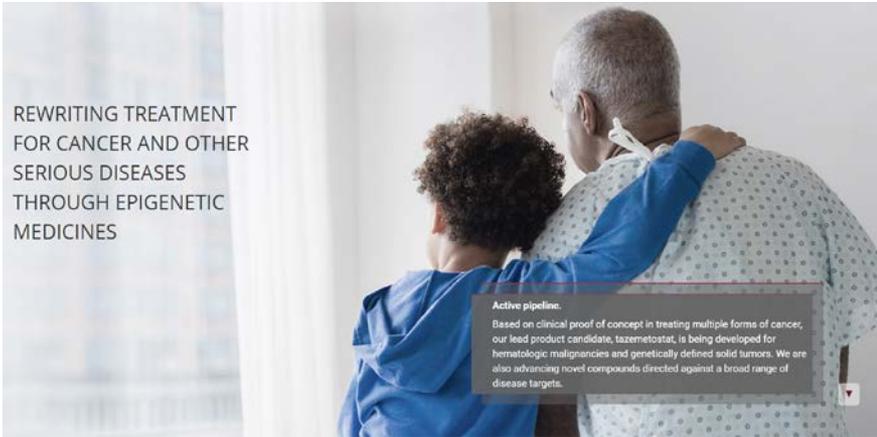


Source: Pharmakon Advisors, Akebia public disclosures, Wall Street Analysts
1 – Analyst estimates as of Q3 2020

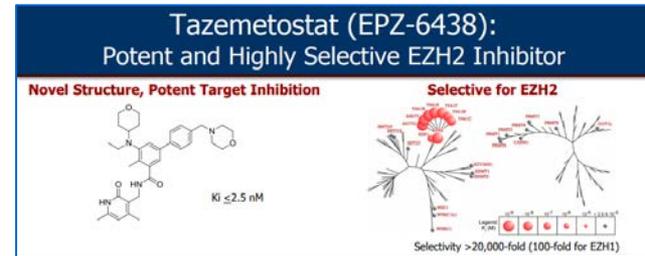
¹ Original values. Future tranches may be subject to clinical and/or commercial milestones
² LIBOR loans may be subject to floors and caps



\$220m senior secured corporate loan

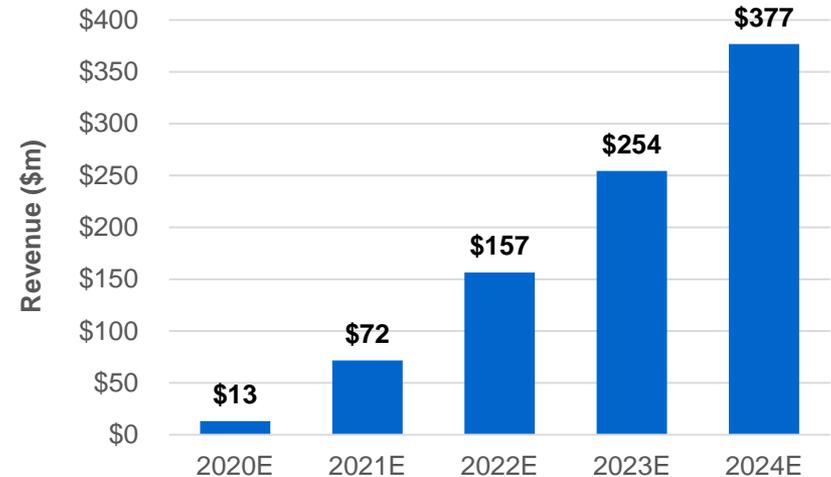


- ▶ **Epizyme:** Biopharmaceutical company focused on cancer and other diseases through novel epigenetic medicines.
- ▶ **Market Cap:** \$1.2bn as of 9/30/20
- ▶ **Cash:** \$280m as of 9/30/20
- ▶ **Main Product:** Tazverik – an oral, first-in-class, selective small molecule drug for the treatment of a broad range of cancer types in multiple treatment settings including epithelioid sarcoma (approved January 23, 2020) and Relapsed/Refractory Follicular Lymphoma (approved June 18, 2020)



Investment:	
Investment Date:	November 18, 2019
Structure:	Secured Loan
Borrower:	Epizyme, Inc.
Loan Amount¹:	\$220m Tranches A-C: \$70m Tranche D: \$150m
BioPharma-V Share:	50.0%
Maturity:	November 2025
Coupon²:	LIBOR + 7.75%
Amortization:	39 months interest only, then quarterly
Fees:	2.00% of commitment
Prepayment Terms:	3 year make whole plus 3%, 2% or 1% if prepaid before 2nd, 3rd or 4th anniversary

