

CIRCULAR

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO BIOPHARMA CREDIT PLC (THE “COMPANY”) ON WHICH YOU ARE BEING ASKED TO VOTE.

If you are in any doubt about the contents of this Circular or the action you should take, you are recommended to seek immediately your own personal financial advice from an appropriately qualified independent adviser authorised pursuant to the UK Financial Services and Markets Act 2000 if in the United Kingdom or otherwise regulated under the laws of your own country.

If you have sold or otherwise transferred all of your Shares, please send this Circular together with the accompanying Proxy Appointment at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

This Circular should be read as a whole. Your attention is drawn in particular to the letter from your Chairman which is set out on pages 5 to 9 of this Circular and which recommends that you vote in favour of the resolutions to be proposed at the extraordinary general meeting of the Company (“EGM”) referred to in this Circular. Your attention is also drawn to the section entitled “Action to be Taken” on page 8 of this Circular.

BIOPHARMA CREDIT PLC

(Incorporated in England and Wales with registered no.10443190 and registered as an investment company under section 833 of the Companies Act 2006)

Notice of Extraordinary General Meeting

Recommended proposals for the approval of certain Related Party Transactions

The Proposals described in this Circular are conditional on Shareholder approval at the EGM. Notice of the EGM to be held at 11:00 a.m. on 11 April 2018 at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG is set out at the end of this Circular.

Shareholders are requested to return a Proxy Appointment by one of the following methods: (i) in hard copy form by post, by courier or by hand to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or (ii) in the case of CREST members, by utilising the CREST electronic proxy appointment service (details of which are contained in this Circular), in any case so as to be received by the Company’s registrar, Link Asset Services, as soon as possible and, in any event, not less than 48 hours before the time at which the EGM (or any adjournment thereof) is to begin. In calculating such 48 hour period, no account shall be taken of any part of a day that is not a Business Day. Completion of a Proxy Appointment will not preclude a Shareholder from attending, speaking and voting in person at the EGM.

Goldman Sachs International (“**GSI**”), J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) (“**JPMC**” and together with GSI, the “**Joint Global Coordinators**”) and BofA Merrill Lynch (“**BAML**”, and together with the Joint Global Coordinators, the “**Joint Bookrunners**”) are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and are acting exclusively for the Company and no-one else in connection with the matters referred to in this Circular and will not regard any other person (whether or not a recipient of this Circular) as their client in relation to the matters referred to in this Circular. The Joint Bookrunners will not be responsible to anyone other than the Company for providing the protections afforded to their clients or for providing advice in relation to any transaction or arrangement referred to in this Circular.

Apart from the responsibilities and liabilities, if any, which may be imposed on GSI, JPMC and BAML under FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither GSI, JPMC, BAML nor any of their respective affiliates accept any responsibility or liability whatsoever for, nor make any representation or warranty, express or implied, concerning the contents of this Circular, including its accuracy, completeness or verification, or for any other statement made or purported to be made by the Company, or on the Company’s behalf, or by GSI, JPMC or BAML, or on behalf of GSI, JPMC or BAML in connection

with the Company and the matters described in this Circular and nothing in this Circular is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. To the fullest extent permitted by law, each of GSI, JPMC, BAML and their respective affiliates disclaim all and any duty, liability or responsibility whatsoever, whether direct or indirect and whether in contract, in tort, under statute or otherwise (save as referred to above), which it might otherwise have in respect of this Circular or any such statement.

Defined terms used in this Circular have the meanings ascribed to them in the section headed "Definitions" on page 12.

This Circular is not a prospectus and is not an offer to sell or a solicitation of any offer to buy any securities in the United States or in any other jurisdiction. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and the Company has not been, and will not be, registered under the U.S. Investment Company Act of 1940, as amended.

