

Important information:

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 document 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 (“FSMA”) 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 Ordinary Shares in the Company, 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. If you have sold only part of your holding of Ordinary Shares, please consult the stockbroker, banker or other person through whom the sale or transfer was effected.

This document 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 12 of this document and which recommends that you vote in favour of the Resolutions to be proposed at a general meeting of the Company (the “General Meeting”) referred to in this document. Your attention is also drawn to the section entitled “Action to be Taken by Shareholders” on page 11 of this document.

A Shareholder may appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the meeting, provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that Shareholder. A proxy need not be a member of the Company. To be valid, your Proxy Appointment must be received: (1) online at www.signalshares.com, in accordance with the procedures set out in the Explanatory Notes to the Notice of General Meeting; or (2) in the case of CREST members, by using the CREST electronic proxy appointment service in accordance with the procedures set out in the Explanatory Notes to the Notice of General Meeting by no later than 3:30 p.m. on 28 September 2021. Please note no Proxy Form will accompany this document. Please see the Explanatory Notes to the Notice of General Meeting on pages 20 to 21 of this document.

BIOPHARMA CREDIT PLC

(the “Company”)

(incorporated in England and Wales with registered number 10443190 and registered as an investment company under section 833 of the Companies Act 2006)

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

PROPOSED ADMISSION OF THE ORDINARY SHARES TO THE OFFICIAL LIST OF THE FCA AND TO TRADING ON THE PREMIUM SEGMENT OF THE MAIN MARKET OF THE LONDON STOCK EXCHANGE

ADOPTION OF NEW ARTICLES OF ASSOCIATION

ADOPTION OF INVESTMENT POLICY

CONTINUATION RESOLUTION

The Proposals described in this Circular are conditional on: (i) Shareholders approval at the General Meeting; and (ii) the Company obtaining the requisite regulatory approvals. Notice of the General Meeting to be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG at 3:30 p.m. on 30 September 2021 is set out at the end of this Circular.

J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) (“JPMC” or the “Sponsor”) is authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is 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 its client in relation to the matters referred to in this Circular. The Sponsor will not be responsible to anyone other than the Company for providing the protections afforded to its 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 the Sponsor under the 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 the Sponsor nor any of its 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 the Sponsor, or on behalf of the Sponsor 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, the Sponsor and each of its 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 they 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 pages 15 to 17.

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 Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended, and the Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended.

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EXPECTED TIMETABLE

Circular sent to Shareholders	10 September 2021
Latest time and date for receipt of Proxy Appointments for the General Meeting	3:30 p.m. on 28 September 2021
Record date for participating and voting at the General Meeting	close of business on 28 September 2021
General Meeting	3:30 p.m. on 30 September 2021
Announcement of the results of the General Meeting	30 September 2021
Admission	at or immediately after 8:00 a.m. on 5 October 2021

The above times and dates may be subject to change without further notice provided that, 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 Circular 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)

Directors:

Harry Hyman (Chairman)
Colin Bond
Duncan Budge
Stephanie Léouzon
Rolf Soderstrom

Registered Office:

51 New North Road
Exeter
EX4 4EP
United Kingdom

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

PROPOSED ADMISSION OF THE ORDINARY SHARES TO THE OFFICIAL LIST AND TO TRADING ON THE PREMIUM SEGMENT OF THE MAIN MARKET OF THE LONDON STOCK EXCHANGE

ADOPTION OF NEW ARTICLES OF ASSOCIATION

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CONTINUATION RESOLUTION

10 September 2021

Dear Shareholder,

1. INTRODUCTION

The Board is pleased to announce that it intends to apply for admission of the Company's Ordinary Shares to listing on the premium (closed-ended investment funds) segment of the Official List of the Financial Conduct Authority ("**FCA**") and to transfer the admission to trading of the Ordinary Shares from the Specialist Fund Segment to the Premium Segment of the Main Market of the London Stock Exchange (together, "**Admission**"). Following Admission, the Ordinary Shares will cease trading on the Specialist Fund Segment.

It is also proposed that the Company will cancel the admission of the Ordinary Shares to listing and trading on the Official List of TISEA on or shortly after, and conditional upon, Admission.

J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) (the "**Sponsor**"), has been appointed to act as sole sponsor to the Company in relation to the proposed Admission.

In order to be eligible for Admission and to comply with the Listing Rules of the FCA, the Company must, among other things, make certain changes to the Company's Existing Articles and to adopt a published investment policy.

Amendments to the Existing Articles in connection with Admission

It is proposed that the Existing Articles be amended to make the Articles suitable for a company whose shares are admitted to trading on the Premium Segment. The proposed amendments include, among other things, to remove the voting rights adjustment mechanism currently set out in Article 70 in relation to voting rights in respect of any resolution to appoint or remove directors of the Company.

The proposed amendments to the Existing Articles will be effected by substituting the Existing Articles with the New Articles subject to and with effect from Admission. The New Articles may take the form of Set A New Articles or Set B New Articles, depending on whether Resolution 3, which contains certain amendments to the Existing Articles as part of the Continuation Resolution

Proposals, is passed or not. Further details of the proposed amendments to the Existing Articles are set out in paragraph 4 below. Further details of the Continuation Resolution Proposals are set out in paragraph 7 below.