Tazverik median Analyst consensus estimate¹



¹ Original values. Future tranches may be subject to clinical and/or commercial milestones
² LIBOR loans may be subject to floors and caps

Source: Pharmakon, Epizyme public disclosures, Wall Street Analysts
 1 – Analysts estimates as of Q3 2020



\$130m senior secured corporate loan

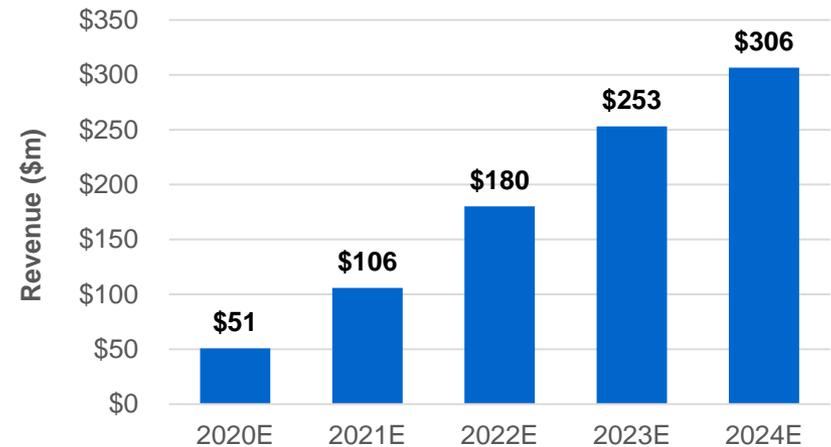


- ▶ **Optinose:** Specialty pharmaceutical company focused on products for patients treated by ear, nose, and throat (ENT) and allergy specialists.
- ▶ **Market Cap:** \$203m as of 9/30/20
- ▶ **Cash:** \$143 as of 9/30/20
- ▶ **Main product:** XHANCE® – fluticasone propionate nasal spray approved on September 2017 for the treatment of nasal polyps in patients 18 years or older



Investment:	
Investment Date:	September 12, 2019
Structure:	Secured Loan
Borrower:	Optinose, Inc.
Loan Amount¹:	Up to \$150m Tranche A: \$80m Other tranches: \$70m
BioPharma-V Share:	45.0%
Maturity:	September 2024
Coupon²:	10.75%
Amortization:	39 months interest only, then quarterly
Fees:	0.75% of drawn and undrawn + warrants
Prepayment Terms:	Not disclosed - in line with comparable deals

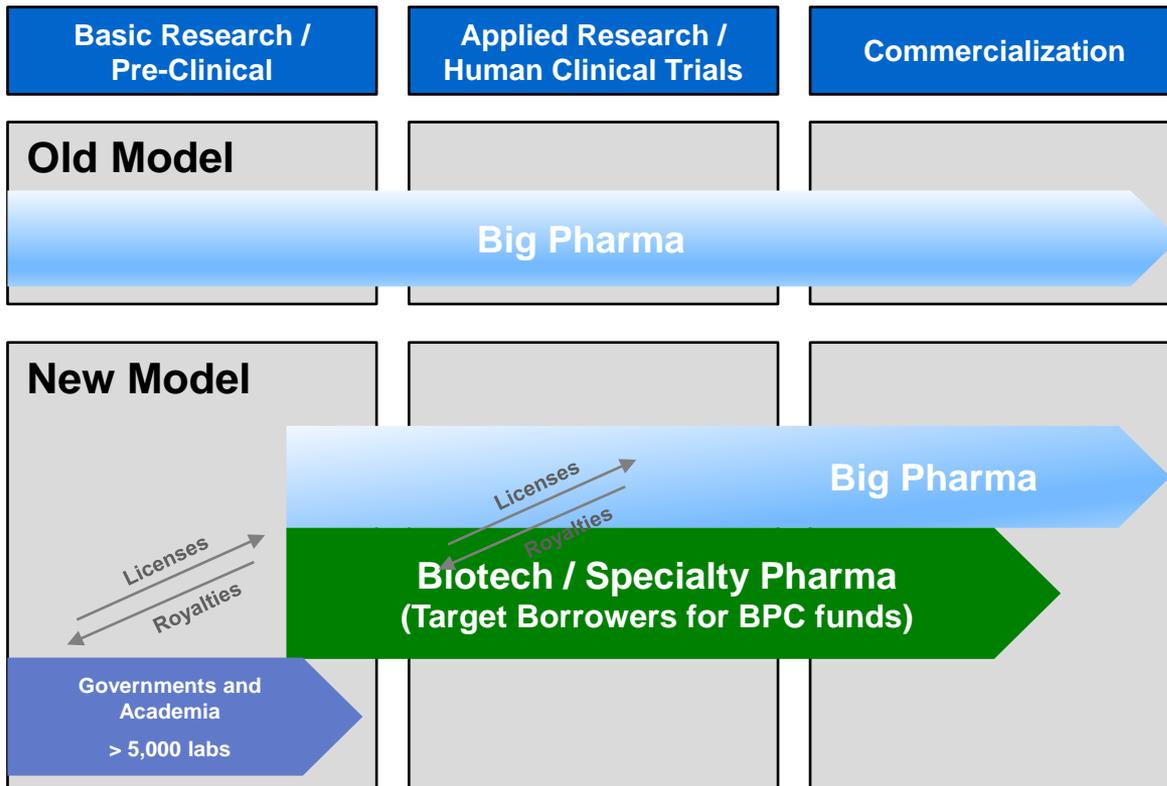
XHANCE median Analyst consensus estimate¹