The Listing Rules applicable to closed-ended investment companies which are listed on the Premium Listing Segment of the Official List of the UK Listing Authority do not apply to the Company. However, the Directors intend that, as a matter of best practice and good corporate governance, the Company conducts its affairs in accordance with certain key provisions of the Listing Rules in such manner as they would apply to the Company were it admitted to the Official List under Chapter 15 of the Listing Rules. The UK Listing Authority will not monitor the Company's voluntary compliance with the Listing Rules applicable to closed-ended investment companies which are listed on the Premium Listing Segment of the Official List of the UK Listing Authority nor will it impose sanctions in respect of any failure of such compliance by the Company. The UK Listing Authority has not reviewed the contents of this Circular.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of forms of proxy for the EGM	11:00 a.m. on 9 April 2018
Extraordinary General Meeting	11:00 a.m. on 11 April 2018
Admission and dealings in C Shares issued in connection with Initial Admission commence	8:00 a.m. on 16 April 2018
CREST Accounts credited with uncertificated C Shares issued in connection with Initial Admission	As soon as possible after 8:00 a.m. on 16 April 2018
Where applicable, definitive share certificates despatched by post	By 27 April 2018
Placing Programme closes	13 March 2019

The above times and/or dates, other than those relating to the EGM, may be subject to change and, in the event of any such change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

All references to times in this document are to London times, unless otherwise stated.

PART I: LETTER FROM THE CHAIRMAN

BIOPHARMA CREDIT PLC

(Incorporated in England and Wales with registered no.10443190 and registered as an investment company under section 833 of the Companies Act 2006)

Jeremy Sillem (Chairman)
Colin Bond
Duncan Budge
Harry Hyman

Registered Office:
Beaufort House
51 New North Road
Exeter EX4 4EP

16 March 2018

To the Shareholders

Dear Sir or Madam

NOTICE OF EXTRAORDINARY GENERAL MEETING

RECOMMENDED PROPOSALS FOR THE APPROVAL OF CERTAIN RELATED PARTY TRANSACTIONS

1. INTRODUCTION

The Board wishes to seek Shareholder approval in connection with certain matters relating to the proposed issue of Issue Shares pursuant to the Placing Programme and Offer (the “**Issue**”) that was first announced on 8 March 2018 and launched under the Prospectus published on 14 March 2018. An extraordinary general meeting of the Company is being convened at which Independent Shareholders will be asked to consider the approval of, and vote on, certain Related Party Transactions that may arise with respect to certain Shareholders in the Company if they wish to participate in the Issue (together, the “**Proposals**”).

The purpose of this Circular is to provide Shareholders with details of, and to seek Shareholder approval for, the Proposals. This Circular includes notice of the EGM to be held at 11:00 a.m. on 11 April 2018 at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG.

The Board believes that the Proposals are in the best interests of the Company and its Shareholders as a whole and recommends that you vote in favour of the Resolutions at the EGM. You are therefore urged to complete and return your Proxy Appointment without delay, whether or not you intend to attend the EGM.

2. THE PROPOSALS

Background to and rationale for the Placing Programme and Offer

Pursuant to the IPO in March 2017, the Company raised gross proceeds of approximately US\$761.9 million. In December 2017, the Company raised an additional approximate US\$154.1 million through a further issue of Ordinary Shares. The Company currently has 914,252,831 Ordinary Shares in issue (the “**Existing Shares**”).

Since the IPO, the Existing Shares have generally traded at a premium to their Net Asset Value. In light of the continuing market demand for the Ordinary Shares, and having regard to the benefits of enlarging the Company, the Directors have determined to implement the Placing Programme and Offer. The Issue Shares will be issued when the Directors consider that it is appropriate to do so. New Ordinary Shares issued pursuant to the Placing Programme will be issued at prices which are not less than the latest published Net Asset Value per Ordinary Share plus issue expenses and such issues are therefore expected to be accretive to the Net Asset Value per Ordinary Share.

C Shares issued pursuant to the Issue will be issued at US\$1.00 per C Share and will convert into Correspondent Ordinary Shares in accordance with the Articles. The Company may issue new classes of C Shares before any existing class(es) of C Shares are converted into Correspondent Ordinary Shares.

In determining to initiate the Placing Programme and Offer, the Directors have also taken into account the desirability of limiting the premium to Net Asset Value at which the Ordinary Shares may trade from time to time in order to ensure that long-term Shareholders who regularly acquire Ordinary Shares are not disadvantaged by being required to pay a high premium in order to acquire additional Shares.