Adoption of the Investment Policy

In order to be eligible for Admission, the Company is required to have a published investment policy. The Board therefore proposes to formalise the investment policy currently in place, which will codify the Company's existing investment objective and strategy, as well as amend certain existing investment restrictions, as required to meet the eligibility requirements for Admission. The investment policy proposed to be adopted by the Company, subject to and with effect from Admission, is set out in full in Part II (Text of Proposed Investment Policy) of this Circular (the "**Investment Policy**").

Continuation Resolution and amendments to the Existing Articles in connection therewith

The Company is also proposing to amend the Existing Articles to bring forward the date on which the first Continuation Resolution of the Company will be put to Shareholders, and to put the Continuation Resolution to Shareholders. These amendments to the Existing Articles will take effect immediately following the passage of the relevant resolution (being Resolution 3). Further detail on this is set out in paragraph 7 below.

Purpose of this Circular

This Circular sets out details of, and seeks your approval for, the Premium Admission Proposals (set out in paragraph 2 below) and the Continuation Resolution Proposals (set out in paragraph 7 below) and explains why your Board is recommending that you vote in favour of the Resolutions to be proposed at the General Meeting to be held on 30 September 2021. The formal notice convening the General Meeting is set out at the end of this Circular.

2. THE PREMIUM ADMISSION PROPOSALS

It is proposed that:

- (1) the Ordinary Shares be admitted to the Official List and to trading on the Premium Segment;
- (2) the New Articles be adopted in place of the Existing Articles subject to and with effect from Admission;
- (3) the Investment Policy be adopted; and
- (4) the admission of the Ordinary Shares to listing and trading on the Official List of TISEA be cancelled on or shortly after Admission,

(together, the "**Premium Admission Proposals**").

The implementation of the Premium Admission Proposals is subject to the Shareholders passing Resolutions 1 and 2 at the General Meeting and the Company obtaining the requisite regulatory approvals, and is conditional on and will take effect from Admission.

Further details of the New Articles and the Investment Policy are set out in paragraphs 4, 5 and 7 below.

3. BENEFITS OF THE PREMIUM ADMISSION PROPOSALS

The Company's migration from the Specialist Fund Segment to the Premium Segment is expected to broaden the appeal of the Ordinary Shares to a wider range of investors. In particular, the Board expects that admission to the Premium Segment would help to raise the Company's profile in the market and improve the Company's ability to market the Ordinary Shares to retail investors (where appropriate), an increasingly important source of demand for listed funds. The Board expects that the resulting access to a potentially larger pool of capital is likely to improve secondary market liquidity in the Ordinary Shares of the Company.

In addition, the migration to the Premium Segment will enable the Board to take steps to seek the Company's inclusion in the FTSE UK Index Series, which the Board expects would help raise the Company's profile in the market and enhance the Company's liquidity. This will involve the introduction of an additional market quote for the Ordinary Shares which will be denominated in

Sterling. There will be no changes to the legal form or nature of the Ordinary Shares nor to the reporting currency of the Company's financial statements (which will remain in US Dollars).

The Board also proposes to cancel the admission of the Ordinary Shares to listing and trading on the Official List of TISEA on or shortly after, and conditional upon, Admission. The Board is of the view that, once Admission is completed, the listing on the Official List of TISEA will no longer be beneficial to, or required by, the Company and, therefore, it is appropriate and cost-effective to cancel such listing following Admission.

In light of the above, the Board considers that implementing the Premium Admission Proposals is in the best interests of the Company and the Shareholders as a whole.

4. AMENDMENTS TO THE ARTICLES

As explained above, as part of the Premium Admission Proposals, it is proposed that the Existing Articles be amended and replaced by the New Articles to make the Articles suitable for a company whose shares are admitted to trading on the Premium Segment. The New Articles will, if Resolution 1 is passed and subject to and with effect from Admission, take the form of Set A New Articles if Resolution 3 is passed at the General Meeting or Set B New Articles if Resolution 3 is not passed at the General Meeting. The only difference between the Set A New Articles and the Set B New Articles is in relation to Article 152(1) of the Existing Articles, the provisions of which will, following the General Meeting, reflect the result of Resolution 3 at the General Meeting.

The key change proposed to be made to the Existing Articles in connection with the Premium Admission Proposals is to remove the adjustment mechanism currently in place under Article 70 in respect of voting rights held by Shareholders that are US Persons and/or US Residents. The adjustment mechanism ensures, in connection with maintaining the Company's status under certain US securities laws, that where such Shareholders collectively own more than 49 per cent. of the Company's voting rights, they will only be able to exercise in the aggregate 49 per cent. of the Company's voting rights in respect of any resolution to appoint or remove directors of the Company, with the voting rights being scaled back to achieve this result. However, this mechanism means that the Company is currently unable to comply with Premium Listing Principle 3 under which, in order to be eligible for Admission to the Premium Segment, all Ordinary Shares must carry an equal number of votes on any Shareholder vote.

