

Large Private Credit Transactions are on the Rise with Blackstone at the Forefront of the Trend

Private Credit Moving Up Market

The private credit market has recently seen both an increase in the number and size of large private debt transactions. Strong private equity sponsor (“sponsor”) activity is one driver of the trend. Sponsors who are acquiring large companies are increasingly choosing private solutions versus public credit, as they are seeing the many benefits of working directly with a private lender.

Power of Blackstone’s Scale

When it comes to large-scale transactions, Blackstone Credit is at the forefront of the trend. In 2021, Blackstone Credit executed some of the largest transactions in the industry. Large-scale deals are attractive to us because there are fewer firms that can compete for these transactions. The air is thinner, and therefore, we can differentiate ourselves with flexible financing solutions, certainty of execution, and value creation for portfolio companies. Since there is less competition, we often receive better terms in these situations than lenders would in a more competitive situation, making these attractive risk-adjusted transactions. Moreover, larger companies oftentimes have a better risk profile. They are typically stronger businesses with an industry leading position and a more experienced management team. The average loan-to-value of these large scale transactions is less than 40%, which means over 60% of sponsor-backed equity is behind our senior secured debt tranche.

AUCTANE

In July 2021, Blackstone Credit committed to the majority of a \$2.6 billion first lien debt financing for Auctane (formerly known as Stamps.com), a leading provider of software-based mailing, shipping and postage solutions, to support the acquisition of Auctane at approximately \$6.6 billion. The Auctane debt financing ranked as the largest new direct loan ever done in the private market at the time.



In July 2021, Blackstone Credit provided \$1.8 billion⁽¹⁾ of a \$2.15 billion first lien facility (consisting of a \$2.0 billion first lien term loan and a \$150 million revolver) to support a dividend recap for Cambium, a portfolio company of Veritas Capital. Cambium is a leading provider of digital supplemental education products and summative assessments to the K-12 education market, serving 75%+ of school districts across the US.

MEDALLIA

In August 2021, Blackstone Credit went on to lead its 2nd sizeable commitment to another Thoma Bravo deal, Medallia Inc. along with other lenders, providing a total debt financing of \$1.8 billion to support Thoma Bravo’s acquisition of Medallia Inc. for approximately \$6.4 billion. Medallia is a market leader in customer, employee, citizen and patient experience and uses proprietary artificial intelligence and machine learning technology to automatically reveal predictive insights that drive business actions and outcomes.



In August 2021, Blackstone Credit committed to provide \$1.7 billion⁽²⁾ of a \$3.3 billion financing package to support the take-private of Inovalon by an equity consortium led by Nordic Capital including Insight Partners and 22C Capital. Inovalon is a leading provider of cloud-based healthcare data and analytics software that has built the largest primary healthcare dataset in the world. The Blackstone Credit-led financing consisted of a \$2.3 billion First Lien Term Loan, \$250 million delayed-draw term loan, and \$660 million Second Lien PIK Loan. Blackstone Credit also committed \$81 million of equity co-invest. The entire \$3.3 billion debt financing was privately placed, marking one of the largest private credit transactions in history.



In September 2021, Blackstone Credit served as a lead lender to provide \$750 million of a \$2.8 billion first lien senior secured financing package, which includes a \$2.6 billion first lien term loan and a \$200 million revolver, to refinance Insight Global’s existing debt and provide a dividend to shareholders including Harvest Partners and Leonard Green. Insight Global is a professional services company providing long-term, short-term, temporary-to-permanent, placement staffing, and enhanced staffing services to its Fortune 500 client base.



In October 2021, Blackstone Credit provided \$1.9 billion⁽³⁾ of a \$2.85 billion first lien facility (consisting of a \$2.65 billion first lien term loan and \$200 million revolver) to support the acquisition of The Dovel Group by Guidehouse, a Veritas portfolio company, and pay a shareholder dividend. Guidehouse is a leading provider of consulting services to the public sector and commercial markets, with management, technology, and risk consulting capabilities that help clients address mission critical issues. This marks Blackstone Credit's 2nd multi-billion dollar private financing for Veritas following their recapitalization of Cambium.