Currently up to 1,085,747,169 Issue Shares, whether C Shares or New Ordinary Shares, may be issued on a non pre-emptive basis under an existing authority granted to the Directors at the time of the IPO which expires on 28 February 2022 (unless previously renewed, revoked or varied by the Company in a general meeting). The Company will issue Issue Shares in excess of that limit on a non pre-emptive basis only if such authority is renewed and pre-emption rights are disapplied (and will issue only up to the lower of either 2,000 million Issue Shares in the aggregate or the limit set out in such renewed authority).

The Board believes that the Placing Programme and Offer should yield the following principal benefits:

- greater scope to develop and diversify the Company's portfolio;
- provide additional capital which will allow the Company to be well placed to take advantage of the investment opportunities which the Directors and the Investment Manager anticipate arising in the future;
- maintain the Company's ability to issue Shares to manage better the premium at which the Ordinary Shares trade to their Net Asset Value from time to time;
- offer the potential to enhance the Net Asset Value attributable to the Ordinary Shares through new issuance at a premium to Net Asset Value per Ordinary Share, after the related costs have been deducted;
- increase the size of the free float with the expectation of greater liquidity in the Ordinary Shares; and
- reduce the total expense ratio per Share by spreading the Company's fixed running costs over a larger Shareholder base.

It should be noted that the Issue is not being made on a pre-emptive basis and existing Shareholders may participate in the Issue on the same terms as any other third party investor. Therefore, Shareholders who choose not to participate in the Issue for an amount at least *pro rata* to their holding will have their percentage holding diluted.

The Issue is not conditional on the passing of any of the Resolutions.

The C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as those applying to holders of Ordinary Shares as set out in the Articles as if the C Shares and Ordinary Shares were a single class. Holders of any class of C Shares will be entitled to receive such dividends as the Directors may, in their absolute discretion, resolve to pay to holders of that class of C Shares out of assets attributable to holders of that class of C Shares.

Each class of C Shares will form a separate class of Shares and will convert into Correspondent Ordinary Shares upon certain specified conversion criteria occurring as described in the Prospectus. Each class of C Shares will have the same rights and characteristics. The Correspondent Ordinary Shares arising on the conversion of any class of C Shares will rank *pari passu* with the Ordinary Shares then in issue, including as to dividends declared or paid by reference to a record date falling after the relevant time for calculation of the conversion ratio.

The Joint Bookrunners have been appointed by the Company to use reasonable endeavours to procure subscribers for Issue Shares in accordance with the Placing Agreement. A summary of the material terms of the Placing Agreement is contained in paragraph 1 of Part II of this Circular.

Principal terms of the Related Party Transaction

The following Shareholders were (in the period of 12 months immediately prior to the expected date of Initial Admission) each a Substantial Shareholder of the Company and, therefore, are each a related party of the Company for the purposes of the Listing Rules (certain provisions of which the Company voluntarily complies):

- Invesco (as agent for and on behalf of its discretionary manager clients); and
- Prudential,

(each being a “**Related Party**” and, together, the “**Related Parties**”).

None of the Related Parties have made a commitment to subscribe for any Issue Shares under the Issue. One of the Related Parties, Invesco Asset Management Limited (as agent for and on behalf of its discretionary manager clients), has indicated its intention to participate in the Issue. Prudential may wish to participate in the Issue (on the same terms as the other investors). Participation by any of the Related Parties in the Issue will be treated as a related party transaction for the purposes of the Listing Rules (a “**Related Party Transaction**”) solely by reason of the size of its existing holding in the Company.

Each Related Party could subscribe for Issue Shares in the Initial Placing and Offer or any subsequent Placing under the Placing Programme (on the same terms as the other investors) without the approval of the relevant Independent Shareholders, provided that the size of the investment by the relevant Related Party over a 12 month period represented 0.25 per cent. or less of the size of the Company at the time of allotment to the relevant Related Party. Where the relevant percentage threshold over a 12 month period represents more than 0.25 per cent. but less than 5 per cent. of the Company at the time of allotment to the relevant Related Party, then approval of the relevant Independent Shareholders will be required unless the procedure under Listing Rules 11.1.10 is followed.