As far as the Company is aware based on the information available to it, as at 27 August 2021, approximately 25.62 per cent. of the Company's voting rights are held by Shareholders that are US Persons and/or US Residents. Accordingly, the adjustment mechanism is not required or expected to be required for the foreseeable future. Therefore, in order to make the Ordinary Shares eligible for Admission to the Premium Segment, the Existing Articles are proposed to be amended to remove the adjustment mechanism without replacement.

If in the future the Company becomes aware that the percentage of the Shareholders that are US Persons and/or US Residents has increased significantly, the Company will consider appropriate actions to manage the voting rights of those Shareholders in a way that would be compatible with the Premium Listing Principles.

The material amendments proposed to be made to the Existing Articles, subject to the passing of Resolution 1 are summarised below:

- (1) Removal of the adjustment mechanism currently set out in Article 70 of the Existing Articles, as described above. This would mean that, in relation to a resolution to appoint or remove directors of the Company, Shareholders would no longer have to certify that they (or any person for whom they hold Ordinary Shares) are not a US Person and/or a US Resident.
- (2) Amendment to the provisions currently set out in Article 89 of the Existing Articles so as to provide that all the Directors shall be subject to annual retirement and re-election. This will align the Articles with the provisions of the current AIC Code, with which the Company already complies in practice.
- (3) Certain other amendments to align the Articles with current market standards, including:
 - (a) to incorporate more detailed provisions regarding 'hybrid' Shareholder meetings and virtual attendance and voting in new Articles 50A and 50B;

- (b) to clarify: (i) Article 7 relating to issues of C Shares by the Company; (ii) Article 33 relating to the Directors' ability to decline to transfer, convert or register the transfer of shares; (iii) Article 109 relating to the ability of the Directors to authorise certain matters in connection with actual or potential conflicts of interest; and (d) Article 133 relating to the fixing of record dates for notices; and
- (c) to update references to EU legislation following the United Kingdom's exit from the European Union.

These amendments will be effected by substituting the Existing Articles with the New Articles. The adoption of the New Articles requires the approval of the Shareholders by the passing of Resolution 1 at the General Meeting and is conditional on, and will take effect upon, Admission.

Certain amendments are also proposed to Article 152(1) of the Existing Articles pursuant to Resolution 3 at the General Meeting in connection with the first Continuation Resolution of the Company which will take effect immediately upon the passage of Resolution 3, as further described in paragraph 7 below.

As noted above, if Resolution 1 is passed and subject to and with effect from Admission, the New Articles will take one of two forms:

- if Resolution 3 is passed at the General Meeting, it will take the form of the Set A New Articles which includes the amended language in Article 152(1) proposed under Resolution 3 in place of the language in Article 152(1) of the Existing Articles;
- if Resolution 3 is not passed at the General Meeting, it will take the form of the Set B New Articles which excludes the amendments in Article 152(1) proposed under Resolution 3 and instead retains the language in Article 152(1) of the Existing Articles.

There is no other difference between the Set A New Articles and the Set B New Articles. The reason for having two versions of the New Articles is to enable Shareholders to vote on the amendments to the Articles proposed in Resolution 1 (in connection with the Premium Admission Proposals) independently of voting on the amendments to the Articles proposed in Resolution 3 (in connection with the Continuation Resolution Proposals).

Shareholders are advised to read the full text of the Set A New Articles and the Set B New Articles that are proposed to be adopted, which will be available (together with comparison documents showing the proposed amendments to the Existing Articles) for inspection as described in paragraph 11 below.

5. ADOPTION OF INVESTMENT POLICY

Under the Listing Rules, a closed-ended investment fund is required to have a published investment policy that contains information about the policies which it will follow relating to asset allocation, risk diversification and gearing, and that includes maximum exposures. Accordingly, the Board proposes to adopt the investment policy set out in Part II (Text of Proposed Investment Policy) of this Circular (the "**Investment Policy**") as the Company's published investment policy from Admission.

The Board believes that the Investment Policy is materially consistent with the investment approach which is currently followed by the Company. However, under the proposed Investment Policy, on a prospective basis, the Company's exposure to any single Borrower or investment will not exceed 25 per cent. of the Company's gross assets (calculated at the time of investment), rather than up to 30 per cent. of its gross assets as prescribed in the investment policy of the Company set out in the 2018 Prospectus. For the avoidance of doubt, this amendment will not have any impact on the existing portfolio of assets of the Company which has been acquired based on the Company's existing investment objective and policy.

The full text of the proposed Investment Policy is set out in Part II (Text of the Investment Policy) of this Circular. A comparison document showing the proposed Investment Policy against the investment policy of the Company set out in the 2018 Prospectus is available for inspection as described in paragraph 11 below.

6. AMENDMENTS TO THE INVESTMENT MANAGEMENT AGREEMENT

In connection with the proposed Admission, the Investment Management Agreement will be amended to reflect the migration of the Company from the Specialist Fund Segment to the Premium

Segment. All such amendments will be mechanical in nature and will not confer any additional benefit (pecuniary or otherwise) on the Investment Manager.