In October 2021, Blackstone Credit served as a sole lender and committed to a \$1.1 billion first lien senior secured financing package to support MSD Partner's acquisition of West Monroe Partners. West Monroe is a leading consultant for digital transformation, cybersecurity, and technology diligence projects.



In November 2021, Blackstone Credit served as a lead lender and committed to a large first lien senior secured financing package to support TPG's acquisition of Nintex from Thoma Bravo. Nintex is a provider of low code and no code workflow and process automation software that allows non-developers the ability to create applications to reduce labor-intensive or paper-heavy workflows. Blackstone Credit's ability to serve as lead lender and commit in scale provided TPG with certainty of financing for their bid.



In December 2021, Blackstone Credit served as a lead lender to provide ~\$1.0 billion of a \$1.2 billion first lien senior secured financing package, which includes a \$1.1 billion first lien term loan and a \$75 million revolver, to support the acquisition of NPD Group ("NPD") by Hellman & Friedman. NPD is a leading provider of consumer purchase data to non-consumer purchase goods manufacturers and retailers.

More Than Just Capital

Blackstone Credit not only serves as a one-stop-shop capital provider for companies and sponsors, but also as a partner to offer value creation to our portfolio companies, which is atypical for traditional lenders but a key differentiating factor for Blackstone Credit. The growing scale and capabilities at Blackstone Credit enable us to do transactions that would be impossible for a sub-scale manager. Blackstone Credit utilizes this scale and our platform to work with companies, offering ways to reduce cost, increase revenue, and manage risks. It is a virtuous cycle where the recognition of our capabilities and value-add as a partner to companies and sponsors is driving increased deal flow. Furthermore, we can provide an attractive economic package with the benefits of direct origination, passing on origination fees to our investors.

As we continue to grow Blackstone Credit's platform, we're focused on investing in good neighborhoods with supportive long-term secular tailwinds, which we think protects us as debtholders. The companies mentioned above are examples of this, along with other industries such as technology, tech-enabled businesses, and healthcare. While we're focusing more on those areas, we expect our portfolios to remain well diversified. We believe we're at the early stages of the adoption curve and that there is more to come.



In December 2021, Blackstone Credit served as the lead lender of a first lien senior secured financing package to support Thomas H. Lee Partners and Linden's investment in Smile Doctors. Smile Doctors is the largest orthodontics-focused dental support organization ("OSO") in the United States. Blackstone Credit leveraged platform knowledge of the OSO space to diligence the investment, including prior deal experience from Blackstone's Private Equity team.

mimecast

In December 2021, Blackstone Credit served as a lead lender and provided the majority of a \$2.2 billion first lien senior secured financing package, which includes a \$2.0 billion first lien term loan and a \$150 million revolver, to support the take-private acquisition of Mimecast Ltd by Permira. Mimecast is a leading cloud-native cybersecurity company that specializes in providing email security, email continuity, and archiving services solutions. Blackstone Credit's scale enabled it to anchor the financing and provide certainty to Permira.



In February 2022, Blackstone Credit committed to lead a first lien senior secured financing package to support Warburg Pincus' carveout of Pharma Intelligence, a leading provider of global pharma and life sciences analytics, from Informa PLC. Blackstone Credit's ability to serve as lead lender and commit in scale quickly provided Warburg Pincus with certainty of financing for their bid. Blackstone Credit was also able to leverage its previous experience in the Healthcare and Life Sciences industries throughout the underwriting process.

The information provided, including dollar amounts, represents the aggregated investment of all participating Blackstone Credit vehicles, including BCRED. Certain transactions included are pending transactions and there can be no assurances that such transactions will close.

1. Split between \$1.65 billion of the first lien term loan and the entire revolver (\$150 million).
2. Split between \$1.3 billion first lien term loan, \$138 million first lien delayed draw term loan, and \$261 million PIK loan.
3. Split between \$1.77 billion of the first lien term loan and \$134 million of the revolver.