As part of the Ordinary Shares issuance in December 2017, Invesco subscribed for, on behalf of its clients, 30,002,730 Shares for a total consideration of US\$30,344,761. Additionally, M&G Investment Management Limited, an associate of Prudential, subscribed for, on behalf of its clients, 22,876,420 Shares for a total consideration of US\$23,137,211. The issue of shares to Invesco and M&G, both of which were Substantial Shareholders at the relevant time, amounted to smaller related party transactions as defined in Listing Rule 11.1.10 and, as such, the procedure under Listing Rule 11.1.10 was followed and the approval of Independent Shareholders was accordingly not needed at the time. Under Listing Rule 11.1.11, in relation to each of Invesco and Prudential, its subscription in December 2017, will be aggregated with any other subscriptions it makes under the Initial Placing and Offer and any subsequent Placing which are made prior to December 2018.

As a result of the Company’s voluntarily compliance with this provision of the Listing Rules, the Related Party Transactions will require the approval of the relevant Independent Shareholders because each of them may breach, in terms of size, certain specified thresholds under the Listing Rules. The Directors believe that the approval of the Related Party Transactions will be beneficial to the overall Issue and would be in the interests of all Shareholders.

Should any Related Party choose to participate in the Initial Placing and Offer or any subsequent Placing under the Placing Programme, then its application will be on the same terms as the other investors participating in that Placing or the Offer (as the case may be).

The Shareholders will approve each potential Related Party Transaction through Resolutions 1 and 2 (as the context requires), which are to be proposed as ordinary resolutions at the EGM. Invesco and The Prudential Assurance Company Limited (as beneficial holder of the relevant Ordinary Shares held by Prudential) will not vote on the Resolution that applies to their potential Related Party Transactions, and each has undertaken to take all reasonable steps to ensure that any of their respective associates will not vote on the relevant Resolution.

Details of the current shareholdings of major Shareholders are set out in paragraph 2 of Part II of this Circular.

3. RESOLUTIONS

You will find set out at the end of this Circular, a notice convening an EGM of the Company to be held at 11:00 a.m. on 11 April 2018. The resolutions to be proposed at the EGM will be proposed as two ordinary resolutions to approve the potential issue of Issue Shares to the Related Parties pursuant to each potential Related Party Transaction, on the basis explained in this Circular.

All persons holding Ordinary Shares at close of business on 9 April 2018, or if the EGM is adjourned, on the register of Shareholders of the Company 48 hours before the time of any adjourned EGM, shall be entitled to attend, speak or vote at the EGM and shall be entitled on a poll to one vote per Ordinary Share held. As at 15 March 2018 (being the latest practicable date prior to publication of this Circular), there were 914,252,831 Ordinary Shares in issue (with no Ordinary Shares held in treasury).

4. ACTION TO BE TAKEN

Whether or not you intend to attend the EGM, you should ensure that your Proxy Appointment is returned to the Company's registrars, Link Asset Services, by one of the following means:

- (1) in hard copy form by post, by courier or by hand to, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or
- (2) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the notice of the EGM.

In each case, the Proxy Appointment must be received by the Company not less than 48 hours before the time for holding of the EGM. In calculating such 48 hour period, no account shall be taken of any part of a day that is not a Business Day. To be valid, the relevant Proxy Appointment should be completed in accordance with the instructions accompanying it and lodged with the Company's registrars by the relevant time.

Completion and return of the Proxy Appointment will not affect a Shareholder's right to attend, speak and vote at the EGM.

A quorum consisting of two Shareholders present in person or by proxy is required for the EGM.

5. DOCUMENTS ON DISPLAY

Copies of each of: (i) the Articles; and (ii) the published annual report and audited accounts of the Company for the period ended 31 December 2017, will be available for inspection at: (i) the registered office of the Company at Beaufort House, 51 New North Road, Exeter EX4 4EP; and (ii) the offices of Herbert Smith Freehills LLP at Exchange House, Primrose Street, London EC2A 2EG, during normal business hours on any Business Day, from the date of this Circular until the conclusion of the EGM, and at the place of the EGM for at least 15 minutes prior to, and during, the EGM.

6. SETTLEMENT AND DEALING

Applications will be made to the London Stock Exchange and TISEA for the Issue Shares to be issued pursuant to the Initial Placing and Offer (and pursuant to each Placing thereafter) to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange and to listing and trading on the Official List of TISEA. It is expected that, subject to the satisfaction or waiver of the conditions in the Placing Agreement, Initial Admission will become effective, and dealings in C Shares issued pursuant to Initial Admission will commence, on 16 April 2018.