¹ Original values. Future tranches may be subject to clinical and/or commercial milestones
² LIBOR loans may be subject to floors and caps

Source: Pharmakon Advisors, Optinose public disclosures, Wall Street Analysts
 1 – Analysts estimates as of Q3 2020

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



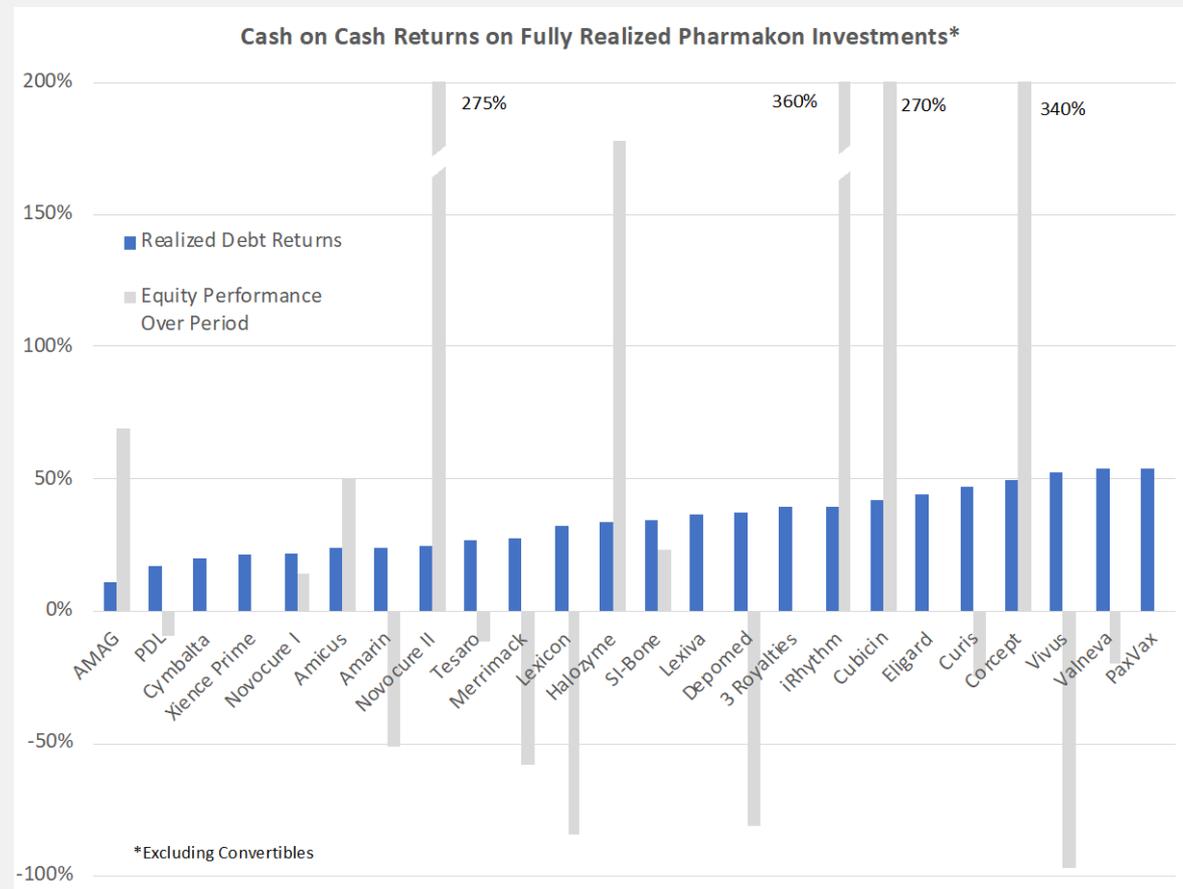
- *New product approvals result in more companies with attractive collateral for BioPharma Credit funds.*
- *Trend of Big Pharma selling non-core products to smaller companies also creates new lending opportunities.*