7. THE CONTINUATION RESOLUTION PROPOSALS

Under Article 152(1) of the Existing Articles, a Continuation Resolution is required to be held at the first annual general meeting following the fifth anniversary of the Company's IPO (being 27 March 2022), and at every third annual general meeting thereafter. However, the Directors believe that it is beneficial to the Company for the first Continuation Resolution to be held earlier, at the General Meeting, so as to give investors greater certainty as to the Company's longer term existence in the context of the proposed migration to the Premium Segment. It is not proposed for the timing of subsequent Continuation Resolutions to be changed. The Directors also consider it beneficial from a practical perspective to enable the Company to hold subsequent Continuation Resolutions at any general meeting, rather than only at annual general meetings.

It is therefore proposed under Resolution 3 to amend the provisions currently set out in Article 152(1) of the Existing Articles to provide as follows:

- the Directors shall be required to put the first Continuation Resolution to Shareholders at any general meeting following the fourth anniversary of the Company's IPO (being 27 March 2021), provided it is put forward no later than the first annual general meeting of the Company following the fifth anniversary of the IPO. If Resolution 3 is passed, the Directors will be able to propose a Continuation Resolution at this General Meeting;
- if the first Continuation Resolution is passed, the Directors shall propose a further Continuation Resolution at a general meeting of the Company held following the fourth anniversary of the first Continuation Resolution, provided it is put forward no later than the first annual general meeting of the Company following the eighth anniversary of the Company's IPO (being 27 March 2025); and
- if the second Continuation Resolution is passed, the Directors shall propose a further Continuation Resolution at any general meeting held following every third anniversary of the date of the second Continuation Resolution, but no later than the first annual general meeting of the Company held following the relevant anniversary date.

The full text of the proposed amended Article 152(1) is set out in Resolution 3 in the Notice of General Meeting. The changes to Article 152(1) proposed in Resolution 3 will take effect immediately once that Resolution has been passed.

Subject to the passing of Resolution 3, a Continuation Resolution will be proposed at the General Meeting under Resolution 4. If Resolution 3 is passed but the Continuation Resolution is not passed by Shareholders at the General Meeting, then under the Articles, the Directors shall be required, within 6 months of the resolution not being passed, to put proposals to the Shareholders for the reconstruction, reorganisation or winding up of the Company. Resolutions 3 and 4 together are referred to in this Circular as the "**Continuation Resolutions Proposals**".

8. COSTS ASSOCIATED WITH THE PROPOSALS

The Company will bear all costs incurred in connection with implementing the Proposals, including those associated with the General Meeting, which are estimated to amount to approximately £819,000.

9. CORPORATE GOVERNANCE

The Directors place a high degree of importance on ensuring that high standards of corporate governance are maintained. Accordingly, following Admission, the Directors intend to continue to comply with the provisions of the 2019 Code of Corporate Governance produced by the AIC (the "**AIC Code**"). The AIC Code provides a framework of best practice in respect of the governance of investment companies, such as the Company.

The Company is a member of the AIC and the Board has accordingly considered, and resolved to follow since the Company's IPO, the principles and provisions of the AIC Code and will continue to do so following the proposed Admission. The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional issues that are of specific relevance to the Company. The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an

explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to Shareholders whilst meeting the requirements of the UK Code. The Company currently complies and, following Admission, will continue to comply with the principles and provisions of the AIC Code.

The UK Code includes provisions relating to the role of the chief executive and executive directors' remuneration. For the reasons explained in the AIC Code, the Board considers that these provisions are not relevant to the Company, being an externally managed investment company.

10. GENERAL MEETING

The implementation of the Proposals is conditional on the Shareholders passing the Resolutions at the General Meeting. You will find set out at the end of this Circular the notice convening the General Meeting to be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG at 3:30 p.m. on 30 September 2021, at which Shareholders will be asked to consider and, if thought fit, to approve the Resolutions.

In order to become effective, the ordinary resolution tabled at the General Meeting must be passed by a majority of at least half of the votes of the Shareholders entitled to vote and voting in person or by proxy at the General Meeting, and the special resolution tabled at the General Meeting must be passed by a majority of at least three-quarters of the votes of the Shareholders entitled to vote and voting in person or by attorney or by proxy at the General Meeting. Further details on voting are set out in the Explanatory Notes to the Notice of General Meeting on pages 20 to 21 of this document.

The quorum for the General Meeting is two or more Shareholders present in person or by proxy being entitled to vote upon the business to be transacted (provided that a single person holding or representing shares by proxy of more than one Shareholder shall, solely for the purpose of determining a quorum under the Companies Act 2006, be counted as a person in respect of each Shareholder represented or proxy held). If a quorum is not present within half an hour after the time appointed for holding the General Meeting, the General Meeting will stand adjourned to such other day and time and at such place as the Board may determine, and no notice need be given of any such adjourned meeting unless required by the Articles.

Attendance at the General Meeting

All persons holding Ordinary Shares at close of business on 28 September 2021 will be entitled to attend, speak and vote at the General Meeting. On a poll, every Shareholder present in person or by proxy will have one vote for every Ordinary Share of which he is the holder or in respect of which his appointment as proxy has been made.