Except where the Company may determine (at its absolute discretion) otherwise, it is expected that all Issue Shares issued pursuant to the Initial Placing and Offer or any subsequent Placing will be issued in uncertificated form.

In respect of the Initial Placing and Offer, it is expected that the Company will arrange for Euroclear to be instructed on 16 April 2018 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to the C Shares issued pursuant to Initial Admission. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the

Company. Definitive certificates in respect of the C Shares issued pursuant to the Initial Placing and Offer in certificated form will be dispatched by post by 27 April 2018. Temporary documents of title will not be issued.

C Shares initially issued in certificated form may subsequently be deposited into CREST in accordance with normal CREST procedures.

7. RECOMMENDATION

The Board, which in respect of the Related Party Transactions has been so advised by JPMC, considers the Related Party Transactions to be fair and reasonable so far as the Shareholders are concerned. In providing its advice to the Board, JPMC is acting in a non-sponsor capacity and has taken into account the commercial assessment of the Board.

The Board considers that the Proposals and the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions at the EGM.

The Directors intend to vote in favour of each of the Resolutions in respect of their own beneficial holdings of Ordinary Shares (amounting to an aggregate 600,000 Ordinary Shares*, representing approximately 0.07 per cent. of the issued share capital of the Company) as at the date of this Circular.

Yours faithfully

Jeremy Sillem
Chairman

* The legal and beneficial interest in 50 per cent. of Mr Budge's 100,000 Ordinary Shares is held by Mrs Budge.

PART II: ADDITIONAL INFORMATION

1. MATERIAL CONTRACTS

Placing Agreement

Pursuant to the Placing Agreement dated 14 March 2018 between the Company, the Investment Manager and the Joint Bookrunners, subject to certain conditions, each of the Joint Bookrunners has agreed to use their reasonable endeavours to procure placees for Issue Shares under the Placing Programme.

The Placing Agreement (or the relevant Placing) may be terminated by either of the Joint Global Coordinators in certain customary circumstances at any time prior to the earliest of: (i) 13 March 2019; (ii) the date on which all of the Issue Shares available for issue under the Issue have been issued; and (iii) such other date as may be agreed between the Company, the Investment Manager and the Joint Bookrunners in writing.

The obligations of the Joint Bookrunners to use their reasonable endeavours to procure subscribers for Issue Shares are conditional upon certain conditions that are customary for agreements of this nature. These conditions include, among others: (i) in relation to the Initial Placing and Offer, Initial Admission occurring and becoming effective by 8:00 am London time on or prior to 16 April 2018 (or such later time and/or date, not being later than 30 April 2018, as the Company and the Joint Global Coordinators may agree); (ii) in relation to any subsequent Placing, the relevant Admission occurring on or prior to the applicable closing date selected for such subsequent Placing or such other date as may be agreed between the Company and the Joint Global Coordinators prior to the closing of the relevant subsequent Placing); and (iii) the Placing Agreement not having been terminated in accordance with its terms.

The Company has agreed with the Joint Bookrunners that it will not, without the prior written consent of each of the Joint Global Coordinators, during the period of 90 days after Initial Admission, directly or indirectly, issue, offer or otherwise transfer or dispose of any shares in the capital of the Company or any interest in such shares.

If the Company proposes to undertake a Company Placing after the Initial Placing and Offer, it shall notify the Joint Bookrunners of that fact and any of the Joint Bookrunners shall be entitled to require that the relevant Placing also includes a Bookrunner Placing. Prior to undertaking a Company Placing, the Company shall consult with the Joint Bookrunners in good faith with regards to: (i) the identity of the proposed Placees procured by the Company; (ii) the size and timing of the proposed Company Placing; (iii) the appropriate class or classes of Issue Shares to be issued in respect of the Company Placing; and (iv) the applicable cap on the aggregate costs and expenses (including commission) in respect of the subsequent Placing. No closing of a Company Placing may occur without the prior consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed.

