

Project Iris (THC)

Potential acquisition of up to a 10% royalty on U.S. net sales of the first generic version of THC, a complex biologic used in chronic autoimmune disorders.

Transaction Snapshot

SPONSOR	Company A
PROGRAM	First generic version of THC
STATUS	Newly signed in-house project
GEOGRAPHY	United States
LAUNCH	Targeted for Q1 2028
ROYALTY	Up to 10% of net sales
IP HORIZON	Protected through at least 2040
PROCEEDS	Growth support and broader portfolio advancement

Investment Highlights

- Exposure to a ~\$1.0bn market in 2025 projected to reach ~\$1.7bn by 2028 and exceed \$2.0bn by 2030.
- First-generic positioning in a complex biologic category serving chronic autoimmune disorders.
- Advanced synthetic manufacturing is expected to support materially higher gross margins than Company A and Company B.
- Robust IP is expected to provide meaningful barriers to entry through at least 2040.
- Sales are forecast to exceed \$100m in 2028 and scale to just over \$320m by 2030.

Market Context & Demand Expansion

2025 MARKET VALUE

~\$1.0bn

current category scale

2028E MARKET VALUE

~\$1.7bn

projected market size

2030E MARKET VALUE

>\$2.0bn

expected category scale

- Company B's relaunch since 2023 materially revitalized the category and doubled the market by 2025.
- Additional dosage forms due in 2026 are expected to improve adherence and compliance.
- Ongoing clinical readouts may expand the label beyond approved nephrology, neurology, rheumatology and pulmonology indications.
- The currently approved market remains significantly underpenetrated.

Sales Outlook

>\$100m → **>\$320m**

2028E sales

2030E sales

Management expects a sharp revenue ramp from launch year through 2030.

Company A expects its own sales to exceed \$100m in 2028 and grow to just over \$320m by 2030.

Royalty Opportunity

Up to 10% royalty on U.S. net sales

- Company A is considering offers for the purchase of a royalty interest to support business growth.
- Consideration is intended to help advance other development assets across the portfolio.
- The product is expected to benefit from complex-manufacturing barriers, long-dated IP and expanding market demand.
- Further information is available under NDA.

Execution Readiness, Economics & Protection

Differentiated route-to-market, attractive manufacturing economics and a long-duration protection profile support the quality of the proposed royalty stream.

Execution & De-risking Milestones

API PARTNER SELECTED

A well-known API developer has been chosen for the program.

CRITICAL STAGES ADVANCED

The API has already progressed through key development stages.

FDA INTERACTION <90 DAYS

Next discussion is scheduled to review results and route-to-market.

U.S. LAUNCH Q1 2028

Commercial launch is targeted for the first quarter of 2028.

Critical technical work has already advanced, and management is moving toward the next FDA discussion.

Margin Profile & Competitive Positioning

~60%

Company B disclosed current gross margin

- Company A's advanced synthetic process is expected to support significantly higher gross margins than current competitors.
- The category was historically anchored by Company A and materially expanded following Company B's NDA relaunch.
- Complex manufacturing may create practical barriers to additional generic competition.

IP Protection & Barriers to Entry

Protection expected through at least 2040

- Company A has assembled a robust proprietary IP portfolio around its THC program.
- Management expects the program's protection and barriers to entry to extend to at least 2040.
- Product complexity and manufacturing sophistication are expected to support defensibility of the royalty stream.
- Royalty sale proceeds are intended to advance the broader development portfolio.

Illustrative Value Creation Timeline



Company A intends to use royalty consideration to advance its broader development asset portfolio.