As at the Latest Practicable Date, there are no government restrictions on public gatherings in the UK due to the Covid-19 pandemic. However, the Board will continue to monitor the law and guidance relating to the pandemic and may, if necessary, make changes to the arrangements for the General Meeting. Any updates on the arrangements for the General Meeting shall be announced by a Regulatory Information Service and placed on the Company's website. In any event, Shareholders are encouraged to consider whether, given the circumstances, it is necessary for them to physically attend the General Meeting in person. If you appoint the Chairman of the meeting as your proxy, this will ensure your votes are cast in accordance with your wishes without you having to attend the meeting in person. See paragraph 12 below for further information on how to appoint a proxy.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of each of the following documents will be available for inspection (by Shareholders or an authorised representative) at the registered office of the Company during normal business hours on any Business Day, from the date of this Circular until the conclusion of the General Meeting:

- (1) the Memorandum and the Existing Articles;

- (2) the Set A New Articles (which will be adopted if Resolution 1 and Resolution 3 are passed at the General Meeting);
- (3) a comparison document (pages with changes only) showing the amendments proposed to the Existing Articles under the Set A New Articles (which shall include the amendments proposed under Resolution 3);
- (4) the Set B New Articles (which will be adopted if Resolution 1 is passed but Resolution 3 is not passed at the General Meeting);
- (5) a comparison document (pages with changes only) showing the amendments proposed to the Existing Articles under the Set B New Articles;
- (6) a comparison document showing the proposed Investment Policy against the investment policy of the Company set out in the 2018 Prospectus; and
- (7) this Circular.

The above documents will also be available at the place of the General Meeting for at least 15 minutes prior to and during the General Meeting.

A copy of this Circular has been submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. This Circular and the proposed Set A New Articles, Set B New Articles and comparison documents will also be available on the Company's website: www.bpcruk.com. Shareholders are advised to read the full text of the Set A New Articles and Set B New Articles.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Whether or not you intend to be present at the General Meeting, you should ensure that your Proxy Appointment is returned to the Company's registrars, Link Group, in accordance with the instructions set out in the Explanatory Notes to the Notice of General Meeting and without delay and in any event by no later than 3:30 p.m. (London time) on 28 September 2021, by one of the following means:

- (a) by voting online at www.signalshares.com, in accordance with the procedures set out in the Explanatory Notes to the Notice of General Meeting; or
- (b) in the case of CREST members, by using the CREST electronic proxy appointment service in accordance with the procedures set out in the Explanatory Notes to the Notice of General Meeting on pages 20 to 21 of this Circular.

Shareholders may also request a hard copy of Proxy Appointment form as described in Note 6 of the Explanatory Notes to the Notice of General Meeting on page 20 of this Circular.

In each case, the Proxy Appointment must be received by the Company not less than 48 hours before the time for holding of the General Meeting. 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 General Meeting, subject to any restrictions (including with respect to travel or gatherings) relating to the Covid-19 pandemic that are in place at the time of the General Meeting.

If you are in any doubt as to the action you should take, you are recommended to seek immediately your own independent financial advice from your stockbroker, bank, legal adviser, accountant, or other appropriate independent financial adviser.

Other than the action described in this Circular, Shareholders do not need to take any action with respect to their Ordinary Shares (whether held in certificated or uncertificated form) in connection with Admission.

13. RECOMMENDATION AND DIRECTORS' VOTING INTENTIONS

The Board considers that the Proposals described in this Circular are in the best interests of the Company and of the Shareholders as a whole.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of all the Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial shareholdings of 402,598 Ordinary Shares,¹ representing approximately 0.029 per cent. of the existing issued share capital of the Company as at the Latest Practicable Date.

¹ The legal and beneficial interest in 50 per cent. of Mr Budge's 100,000 Ordinary Shares is held by Mrs Budge. Mr Hyman has an interest in 102,598 Ordinary Shares. 2,598 of these shares are held by Anita Hyman, a connected person of Mr Hyman. Mr Soderstrom has an interest in 100,000 Ordinary Shares. 50,000 of these Ordinary Shares are held by Linda Davey, a connected person of Mr Soderstrom.

Yours faithfully

Harry Hyman
Chairman

PART II – TEXT OF PROPOSED INVESTMENT POLICY

Investment objective

The Company will seek to generate long-term shareholder returns, predominantly in the form of sustainable income distributions, from exposure to the life sciences industry.

Investment policy

The Company will seek to achieve its investment objective predominantly through direct or indirect exposure to Debt Assets (as defined below).

The Company may acquire Debt Assets:

- directly from the entity issuing the Debt Asset (a “**Borrower**”), which may be: (i) a company operating in the life sciences industry (a “**LifeSci Company**”); or (ii) an entity other than a LifeSci Company which directly or indirectly holds an interest in royalty rights to certain Products including any investment vehicle or special purpose vehicle (“**Royalty Owner**”); or
- in the secondary market.