After the Initial Placing and Offer, the Company, the Investment Manager and the Joint Bookrunners will consult with each other in good faith with regards to (i) the size, timing and frequency of Bookrunner Placings under the Placing Programme and whether or not a Company Placing shall be made alongside the relevant Bookrunner Placing; (ii) to the extent any Bookrunner Placing includes New Ordinary Shares, the applicable Issue Price of such New Ordinary Shares and (iii) the appropriate class or classes of Issue Shares to be issued in respect of a Bookrunner Placing. No closing of a Bookrunner Placing may occur without the prior consent of the Company, the Investment Manager and the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed.

Each of the Joint Bookrunners will be entitled to a commission in respect of the Issue together with an equity structuring fee payable to JPMC. Each of the Joint Bookrunners will also be entitled to reimbursement of all costs, charges and expenses incurred by them of, or incidental to, the Issue, the Admission of Issue Shares and satisfaction of any of the conditions under the Placing Agreement.

The Company and the Investment Manager have given warranties to the Joint Bookrunners concerning, amongst others, the accuracy of the information contained in the Prospectus. The Company and Investment Manager have also given indemnities to the Joint Bookrunners. The warranties and indemnities given by the Company and the Investment Manager are standard for an agreement of this nature.

The Placing Agreement is governed by the laws of England and Wales.

2. MAJOR SHAREHOLDERS

As at the date hereof, insofar as is known to the Company, the following persons are directly or indirectly interested in 3 per cent, or more of the Company's total voting rights:

Name	Number of Ordinary Shares	Percentage of Voting Rights
Invesco Limited	180,002,730	19.69
Prudential plc	137,258,520	15.01
Pharmaceutical Investors LP	71,990,100	7.87
Inteligo Bank Ltd	66,293,782	7.25
Interseguro Compania de Seguros S.A.	44,008,384	4.81
Pablo Legorreta	34,767,015	3.80

3. SIGNIFICANT CHANGE

As at the date of this Circular, there has been no significant change in the financial or trading position of the Group since 31 December 2017, the date to which the Company's first annual financial statements have been drawn up.

4. CONSENT

Each of GSI, JPMC and BAML has given and not withdrawn its written consent to the inclusion of the reference to its name in the form and context in which it appears.

PART III: DEFINITIONS

“Admission”	in relation to the Initial Placing and Offer and any subsequent Placing, the admission of the relevant Issue Shares to trading on the Specialist Fund Segment becoming effective in accordance with the LSE Admission Standards and to listing and trading on the Official List of TISEA becoming effective in accordance with the TISEA Listing Rules
“Articles”	the articles of association of the Company adopted from time to time
“BAML” or “BofA Merrill Lynch”	Merrill Lynch International
“Board” or “Directors”	the board of directors of the Company, including any duly constituted committee of the board of directors of the Company
“Bookrunner Placing”	a placing of C Shares and / or New Ordinary Shares by the Joint Bookrunners on behalf of the Company under the Placing Programme as described in the Prospectus, on the terms of and subject to the conditions set out in the Placing Agreement and the Prospectus
“Business Day”	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for non-automatic business in London for the transaction of normal business
“C Shares”	redeemable C Shares, of US\$0.01 each in the capital of the Company carrying the rights set out in the Articles, to be issued pursuant to the Issue
“Circular”	this document
“Company”	BioPharma Credit PLC, a limited liability company incorporated under the Act in England and Wales with registration number 10443190, whose registered office is at Beaufort House, 51 New North Road, Exeter EX4 4EP
“Company Placing”	a placing of C Shares and / or New Ordinary Shares under the Placing Programme by the Company directly, as principal, as described in the Prospectus, on the terms and subject to the conditions set out in the Placing Agreement and the Prospectus
“Correspondent Ordinary Shares”	the new Ordinary Shares arising on conversion of the C Shares
“EGM”	the extraordinary general meeting of the Company convened for 11:00 a.m. on 11 April 2018 (or any adjournment thereof), notice of which is set out at the end of this Circular
“Existing Shares”	the Ordinary Shares in issue as at the date of the Prospectus
“FSMA”	the UK Financial Services and Markets Act 2000, as amended from time to time
“Group”	the Company and its subsidiaries for the time being and, as at the date of the Prospectus, means the Company and BPCR Ongdapa Ltd
“GSI”	Goldman Sachs International
“Independent Shareholders”	the Shareholders excluding the relevant Related Party for the purpose of each Resolution
“Initial Admission”	the Admission of all C Shares issued in connection with the Initial Placing and the Offer
“Initial Placing”	the first Placing of C Shares under the Placing Programme which is expected to close on or around 12 April 2018