Important Disclosure Information and Risk Factors

Summary of Risk Factors

Blackstone Private Credit Fund (“BCRED”) is a non-exchange traded business development company (“BDC”) that expects to invest at least 80% of its total assets (net assets plus borrowings for investment purposes) in private credit investments (loans, bonds and other credit instruments that are issued in private offerings or issued by private companies). This investment involves a high degree of risk. You should purchase these securities only if you can afford the complete loss of your investment. You should read the prospectus carefully for a description of the risks associated with an investment in BCRED. These risks include, but are not limited to, the following:

- We have limited prior operating history and there is no assurance that we will achieve our investment objectives.
- This is a “blind pool” offering and thus you will not have the opportunity to evaluate our investments before we make them. You should not expect to be able to sell your shares regardless of how we perform.
- You should consider that you may not have access to the money you invest for an extended period of time.
- We do not intend to list our shares on any securities exchange, and we do not expect a secondary market in our shares to develop prior to any listing.
- Because you may be unable to sell your shares, you will be unable to reduce your exposure in any market downturn.
- We have implemented a share repurchase program, but only a limited number of shares will be eligible for repurchase and repurchases will be subject to available liquidity and other significant restrictions.
- An investment in our Common Shares is not in the best interest of or suitable for you if you need access to the money you invest. See “Suitability Standards” and “Share Repurchase Program” in the prospectus.
- You will bear substantial fees and expenses in connection with your investment. See “Fees and Expenses” in the prospectus.
- We cannot guarantee that we will make distributions, and if we do we may fund such distributions from sources other than cash flow from operations, including the sale of assets, borrowings, return of capital or offering proceeds, and although we generally expect to fund distributions from cash flow from operations, we have not established limits on the amounts we may pay from such sources.
- Distributions may also be funded in significant part, directly or indirectly, from temporary waivers or expense reimbursements borne by Blackstone Credit BDC Advisors LLC (the “Adviser”) or its affiliates, that may be subject to reimbursement to the Adviser or its affiliates. The repayment of any amounts owed to our affiliates will reduce future distributions to which you would otherwise be entitled.
- We use and continue to expect to use leverage, which will magnify the potential for loss on amounts invested in us.
- We intend to invest in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as “junk,” have predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal. They may also

be illiquid and difficult to value.

- We do not own the Blackstone name, but we are permitted to use it as part of our corporate name pursuant to the investment advisory agreement between BCRED and an affiliate of Blackstone Inc. (together with its affiliates, “Blackstone”). Use of the name by other parties or the termination of the use of the Blackstone name under the investment advisory agreement may harm our business.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of these securities or determined if the prospectus is truthful or complete. Any representation to the contrary is unlawful.

This sales material must be read in conjunction with the BCRED prospectus in order to fully understand all the implications and risks of an investment in BCRED. This sales material is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus, which must be made available to you prior to making a purchase of shares and is available at www.BCRED.com. An investor should consider the investment objectives, risks, and charges and expenses of BCRED carefully before investing. Prior to making an investment, investors should read the prospectus, including the “Risk Factors” section therein, which contains a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition.

Numerical data is approximate and as of January 31, 2022, unless otherwise noted. The words “we”, “us”, and “our” refer to BCRED, unless the context requires otherwise.

Forward-Looking Statement Disclosure

Certain information contained in this document constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue” or other similar words, or the negatives thereof. These may include our financial projections and estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, and statements regarding future performance. Such forward-looking statements are inherently uncertain and there are or may be important factors that could cause actual outcomes or results to differ materially from those indicated in such statements. BCRED believes these factors include but are not limited to those described under the section entitled “Risk Factors” in its prospectus and any such updated factors included in its periodic filings with the Securities and Exchange Commission (the “SEC”), which will be accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in BCRED’s prospectus and other filings. Except as otherwise required by federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Additional Important Disclosures

This material was not created by any third-party registered broker-dealers or investment advisers who are distributing shares of BCRED (each, a “Dealer”). The Dealers are not affiliated with BCRED and have not prepared

the material or the information herein.

