GHIF: A NEW STREAM OF CAPITAL TO ACCELERATE THE DECLINE IN CHILD MORTALITY

- GHIF is a $108mm investment Fund which held its final close in December 2013

- The objective of the Fund is to provide capital to late stage projects or company’s developing late stage projects, to support final clinical trials and early stage commercialisation

- The fund targets drugs, vaccines, diagnostics and devices in infectious global health diseases which disproportionately impact populations living in the poorest countries in the World

- Lion’s Head was responsible for establishing the GHIF and now advises its Fund Manager – the GHIA

Causes of Death in Children Under 5 Years, 2013

- Pneumonia: 15%
- MNCH: 35%
- Diarrhoea: 9%
- Measles: 2%
- Malaria: 7%
- HIV/AIDS: 2%
- Injuries: 5%
- Congenital abnormalities and other non-communicable diseases: 11%
- Other: 14%
GHIF INVESTORS

- GHIF benefits from a diverse investor base brought together in a single fund for the first time.

- Investors were attracted by the Fund mission, commitment to generating a financial return and the partial capital guarantee.

- The largest investors are all represented in the Investor Advisory Committee.

- The Heads of Research & Development from BMGF, GSK, Merck and Pfizer, and an independent member from Imperial College London are represented on the Scientific Advisory Committee.

- The Charitability Oversight Committee is made up of representatives from BMGF, Grand Challenges Canada, KfW, and SIDA.
WHY QUALITY

Changing Landscape of 2015
THE MDG’S GAVE US FOCUS...

- Frontier Markets have been transformed since 2000
- The MDGs were not the only reason
  - The Commodity Supercycle and rise of China has been a key driver
  - Also, with a couple of key exceptions it was a period of relative peace
- But the MDGs gave the global community a common cause, that has led to debt forgiveness and a substantial improvement in raw human capital in developing countries, removing a key sea anchor
- What does this imply for the next 15 years?
- What is the impact we are looking to/need to achieve?
- Where should we be focusing?
THE SDG’S ARE MUCH BROADER

Dignity
End poverty and fight inequality

1. End Poverty in all its forms
2. End Hunger/malnutrition
3. Ensure healthy lives for all ages

People
Ensure healthy lives, knowledge and the inclusion of women and children

4. Ensure equitable access to education
5. Achieve gender equality
6. Access to sustainable water and sanitation
7. Ensure sustainable production/consumption
8. Combat HIV/AIDS, Malaria and other Infectious Diseases

Planet
Protect our ecosystems for all societies and our children

9. Take urgent action vs Climate Change
10. Conserve/ use Oceans and Seas sustainably
11. Manage ecosystems sustainably
12. Ensure healthy lives for all ages

Partnership
Catalyse global solidarity for sustainable development

13. Revitalise the Global Partnership for Development
14. Develop a Global Partnership for Development

Prosperity
Grow a strong inclusive and transformative economy

15. Build resilient infrastructure
16. Make cities safe and sustainable
17. Achieve sustained growth/full employment

Justice
Promote safe and peaceful societies and strong institutions

18. Promote peaceful and inclusive societies
GLOBAL MARKETS HAVE BECOME SIGNIFICANTLY MORE HOSTILE OVER THE PAST 12 MONTHS

- 2015 has seen currency volatility reach new highs
- Capital is becoming more expensive, with US Fed and Bank of England broadly advertising rate rises
- The el Niño effect is raising concerns for 2016

Source: Federal Reserve
THREAT OF PANDEMICS IS STRETCHING THE GLOBAL HEALTH ARCHITECTURE

- Ebola exposed the challenge of dealing with a pandemic in a developing country setting
- S. Korea and China successfully contained MERS, but at a high cost
- Influenza remains a significant concern
- China and S Korea tackled MERS because of history with SARS, the lessons from Ebola must similarly be maintained
- Global effort to strengthen WHO and associated organisations to improve surveillance and response
OUR MARKET IS CHANGING

- GAVI graduating Countries GNI per cap >$1,580

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VACCINES ARE ABOUT CHILDREN, WHERE ARE THEY?

- 6 million saved children extra every year, by 2030 the target is to halve again to 2.3%
- SSA Birth Cohort of 35 million vs India at 25 million and China at 18 million
- Africa’s population will be 200 million larger in 2030, with 35% of the World’s population under the age of 5
GHIF HAS INVESTED $23MM TO-DATE, WITH A FURTHER $10MM RECENTLY COMMITTED IN THE MNCH SECTOR

$8mm
Convertible Bond into Epistem for commercialisation of TB/HCV diagnostic
8-9 mm cases per year

$5mm
Loan and Equity Investment into EU Biologicals of Korea for commercialisation of Cholera Vaccine
3-5mm cases per year

$10mm
Commercialisation Agreement for Registration of Moxidectin for River Blindness
18 million infected
There is an unprecedented need for investment into the global health vaccine sector

- Expansion of manufacturing capacity of existing vaccines
- Late Stage clinical trials of new vaccines
- Tech transfer of new platform technologies