The right structure / LTV helps generate attractive returns on debt irrespective of equity performance

Life Sciences Debt Investments are less risky and are exposed to less volatility than the corresponding equity investments

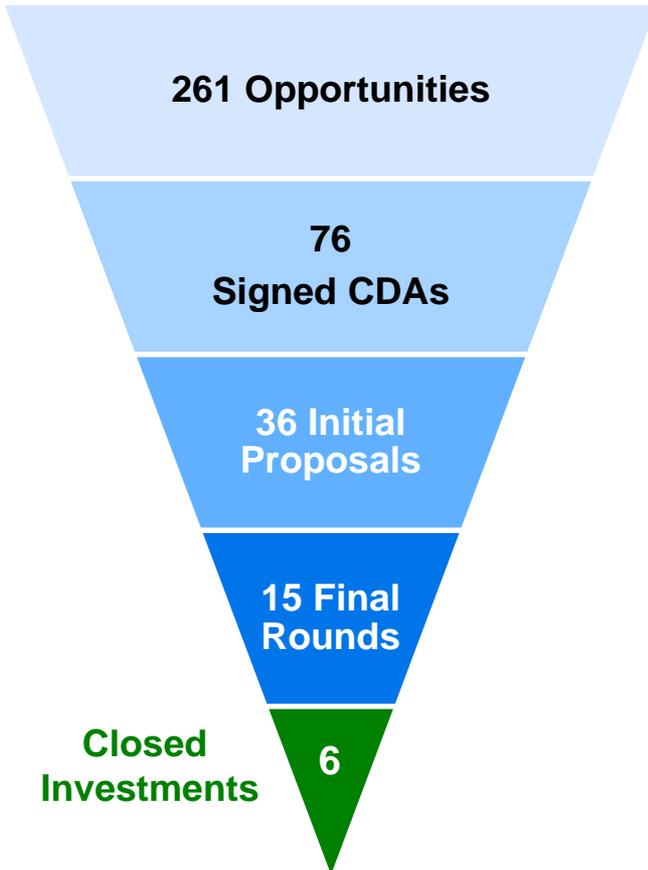
- The chart below shows the cash on cash returns of all past Pharmakon investments that have been fully realized (no payments remaining)
- While the realized returns of debt underperformed the equity in a few cases, as would be expected, the right structuring allowed for complete downside protection in debt investments even in cases where equity values dropped by > 90%

- Reasons for equity underperformance include:
 - Failures in pipeline products which, while not part of the credit analysis, can represent a majority of a company's equity value
 - Sales not meeting expectations of equity analysts and investors yet still ample enough to cover debt payments
 - Market volatility
 - Revised market expectations
- Even when product sales have disappointed, appropriate structuring and sizing have allowed past Pharmakon loans to perform well even when the equity has suffered greatly