The Company may also invest in equity issued by a LifeSci Company, acquired directly from the LifeSci Company or in the secondary market.

“**Debt Assets**” will typically comprise:

- **Royalty Debt Instruments**
Debt issued by a Royalty Owner where the Royalty Owner’s obligations in relation to the Debt are secured as to repayment of principal and payment of interest by Royalty Collateral.
- **Priority Royalty Tranches**
Contract with a Borrower that provides the Company with the right to receive payment of all of a fixed percentage of the future royalty payments receivable in respect of a Product (or Products) that would otherwise belong to the Borrower up to a fixed monetary amount or a pre-set rate of return, with such royalty payment being secured by Royalty Collateral in respect of that Product (or Products).
- **Senior Secured Debt**
Debt issued by a LifeSci Company, and which is secured as to payment of principal and payment of interest by a first priority charge over some or all of such LifeSci Company’s assets, which may include: (i) Royalty Collateral; or (ii) other intellectual property and marketing rights to the Products of that LifeSci Company.
- **Unsecured Debt**
Debt issued by a LifeSci Company which is not secured or is secured by a second lien on assets of the Borrower.
- **Credit Linked Notes**
Derivative instruments referencing Debt Assets, being a synthetic obligation between the Company and another party where the repayment of principal and/or the payment of interest is based on the performance of the obligations under the underlying Debt Assets.

“**Royalty Collateral**” means, with respect to a Debt Asset, (i) the future payments receivable by the Borrower on a Product (or Products) in the form of royalty payments or other revenue sharing arrangements; or (ii) future distributions receivable by the Borrower based on royalty payments generated from a Product (or Products); or (iii) both limb (i) and limb (ii).

“**Debt**” includes loans, notes, bonds and other debt instruments and securities, including convertible debt, and Priority Royalty Tranches.

Borrowers will predominantly be domiciled in the US, Europe and Japan, though the Company may also acquire Debt Assets issued by Borrowers in other jurisdictions.

Investment restrictions and portfolio diversification

The Company will seek to create a diversified portfolio of investments by investing across a range of different forms of Debt Assets issued by a variety of Borrowers and equity issued by a LifeSci Company, whether acquired directly from a LifeSci Company or in the secondary market. In particular, the Company will observe the following restrictions when making investments in accordance with its investment policy:

- the Company's exposure to any single Borrower or investment shall not exceed 25 per cent. of the Company's gross assets;
- no more than 35 per cent. of the Company's gross assets will be invested in Unsecured Debt; and
- no more than 15 per cent. of the Company's gross assets will be invested in equity securities issued by LifeSci Companies.

Each of these investment restrictions will be calculated at the time of each proposed investment. In the event that any of the above limits are breached at any point after the relevant investment has been made (for instance, as a result of any movements in the value of the Company's total assets), there will be no requirement to sell any investment (in whole or in part).

Cash management

The Company's uninvested capital may be invested in cash instruments or bank deposits for cash management purposes.

Hedging

The Company does not propose to enter into any hedging or other derivative arrangements other than as may from time to time be considered appropriate for the purposes of efficient portfolio management. The Company will not enter into such arrangements for investment purposes.

Leverage and borrowing limits

The Company may incur indebtedness of up to a maximum of 50 per cent. of its Net Asset Value, calculated at the time of drawdown, for investment and for working capital purposes. The Investment Manager's powers to incur indebtedness on behalf of the Company within such limit shall be subject to any restrictions set out in the Investment Management Agreement, as amended from time to time.

Where the Company invests in any Debt Assets through any wholly owned subsidiary, leverage at the subsidiary level will apply towards the restrictions on the Company's overall indebtedness set out above. Where the Company invests in Debt Assets indirectly through any collective investment undertakings alongside other co-investors or investment partners, notwithstanding the previous sentence, indebtedness in such collective investment undertakings will not count towards the indebtedness of the Company, provided that the Investment Manager ensures that there will be no recourse to the Company in respect of leverage at the level of such underlying collective investment undertakings.

PART III – DEFINITIONS

Terms not otherwise defined in this Circular have the meaning given to them in the 2018 Prospectus. The following definitions apply throughout this Circular and in the accompanying Proxy Appointment, unless the context otherwise requires:

“2018 Prospectus”	the prospectus published by the Company on 14 March 2018
“Admission”	as defined in paragraph 1 of the Chairman’s Letter
“AIC”	the Association of Investment Companies
“AIC Code”	as defined in paragraph 9 of the Chairman’s Letter
“Articles”	the Company’s articles of association in force from time to time
“Board” or “Directors”	the board of directors of the Company, including any duly constituted committee of the board of directors
“Borrower”	as defined in the Investment Policy
“Business Day”	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open in London for the transaction of normal, non-automatic business
“Chairman’s Letter”	the letter from the Chairman of the Company set out on pages 5 to 12 of this Circular
“Circular”	this document
“Company”	BioPharma Credit plc
“Continuation Resolution”	an ordinary resolution that the Company continues its operation as a closed-ended investment trust
“Continuation Resolution Proposals”	as defined in paragraph 7 of the Chairman’s Letter
“Debt”	as defined in the Investment Policy
“Debt Assets”	as defined in the Investment Policy
“Exchange Act”	the US Securities Exchange Act of 1934, as amended
“Existing Articles”	the articles of association of the Company, as amended and restated by special resolution passed on 29 June 2018
“FCA”	the UK Financial Conduct Authority
“FSMA”	the UK Financial Services and Markets Act 2000
“General Meeting”	the general meeting of Shareholders to take place at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG at 3:30 p.m. on 30 September 2021 (or any adjournment thereof)
“Investment Company Act”	the US Investment Company Act of 1940, as amended
“Investment Management Agreement”	the investment management agreement between the Company, the Investment Manager and BPCR Limited Partnership dated 18 May 2020
“Investment Manager”	Pharmakon Advisors L.P.
“Investment Policy”	as defined in paragraph 1 of the Chairman’s Letter
“IPO”	initial public offering
“Latest Practicable Date”	8 September 2021
“LifeSci Company”	as defined in the Investment Policy
“Listing Rules”	the listing rules made by the FCA under section 73A of FSMA

“London Stock Exchange”	London Stock Exchange plc
“Main Market”	the London Stock Exchange’s main market for listed securities
“Memorandum”	the memorandum of association of the Company in force from time to time
“Net Asset Value”	as defined in the 2018 Prospectus
“New Articles”	the proposed new articles of association of the Company, available for inspection as set out in paragraph 11 of the Chairman’s Letter, which may take the form of either the Set A New Articles or the Set B New Articles, as explained in paragraph 4 of the Chairman’s letter
“Official List”	the official list maintained by the FCA pursuant to Part VI of FSMA
“Official List of TISEA”	the official list maintained by TISEA
“Ordinary Share”	an ordinary share of US\$0.01 in the capital of the Company
“Premium Admission Proposals”	the proposals described in paragraph 2 of the Chairman’s Letter
“Premium Listing Principles”	the principles contained in the Listing Rules applicable to companies with a premium listing
“Premium Segment”	the premium segment of the Main Market
“Priority Royalty Tranches”	as defined in the Investment Policy
“Product”	a life sciences product in respect of which the Borrower, directly or indirectly, holds an interest in the royalty rights attached thereto
“Proposals”	the Premium Admission Proposals and the Continuation Resolution Proposals, together
“Proxy Appointment”	the appointment of a proxy in connection with the General Meeting on behalf of a Shareholder in accordance with the procedures described in this Circular
“Regulatory Information Service” or “RIS”	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
“Resolutions”	the special and ordinary resolutions to be proposed at the General Meeting
“Royalty Collateral”	as defined in the Investment Policy
“Royalty Owner”	as defined in the Investment Policy
“Securities Act”	the US Securities Act of 1933, as amended
“Set A New Articles”	means the version of the New Articles to be adopted if Resolution 1 and Resolution 3 are passed
“Set B New Articles”	means the version of the New Articles to be adopted if Resolution 1 is passed but Resolution 3 is not passed
“Shareholder”	in relation to any Ordinary Share, the person whose name is entered in the Company’s register as the holder of such Ordinary Share
“Specialist Fund Segment”	the specialist fund segment of the Main Market
“Sponsor”	as defined in paragraph 1 of the Chairman’s Letter
“Sterling” or “£”	the official currency of the United Kingdom
“TISEA”	The International Stock Exchange Authority Limited
“UK Code”	the 2018 UK Corporate Governance Code published by the Financial Reporting Council

“US”	the United States of America
“US Dollar” or “US\$”	the official currency of the United States of America
“US Person”	a “U.S. person” as defined in Regulation S under the Securities Act
“US Resident”	a resident of the United States within the meaning of Rule 3b-4(c) under the Exchange Act or Rule 405 under the Securities Act

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 GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the Company (the “**General Meeting**”) will be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG at 3:30 p.m. on 30 September 2021 to consider and, if thought fit, to pass Resolutions 2 and 4 as ordinary resolutions and Resolutions 1 and 3 as special resolutions.

Resolution 1

IT IS HEREBY RESOLVED THAT, conditional upon and with effect from the date of admission of the ordinary shares in the capital of the Company to trading on the premium segment of the main market of the London Stock Exchange and to listing on the Official List of the Financial Conduct Authority (“**Admission**”):

- (A) if Resolution 3 is passed, the draft articles of association produced to the General Meeting and, for the purposes of identification, identified as Set A New Articles and initialled by the Chairman, be and are hereby adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association; or
- (B) if Resolution 3 is not passed, the draft articles of association produced to the General Meeting and, for the purposes of identification, identified as Set B New Articles and initialled by the Chairman, be and are hereby adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

Resolution 2

IT IS HEREBY RESOLVED THAT, subject to the passing of Resolution 1:

- (A) the Company be and is hereby authorised to implement the Premium Admission Proposals described in the Circular; and
- (B) the Company be and is hereby authorised to apply for the cancellation of the admission of the Ordinary Shares to listing and trading on the Official List of TISEA, subject to Admission.