“Investment Manager”	Pharmakon Advisors L.P., a limited partnership established under the laws of the State of Delaware registered as an investment adviser with the SEC under the Advisers Act
“Invesco”	Invesco Asset Management Limited and its associates (as defined in the Listing Rules), including funds controlled by it or any of them
“IPO”	the initial public offering of the Ordinary Shares that took place in March 2017
“Issue”	the Placing Programme and the Offer
“Issue Price”	the price at which Issue Shares are issued, being US\$1.00 for C Shares and, in relation to the New Ordinary Shares, a price, after issue expenses, not lower than latest published Net Asset Value per Ordinary Share at the relevant time
“Issue Shares”	the C Shares and/or the New Ordinary Shares, as the context so requires, issued pursuant to the Issue
“Joint Bookrunner”	GSI, JPMC and BAML in their capacity as bookrunners for the Issue
“Joint Global Coordinators”	GSI and JPMC, in their capacity as global coordinators for the Issue
“JPMC”	J.P. Morgan Securities plc
“Listing Rules”	the listing rules made by the UK Listing Authority under section 73A of FSMA
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“LSE Admission Standards”	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to trading on the Specialist Fund Segment
“Net Asset Value” or “NAV”	the Company’s net asset value, calculated as set out in the Prospectus
“New Ordinary Shares”	Ordinary Shares to be issued pursuant to the Placing Programme
“Offer” or “Offer for Subscription”	the offer for subscription of C Shares at the Issue Price, as described in the Prospectus
“Official List of TISEA”	the official list maintained by TISEA
“Ordinary Shares”	ordinary shares of US\$0.01 each in the capital of the Company
“Placing”	a Bookrunner Placing or a Company Placing or both (including the Initial Placing)
“Placing Agreement”	the placing agreement dated 14 March 2018, between the Company, the Investment Manager and the Joint Bookrunners
“Placing Programme”	the proposed programme of Placings of C Shares and/or New Ordinary Shares, as described in the Prospectus (including the Initial Placing)
“Proposals”	the items of business to be proposed at the EGM
“Prospectus”	the prospectus published by the Company on 14 March 2018
“Proxy Appointment”	the appointment of a proxy on behalf of a Shareholder in accordance with the procedures described in this Circular
“Prudential”	Prudential plc and its associates (as defined in the Listing Rules), including funds controlled by it or any of them
“Regulatory Information Service” or “RIS”	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
“Related Party”	together, (i) Invesco; and (ii) Prudential;
“Related Party Transaction”	the issue of Issue Shares to a Related Party pursuant to the Issue

“Resolutions”	the ordinary resolutions to be proposed at the EGM and contained in the notice of EGM at the end of this Circular
“Shareholder”	a holder of Shares
“Shares”	all shares of any class in the capital of the Company in issue at any time
“Specialist Fund Segment”	the Specialist Fund Segment of the Main Market of the London Stock Exchange
“Substantial Shareholder”	a “substantial shareholder” as defined in the Listing Rules
“TISEA”	The International Stock Exchange Authority
“TISEA Listing Rules”	the listing rules made by TISEA
“U.S. Dollars” or “US\$”	the lawful currency of the United States

BIOPHARMA CREDIT PLC

(Incorporated in England and Wales with registered no.10443190 and registered as an investment company under section 833 of the Companies Act 2006)

(the “**Company**”)

Notice of Extraordinary General Meeting

NOTICE will be hereby given that an extraordinary general meeting of the Company will be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG at 11:00 a.m. on 11 April 2018 to consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **THAT** the issue of any Issue Shares to Invesco in connection with the Issue on the basis described in the Circular, which is a related party transaction under the Listing Rules of the UK Listing Authority, be and is hereby approved.
2. **THAT** the issue of any Issue Shares to Prudential in connection with the Issue on the basis described in the Circular, which is a related party transaction under the Listing Rules of the UK Listing Authority, be and is hereby approved.