Rigorous screening and evaluation of opportunities

2019 Pharmakon Opportunities



Closed Investments

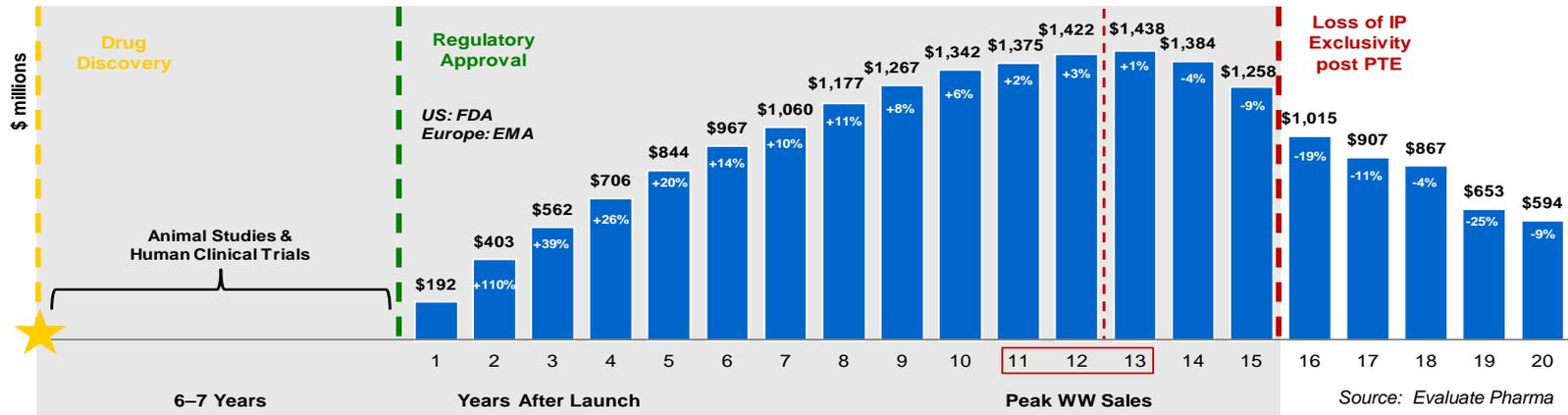
~2% Look-to-Book

Filters

- 1 Screened 261 opportunities. Initial screen focused on:
 - Viable, marketed product
 - Counterparty with financing need
- 2 76 opportunities met initial requirements. Performed initial diligence to:
 - Determine preliminary lending value
 - Assess marketer credit worthiness
- 3 Preliminary terms presented to 36 counterparties. Diligence continued to:
 - Confirm suitability, identify and evaluate risks
 - Finalise valuation and projections
- 4 15 final proposals submitted to counterparties. Factors contributing to the acceptance of these proposals include:
 - Loan to value
 - Alternative financing options (equity or converts)
 - Pricing
- 5 Closed 6 investments for BPCR and other Pharmakon clients. Committed/funded \$1.1bn

Pharma products generate predictable, patent protected cash flows and provide strong collateral across the many stages of product life

Top 500 Drugs Based on WW Sales Since 1986 – Average Annual WW Sales Since Year Of Launch



- | Risk Factors | Pre-Approval | Early Commercial | Mid Commercial | Mature Commercial | Genericized |
|--------------|--|--|---|---|-------------|
| | <ul style="list-style-type: none"> ▶ Approval: Product may never be approved ▶ Efficacy / Safety: Even if approved, may not have the right profile/label ▶ Pricing / Reimbursement: Unknown at this stage ▶ Commercial: High uncertainty ▶ Competition: Other therapies may be approved before target product ▶ IP: Low risk | <ul style="list-style-type: none"> ▶ Commercial: Depending on how early, difficult to estimate peak sales with accuracy ▶ Pricing / Reimbursement: Some products may have this resolved ▶ Competition: Should have visibility / diligenceable ▶ Efficacy / Safety: Should have visibility / diligenceable ▶ IP: Low risk at this point | <ul style="list-style-type: none"> ▶ IP: The longer a product is in the market the greater the risk of patent litigation from generic manufacturers ▶ Others: While most other risk factors are more predictable at this stage, loan amounts as a function of future cash flows will be greater leaving less room for error | <ul style="list-style-type: none"> ▶ Pricing / Reimbursement: Loss of insurance coverage and increasing barriers from remaining insurers ▶ Commercial: While genericized products have "tails" it is very hard to predict them individually | |

- | Risk Mitigants | Pre-Approval | Early Commercial | Mid Commercial | Mature Commercial | Genericized |
|----------------|--|--|---|--|-------------|
| | <ul style="list-style-type: none"> ▶ Do not invest or require cash-overcollateralization prior to approval: Pharmakon will monitor the product's evolution and maintain contact with management to assess future opportunities. In certain cases may structure loans that are over-collateralized with cash prior to the product being approved. | <ul style="list-style-type: none"> ▶ All about the product and indication: Innovative products in critical care conditions will have predictable minimum sales, favorable pricing / reimbursement and a reduced risk of competition or safety / regulatory issues ▶ High Selectivity: Majority of Pharmakon "No's" occur at this stage | <ul style="list-style-type: none"> ▶ In depth IP diligence ▶ Good predictability of future sales and cash flows: Potential peak sales becomes easier to predict as more physicians become experienced with the product, safety and efficacy is better understood, and there is greater clarity on competition and reimbursement ▶ Focus on loan to value: While cash flows and remaining value of a product are more predictable there is a need to leave a good margin of error. Majority of Pharmakon "Lost Deals" are in this stages because of conservative loan to value | <ul style="list-style-type: none"> ▶ High Selectivity: Pharmakon has not yet found an opportunity that meets the right risk/return profile | |