Resolution 3

IT IS HEREBY RESOLVED THAT, subject to the passing of Resolution 2, with immediate effect, the articles of association of the Company be and are hereby amended by deleting Article 152(1) and replacing it with the following new Article 152(1):

*The directors shall, at any general meeting of the Company held following the fourth anniversary of Admission (the “**Initial Continuation Meeting**”), propose an ordinary resolution that the Company continues its business as a closed-ended investment trust (a “**Continuation Resolution**”), provided that such Continuation Resolution is proposed no later than the first annual general meeting of the Company held following the fifth anniversary of Admission. If a Continuation Resolution is passed at the Initial Continuation Meeting then the directors shall be required to propose a further Continuation Resolution at any general meeting held following the fourth anniversary of the Initial Continuation Meeting (the “**Second Continuation Meeting**”), provided that such Continuation Resolution is proposed no later than the first annual general meeting of the Company held following the eighth anniversary of Admission. If a Continuation Resolution is passed at the Second Continuation Meeting, then the directors shall be required to propose a further Continuation Resolution at any general meeting held following every three years after the date of the Second Continuation Meeting (the “**Anniversary Date**”) thereafter, the exact timing of such subsequent meeting to be determined by the Directors at their sole discretion provided that it is held no later than the first annual general meeting of the Company held following the relevant Anniversary Date.*

Resolution 4

IT IS HEREBY RESOLVED THAT, subject to the passing of Resolution 3, pursuant to Article 152(1) of the Company's articles of association, the continuation of the Company's business as a closed-ended investment trust be and is hereby approved.

By order of the Board

Company Secretary:

Link Company Matters Limited

Registered Office:

Beaufort House
51 New North Road
Exeter EX4 4EP

10 September 2021

For the purpose of this Notice, unless otherwise specified, capitalised terms shall have the meanings set out in the shareholder circular published by the Company dated 10 September 2021.

EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING

1. Resolutions 2 and 4 will be proposed as ordinary resolutions. In order to become effective, an ordinary resolution must be passed by a majority of at least half of the votes of the Shareholders entitled to vote and voting in person or by proxy at the General Meeting. Resolutions 1 and 3 will be proposed as special resolutions. In order to become effective, a special resolution must be passed by a majority of at least three-quarters of the votes of the Shareholders entitled to vote and voting in person or by attorney or by proxy at the General Meeting.
2. To be entitled to attend and vote, whether in person or by proxy, at the General Meeting, members must be registered in the Register of Members of the Company at close of business on 28 September 2021 (or, if the meeting is adjourned, at close of business on the date which is two days prior to the adjourned meeting). Changes to entries on the Register of Members after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the General Meeting or adjourned meeting.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that Shareholder. A proxy need not be a Shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
6. You can vote:
 - (a) by logging on to www.signalshares.com and following the instructions;
 - (b) by requesting a hard copy form of proxy directly from the Company's registrars, Link Group (tel: 0371 664 0300). Calls are charged at the standard geographic rate and will vary by provider. Call outside the United Kingdom will be charged at the applicable international rate. We are open between 9:00 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales; or
 - (c) in the case of CREST members, by using the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Group, PXS 1, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than 3:30 p.m. on 28 September 2021.

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.
8. The Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the General Meeting, except (i) if to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information, (ii) if the answer has already been given on a website in the form of an answer to a question, or (iii) if it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
9. Shareholders who hold their Ordinary Shares electronically may submit their votes through CREST. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders are advised that CREST and using a Link Signal Shares account are the only methods by which completed proxies can be submitted electronically. CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so for this General Meeting and any adjournment thereof by following 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.
10. 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 specifications and must contain the information required for such instructions, as described in the CREST manual (available via www.euroclear.com/CREST). The message, in order to be valid, must be transmitted so as to be received by the Company's agent (ID RA10) by the latest time for receipt of proxy appointments specified in Note 1 above. 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 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 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.
11. 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. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
12. A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Note 1 above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered members of the Company.

13. Shareholders (and any proxies or representatives they appoint) agree, that they are expressly requesting and that they are willing to receive any communications (including communications relating to the Company's securities) made at the General Meeting.
14. As at 8 September 2021 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 1,373,932,067 Ordinary Shares carrying one vote each. 59,694 Ordinary Shares were held in treasury. Therefore, the total voting rights of the Company as at 8 September 2021 were 1,373,872,373.
15. Subject to the restrictions set out in the letter from the Chairman, any corporation which is a member of the Company may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same Ordinary Shares. To be able to attend and vote at the General Meeting, corporate representatives will be required to produce prior to their entry to the General Meeting evidence satisfactory to the Company of their appointment. Corporate Shareholders may also appoint one or more proxies in accordance with Note 2 above.
16. Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the Chairman of the meeting as his/her proxy is to ensure that both he/she and his/her proxy comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
17. A copy of this notice, the proposed new articles of association of the Company and other information required by section 311A of the Companies Act 2006 will be available on the Company's website at www.bpcruk.com.
18. Members may not use any electronic address provided either in the Circular or any related documents to communicate with the Company for any purpose other than those expressly stated.