

HERBERT SMITH FREEHILLS ADVISES BIOPHARMA CREDIT PLC ON ITS US\$760 MILLION IPO

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Deals and cases

Herbert Smith Freehills' investment funds team in London has advised BioPharma Credit plc on its US\$760 million initial public offering and admission to trading on the Specialist Funds Segment of the London Stock Exchange. BioPharma Credit plc is a newly formed UK investment trust which will lend to companies in the life sciences industry. The loans will provide the Company exposure to royalty payments generated on sales of pharmaceutical and biopharmaceutical products.

BioPharma Credit plc will be managed by Pharmakon Advisors L.P., a US based investment adviser that currently manages commitments of c. US\$1.3 billion in four private funds with similar investment strategies.

Norton Rose Fulbright advised JPMorgan Cazenove and Goldman Sachs International, who are acting as joint bookrunners in connection with the IPO.

The Company will launch with two pools of seed assets through: (i) a limited partnership interest in one of Pharmakon's existing funds; and (ii) a loan to Royalty Pharma Select, a fund managed by Pharmakon's affiliate, Royalty Pharma, secured against the right to receive a proportion of royalty payments from 21 pharmaceutical products. The Company will issue shares in consideration for these seed assets. In addition, the Company raised cash through a placing and offer for subscription.

The transaction was led by Nigel Farr, assisted by Krishna Shorewala and Shantanu Naravane from the funds team, together with Adam Hickey, Ranil Goonetilleke and Zoe Wilson. Gabrielle Wong, together with Roberta Markovina and Nigela Houghton, advised on US finance issues relating to the seed assets. Aurell Taussig advised on UK tax. Dinesh Banani and Dennis Hermreck advised on US securities law.

Nigel Farr said, "This was an extremely complex IPO which presented a wide array of technical issues, many of them novel, primarily as a result of the seed asset acquisition process. The extremely successful launch demonstrates the appetite in the market for a novel and highly attractive investment proposition offering exposure to the healthcare industry. We are delighted to have been involved."

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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