By order of the Board
BIOPHARMA CREDIT PLC

Registered Office:
Beaufort House
51 New North Road
Exeter EX4 4EP

Date: 16 March 2018

Notes:

- (i) A form of appointment of proxy (the “**Proxy Appointment**”) is enclosed with this notice. A Shareholder entitled to attend, speak and vote is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend, speak and vote at the EGM. A proxy need not be a Shareholder of the Company. If you wish to appoint a person other than the Chairman of the EGM, please insert the name of your chosen proxy holder in the space provided on the enclosed Proxy Appointment.
- (ii) In the case of joint holders such persons shall not have the right to vote individually in respect of a Share but shall elect one of their number to represent them and vote in person or by proxy in their name. In default of such an election, the vote of the person first named in the register of members of the Company tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
- (iii) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. Where multiple proxies have been appointed to exercise rights attached to different Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies. To appoint more than one proxy you may photocopy the enclosed Proxy Appointment. Please indicate the proxy holder’s name and the number of Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions given by you. All hard copy Proxy Appointments must be signed and should be returned together in the same envelope.
- (iv) In order to be valid a Proxy Appointment must be returned by one of the following methods:
 - (a) in hard copy form by post, by courier or by hand together with any power of attorney or other authority under which it is executed (or a notorially certified copy of such power of attorney or authority) to the Company’s registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or
 - (b) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,and in each case must be received by the Company not less than 48 hours before the time of the EGM. In calculating such 48 hours period, no account shall be taken of any part of a day that is not a Business Day. A Shareholder that appoints a person to act on its behalf under any power of attorney or other authority and wishes to use method a) or b) must return such power of attorney or other authority to the Company’s registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU prior to using such method and in any event not less than 48 hours before the time of the EGM.
- (v) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the EGM and any adjournment thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (vi) In order for a Proxy Appointment, or instruction, made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“EUI”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it relates to the Proxy Appointment or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA 10) by the latest time(s) for receipt of Proxy Appointments specified in this notice of EGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001. CREST members and where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (vii) In the case of a Shareholder which is a company, a hard copy Proxy Appointment must be executed under its common seal or under the hand of an officer or attorney duly authorised.
- (viii) Any corporation which is a Shareholder may by a resolution of its directors or other governing body authorise such persons as it thinks fit to act as its representative at the EGM or to approve a resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he or she represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Shareholder of the Company.
- (ix) Completion and return of the Proxy Appointment will not preclude a holder of Shares from subsequently attending, speaking and voting in person at the EGM should they wish provided that notice of revocation of such Proxy Appointment shall have been received by the Company at the Company’s registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

- (x) If you submit more than one valid Proxy Appointment, the Proxy Appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which Proxy Appointment was last validly received, none of them shall be treated as valid in respect of the same.
- (xi) To have the right to attend, speak and to vote at the EGM (and also for the purpose of how many votes a holder of Shares casts), a holder of Shares must first have his or her name entered in the register of holders of Shares by no later than close of business on 9 April 2018. Changes to entries on the register of holders of Shares after that time shall be disregarded in determining the right of any holder of Shares to attend and vote at the EGM.
- (xii) A quorum consisting of two Shareholders being entitled to vote and attending in person or by proxy is required for the EGM. If within half an hour after the time appointed for the meeting a quorum is not present the EGM shall be adjourned for 5 (five) Business Days at the same time and place or to such other day and at such other time and place as the Board may determine and no notice of adjournment need be given at any such adjourned meeting. Those Shareholders present in person or by proxy shall constitute the quorum at any such adjourned meeting.
- (xiii) The resolutions to be proposed at the EGM will be proposed as ordinary resolutions which, to be passed, must receive the support of a simple majority of the total number of votes cast for or against the resolutions.
- (xiv) As at 15 March 2018, being the last business day prior to the printing of this notice, the Company's issued capital consisted of 914,252,831 Ordinary Shares carrying one vote for every Ordinary Share held. Therefore, the total voting rights in the Company as at 15 March 2018 are 914,252,831 Ordinary Shares carrying one vote for every Ordinary Share held.
- (xv) Defined terms used but not defined in this notice shall have the same meaning given to them in the Circular of the Company dated 16 March 2018.