Investments mentioned may not be suitable for all investors. Any product discussed herein may be purchased only after an investor has carefully reviewed the prospectus and executed the subscription documents.

Alternative investments often are speculative, typically have higher fees than traditional investments, often include a high degree of risk and are suitable only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase volatility and risk of loss.

Opinions expressed herein reflect the current opinions of Blackstone as of the date appearing in the materials only and are based on Blackstone's opinions of the current market environment, which is subject to change. Stockholders, financial professionals and prospective investors should not rely solely upon the information presented when making an investment decision and should review the most recent prospectus, as supplemented, available at www.BCRED.com. Certain information contained in the materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. Certain information contained in the materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice.

Further, opinions expressed herein may differ from the opinions expressed by a Dealer and/or other businesses / affiliates of a Dealer. This is not a "research report" as defined by FINRA Rule 2241 and was not prepared by the research departments of a Dealer or its affiliates.

Blackstone Securities Partners L.P. ("BSP"), is a member of FINRA and is a broker-dealer whose purpose is to distribute Blackstone managed or affiliated products. BSP provides services to its Blackstone affiliates, not to investors in its funds, strategies or other products. BSP does not make any recommendation regarding, and will not monitor, any investment. As such, when BSP presents an investment strategy or product to an investor, BSP does not collect the information necessary to determine—and BSP does not engage in a determination regarding—whether an investment in the strategy or product is in the best interests of, or is suitable for, the investor. You should exercise your own judgment and/or consult with a professional advisor to determine whether it is advisable for you to invest in any Blackstone strategy or product. Please note that BSP may not provide the kinds of financial services that you might expect from another financial intermediary, such as overseeing any brokerage or similar account. For financial advice relating to an investment in any Blackstone strategy or product, contact your own professional advisor.

Past performance is no guarantee of future results. Actual results may vary. Diversification of an investor's portfolio does not assure a profit or protect against loss in a declining market.

Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Investors should consult their own tax and legal advisors as Dealers generally do not provide tax or legal advice. BDCs are generally not taxed at the corporate level to the extent they distribute all of their taxable income in the form of dividends. Ordinary income dividends are taxed at individual tax rates and distributions may be subject to state tax.

Each investor's tax considerations are different and consulting a tax advisor is recommended. Any of the data provided herein should not be construed as investment, tax, accounting or legal advice.

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Interests in alternative investment products are distributed by the applicable Dealer and (1) are not FDIC-insured, (2) are not deposits or other obligations of such Dealer or any of its affiliates, and (3) are not guaranteed by such Dealer and its affiliates. Each Dealer is a registered broker-dealer or investment adviser, not a bank.

Certain countries have been susceptible to epidemics or pandemics, most recently COVID-19. The outbreak of such epidemics or pandemics, together with any resulting restrictions on travel or quarantines imposed, has had and will likely continue to have a negative impact on the economy and business activity globally (including in the countries in which BCRED invests), and thereby is expected to adversely affect the performance of BCRED's investments. Furthermore, the rapid development of epidemics or pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, present material uncertainty and risk with respect to BCRED and the performance of its investments or operations.

Case Studies. The selected investment examples, case studies and/or transaction summaries presented or referred to herein may not be representative of all transactions of a given type or of investments generally and are intended to be illustrative of the types of investments that have been made or may be made by the Fund in employing the Fund's investment strategies. It should not be assumed that the Fund will make equally successful or comparable investments in the future. Moreover, the actual investments to be made by the Fund will be made under different market conditions from those investments presented or referenced and may differ substantially from the investments presented herein as a result of various factors. Prospective investors should also note that the selected investment examples, case studies and/or transaction summaries presented or referred to herein have involved Blackstone professionals who will be involved with the management and operations of the Fund as well as other Blackstone personnel who will not be involved in the management and operations of such Fund. Certain investment examples described herein may be owned by investment vehicles managed by Blackstone and by certain other third-party equity partners, and in connection therewith Blackstone may own less than a majority of the equity securities of such investment. Further investment details are available upon request.